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# Plan

#### United States federal government should adopt the mandates of NADBank Enhancement Act of 2011 towards Mexico

# Relations Adv (9)

#### Contention \_\_\_\_\_: Relations

#### Rebranding US-Mexico relations reduces the US’ trade deficit with China and improves US-Latin American relations

**Montealegre 13** – Diplomatic Courier Contributor and a freelancer specializing in Latin American markets, finance, economics, and geopolitics [Oscar Montealegre (MA in International Relations from the University of Westminster-London and a Certificate in International Trade and Commerce from UCLA), “U.S.-Mexico Relations: Love Thy Neighbor,” The Diplomatic Courier, | 24 January 2013, pg. http://www.diplomaticourier.com/news/regions/latin-america/1331

It is not common knowledge that Mexico is the United States’ third largest trading partner, behind Canada and China. Every day, at least a billion dollars of goods flows across the border. Yet, Mexico is frequently negatively caricaturized, primarily with images of migrants illegally crossing the border into the U.S. and stealing U.S. jobs. Instead of viewing Mexico as a valuable partner that can benefit the U.S. in many facets, it is perceived as a liability, a region that cultivates corruption and violence and is the root of the current U.S. immigration ‘problem’ that has spurred controversial rogue measures like Arizona’s SB 1070.

In matters of foreign policy, Mexico is an afterthought—our attention and resources are diverted to the Middle East or to grand strategies based on ‘pivoting’ our geopolitical and economical capacity towards Asia. With the U.S. economy performing at a snail-like pace, an emphasis on exports has re-emerged, but the bulk of the exporting narrative revolves around Asia. This is unfortunate, because our neighbor to the south has quietly positioned itself to be the next jewel in the emerging markets portfolio.

For example, Market Watch (a Wall Street Journal subsidiary) recently published a bullish article on Mexico with the following headline: “Mexico: Investor’s New China”. The Economist published an opinion piece titled “The Global Mexican: Mexico is open for business”, highlighting Mexican companies that are investing locally and in the U.S. and arguing that Mexico is fertile ground for more investment, especially in the manufacturing sector. And according to The Financial Times, BRIC countries (Brazil, Russia, India, and China) are no longer the flavor of the month; Mexico is now taking over that distinction.

In essence, immigration and the drug trade will no longer anchor the relationship between the U.S. and Mexico; instead, economics, finance, trade, and commerce will dictate the terms between the neighboring countries.

However, in order to move forward, undoubtedly the elephant in the room must be addressed promptly. Immigration—although the topic is polarizing, it is imperative that President Obama tackles this issue steadfastly and in the most bi-partisan manner possible. It can be seen as one-sided that the onus is on the U.S., while Mexico gets carte blanche in its contradictory policy with their border patrol methods towards Central American migrants entering through Guatemala. True, but when you are world’s super power, not all is fair in love and war.

Fortifying borders, beefing up security, creating walls that divide the two countries that mimic uncomfortable parallels between Israel and Palestine should not be the main focus. With the world becoming more flat, the emphasis in tackling the immigration quagmire should be trade and commerce. Engagement, interaction, and the exchange of ideas should be the picture we want to paint. We should not foster the argument that an open border policy and a global business paradigm will compromise American jobs and bite into our distinctive American competitiveness.

The reason Mexicans cross the border illegally into the U.S. is because of one desire: opportunity. If Mexico develops a lasting robust economy, Mexicans will no longer desire to come to the U.S. in such droves. According to Nelson Balido, President of the Border Trade Alliance, this already occurring: “Mexico’s economy has, for the most part, weathered the worst of the economic downturn, meaning that more young Mexicans can reasonably seek and find work in their patria rather than heading north.”

A strong American economy is extremely favorable for Mexico. Turn the tables a bit, and ponder what it means for the U.S. when a Mexican economy is robust and stable—more export possibilities for the U.S.; more investment from the U.S. to Mexico, and vice versa, creating a win-win situation. Less need for Mexicans to leave their homeland and look for jobs in the U.S.

Sounds familiar? The characteristics of many vibrant emerging markets such as China, Indonesia, Brazil, and India, are occurring right next door. Why go East when we can venture South? Or perhaps, approach both simultaneously. According to a Nomura Equity Research report, Mexico in the next decade will surpass Brazil in being Latin America’s largest economy. When comparing Mexico on a GDP per capita basis, Mexico happens to be less developed than Argentina, Chile, and Brazil. This might sound negative, but in actuality it should be music to investors’ ears: more catching up for Mexico, meaning more investment and business activity.

Moreover, Mexico’s economy is highly interconnected with the U.S. economy. Currently, Mexico sends almost 80 percent of its exports to the U.S., and roughly 50 percent of its imports are from the U.S. Manufacturing costs in Mexico are once again competitive compared to China. Ten years ago, China’s labor costs were four times cheaper than Mexico, but with labor wages in China inflating, Mexico now has a comparative advantage because its proximity to the U.S. Shipping cargo across the Pacific can be more expensive and arduous, versus trucking cargo from northern Mexico and delivering to Wisconsin in a matter of days.

However if the U.S. administration continues to close the borders, the exchange of commerce between Mexico and the U.S. will suffer due to setbacks of just getting goods to cross the border. Luckily, NAFTA is already in place, but both parties (and Canada) can do more to cut red tape and streamline the movement of trade and commerce.

Currently, Mexico is entering a perfect demographic storm. It has a young and growing population, which is expected to last for several decades. Mexico is no longer only looking north for economic advancement, as many of their multinational companies, such as Bimbo and Cemex, are currently doing business in Latin America and Spain. Mexico’s stock market is currently in talks to integrate their stock exchange with the MILA group—the established stock exchanges between Colombia, Peru, and Chile. The U.S. must act soon before it arrives at the party too late. It is in the U.S.’s interests to have Mexico think northward first, and then the other regions second, but the opposite is developing.

The interconnectedness between both countries strongly conveys why the dialogue should revolve around bilateral trade and commerce agendas. For Mexico, 30 percent of GDP is dependent on exports, and 80 percent of exports are tagged to the U.S. Most importantly, one of ten Mexicans lives in the U.S., accounting for nearly 12 million Mexicans that consider the U.S. their current residence. Add in their descendants, and approximately 33 million Mexicans and Mexican-Americans reside in the U.S. Let’s put this figure in perspective: Venezuela has a population of 29 million; Greece, 11 million; and Canada, 34 million. Essentially we have a ‘country’ within a country—the beauty of America—but it must be embraced instead of shunned or ignored. Economically, it is a plus for Mexico, because there is a market for Mexican products; it is also a plus for the U.S. in many areas, including soft power, diversity, direct linkages to Mexico and Latin America. A cadre of American-born and educated human capital are able to cross cultures into Mexico and Latin America to conduct business and politics.

The presidential election emphasized that Latinos in the U.S. are now a vital demographic when concerning local, Congressional, and Presidential elections. It makes practical sense for the U.S. (regardless of political party) to consider Mexico the front door to Central and South America. The most recent U.S. Census discovered that the Latino population in the United States: 1) now tops 50 million; 2) has accounted for more than half of America’s 23.7 million population increase in the last decade; 3) grew by 43 percent in the last decade; and 4) now accounts for about 1 out of 6 Americans. Latinos are now the largest minority group in the United States. These are extraordinary figures that should be leveraged into something positive.

President Obama cannot respond by merely paying lip service to the Latino community. Latino voters have overwhelmingly backed President Obama for two elections now, but no favor is done with complete altruism. Surprisingly, during President Obama’s first term, there were 30 percent more deportations than during George W. Bush’s second term. Yet there is hope that President Obama will fix the broken system with a more humane approach, contrary to laws that are being pushed and backed by the Republican Party in Arizona, Georgia, and Alabama. Some may ask—what does this have to do with Mexico, or even Latin America? It is all about messages, and in the next four years the President must use the available tools to solidify relationships with its partners, paving the road for more trade and commerce, which ultimately will further strengthen the U.S. economy. What happens in the U.S. means a lot to many countries, and immigration is perhaps one of the most important matters in Mexico, Central, and South America.

The U.S. must first focus on re-branding its relationship with Mexico. President Obama and Mexican President Peña Nieto need to formulate a new agenda between the two countries—one that resonates with the 21st century, linking the two countries economically; where the U.S. can envision Mexico as a vibrant emerging market in its own backyard. Obstacles do exist, like the current Mexican drug war and political corruption. But don’t India and China have corruption problems as well?

#### Trade deficit fuels China bashing

**Ramirez & Rong 12** – Professors of Economics @ George Mason University [Carlos D. Ramirez & Rong Rong “China Bashing: Does Trade Drive the “Bad” News about China in the USA?,” Review of International Economics, 20(2), 2012, pg. 350–363

Trade between the USA and China has been growing at a substantial rate over the last two decades (1990–2010). In 1990, total bilateral trade stood at US$20 billion. By 2008 this figure had risen to US$409 billion, implying an annual growth rate of over 4% in real terms—a rate faster than that of the US economy over the same period.1 It is very likely that Sino-American trade relations will continue to grow in the foreseeable future, although perhaps not at the same rate, given the gravity of the 2007–09 recession in the USA.

Despite the phenomenal rate of growth, trade relations between the two countries have been anything but smooth. Trade disputes have frequently surfaced, and over the years, as the size of the bilateral trade deficit has widened, economic relations have become tense: since 2005, the growing bilateral deficit has been linked to a variety of issues, including currency exchange manipulation, health and safety standards, and discriminatory regulation. Indeed, between 1990 and 2010, the tense trade relations¶ have lead to the introduction of numerous bills in Congress with explicit grievances against China.2

Intertwined with these trade-related complaints are other grievances that, though not necessarily directly related to trade issues, nonetheless form part of Sino-American relations. These other grievances relate to China’s political system, human rights, Tibet, repression, and so forth, and are frequently reported on in US media outlets, more often than not with a slant unfavorable to China.

The purpose of this paper is to investigate empirically the extent to which news reports of US grievances against China that are not necessarily directly related to trade (e.g. on the subject of human rights) are driven by cycles in the US–China trade deficit. Many scholars of Sino-American relations suspect that there is such a link. For example, these scholars see an ulterior motive behind the US preoccupation with China’s record on human rights (Wang, 2002).

To conduct this investigation, a China “bad news” index is constructed for the period January 1990–December 2008.3 To develop the index, a count is made of articles that talk about China in connection with one of the following grievance issues: “human rights,” “Tibet,” “child labor,” “democracy,” and “repression.”4 This paper then makes use of a parsimonious transfer model to examine the extent to which unexpected changes in the trade deficit explain movements in the bad news index. The results indicate that 3–4 months after an unexpected widening of the bilateral trade deficit, the frequency of bad news rises sharply, before subsiding in subsequent months. It is found that the likelihood of this relationship’s being purely coincidental is relatively low— about 1%. The relationship is robust to the choice of the model specification as well as to a variety of assumptions about the behavior of the lag structure.

Explaining the relationship between an unexpected widening of the bilateral trade deficit and an increased frequency of bad news is actually quite straightforward and does not rely on esoteric conspiracy theories. The timing of a decision to publish bad news about China can be explained by a publisher’s interest in readership and therefore in revenues. As the bilateral trade deficit unexpectedly widens, many US members of Congress respond to pressure groups by voicing their misgivings and trepidations on the subject. Indeed, this paper finds empirical support for this last argument. In particular, a positive and statistically significant correlation between the annual number of¶ Congressional hearings on China and the US–China bilateral trade deficit is detected. A regression analysis reveals that this relationship is robust to different functional forms.

The fact that Congress becomes more preoccupied about China, in combination with the fact that China is one of the largest US trading partners, makes China a more salient topic of discussion, so that the media find it more worthwhile to run stories about China with a negative slant. The old adage “there is no news like bad news” is illustrative in this regard. The notion that the US media, in deciding what is newsworthy, operate as profit-maximizing enterprises should not be controversial. Indeed, a substantial amount of research finds that this is the case.5

The results lend evidence to the proposition that the reporting of negative news about China may indeed be influenced by tensions arising from the widening bilateral trade deficit. This investigation gives empirical support to the suspicion of many Sino- American scholars that “China bashing” is, at least in part, a reaction to the widening US–China trade deficit. To the present authors’ knowledge, this is the first paper that empirically evaluates the linkage between US–China trade deficits and news— specifically bad news. Given that relations between the two countries are often at the¶ center of attention in US politics, it is believed that this is an important issue that needs to be elucidated. Pg. 350-351

#### Future China bashing will shatter US-China relations. Their ev will not account for China’s leadership transition

**Goldstein 12** - Professor of political science @ University of Pennsylvania [Avery Goldstein (Director of the [Center for the Study of Contemporary China](https://cscc.sas.upenn.edu/)) “The Election and U.S.-China Relations,” The Daily Pennsylvanian, November 5, 2012, 2:06 am, pg. http://www.thedp.com/article/2012/11/voters-guide-the-election-and-u-s-china-relations

First, the stakes in U.S.-China relations are higher than ever as a result of China’s rise and the closer intermingling of Chinese and American economic and security interests. These interests are not always open to “win-win” solutions — as reflected through the America’s decision to refocus its strategic attention to East Asia.

Second, with the stakes raised, the familiar pattern in which U.S.-China relations are only temporarily disrupted by the need for candidates to indulge in a little China bashing, may now be riskier than we’d like.

In the past, over the first year or two in office, newly elected presidents could gradually tack back toward the broad mainstream of U.S. China policy without much penalty. Given the current economic significance of China and the potential for crises or conflicts to arise over territorial disputes between China and some of its neighbors who are U.S. allies, the economic costs and military dangers of a chill in U.S.-China relations that lasts for many months are greater than ever.

Third, for the first time since 1992, China’s once in a decade leadership transition coincides with the U.S. presidential election cycle. The selection of Xi Jinping as the top leader in China at a meeting that convenes two days after the U.S. votes for president is almost certainly a foregone conclusion. Yet, he will rule in a polity that, while authoritarian, now requires even the top leader to accommodate competing public and private interests on economic and security policy.

As the transition to a new leadership group surrounding Xi Jinping emerges over the next year, the pressures facing him as he develops his foreign policy will in part be shaped by China’s reaction to the policies of the country most important to its future — the United States.

Consequently, to an unprecedented degree, the legacy of the U.S. presidential campaign immediately after January 20, 2013 has the potential to significantly affect U.S.-China relations and to do so at a time when the relationship is growing more important than ever.

**Extinction**

**Wittner 11** - Professor of History @ State University of New York-Albany. [Lawrence S. Wittner, “Is a Nuclear War with China Possible?,” Huntington News, Monday, November 28, 2011 - 18:37 pg. http://www.huntingtonnews.net/14446]

While nuclear weapons exist, there remains a danger that they will be used. After all, for centuries **national conflicts have led to wars**, with nations employing their deadliest weapons. The current deterioration of U.S. relations with China might end up providing us with yet another example of this phenomenon.

The gathering tension between the United States and China is clear enough. Disturbed by China’s growing economic and military strength, the U.S. government recently challenged China’s claims in the South China Sea, increased the U.S. military presence in Australia, and deepened U.S. military ties with other nations in the Pacific region. According to Secretary of State Hillary Clinton, the United States was “asserting our own position as a Pacific power.” But need this lead to nuclear war?

Not necessarily. And yet, there are signs that it could. After all, both the United States and China possess large numbers of nuclear weapons. The U.S. government threatened to attack China with nuclear weapons during the Korean War and, later, during the conflict over the future of China’s offshore islands, Quemoy and Matsu. In the midst of the latter confrontation, President Dwight Eisenhower declared publicly, and chillingly, that U.S. nuclear weapons would “be used just exactly as you would use a bullet or anything else.”

Of course, China didn’t have nuclear weapons then. Now that it does, perhaps the behavior of national leaders will be more temperate. But the loose nuclear threats of U.S. and Soviet government officials during the Cold War, when both nations had vast nuclear arsenals, should convince us that, even as the military ante is raised, nuclear saber-rattling persists.

Some pundits argue that nuclear weapons prevent wars between nuclear-armed nations; and, admittedly, there haven’t been very many—at least not yet. But the Kargil War of 1999, between nuclear-armed India and nuclear-armed Pakistan, should convince us that such wars can occur. Indeed, in that case, the conflict almost slipped into a nuclear war. Pakistan’s foreign secretary threatened that, if the war escalated, his country felt free to use “any weapon” in its arsenal. During the conflict, Pakistan did move nuclear weapons toward its border, while India, it is claimed, readied its own nuclear missiles for an attack on Pakistan.

At the least, though, don’t nuclear weapons deter a nuclear attack? Do they? Obviously, NATO leaders didn’t feel deterred, for, throughout the Cold War, NATO’s strategy was to respond to a Soviet conventional military attack on Western Europe by launching a Western nuclear attack on the nuclear-armed Soviet Union. Furthermore, if U.S. government officials really believed that nuclear deterrence worked, they would not have resorted to championing “Star Wars” and its modern variant, national missile defense. Why are these vastly expensive—and probably unworkable—military defense systems needed if other nuclear powers are deterred from attacking by U.S. nuclear might?

Of course, the bottom line for those Americans convinced that nuclear weapons safeguard them from a Chinese nuclear attack might be that the U.S. nuclear arsenal is far greater than its Chinese counterpart. Today, it is estimated that the U.S. government possesses over five thousand nuclear warheads, while the Chinese government has a total inventory of roughly three hundred. Moreover, only about forty of these Chinese nuclear weapons can reach the United States. Surely the United States would “win” any nuclear war with China.

But what would that “victory” entail? A nuclear attack by China would immediately slaughter at least 10 million Americans in a great storm of blast and fire, while leaving many more dying horribly of sickness and radiation poisoning. The Chinese death toll in a nuclear war would be far higher. **Both nations would be reduced to smoldering, radioactive wastelands**. Also, radioactive debris sent aloft by the nuclear explosions would blot out the sun and bring on a “**nuclear winter**” around the globe—destroying agriculture, [and] creating worldwide famine, and generating chaos and destruction.

Moreover, in another decade the extent of this catastrophe would be far worse. The Chinese government is currently expanding its nuclear arsenal, and by the year 2020 it is expected to more than double its number of nuclear weapons that can hit the United States. The U.S. government, in turn, has plans to spend hundreds of billions of dollars “modernizing” its nuclear weapons and nuclear production facilities over the next decade.

To avert the enormous disaster of a U.S.-China nuclear war, there are two obvious actions that can be taken. The first is to get rid of nuclear weapons, as the nuclear powers have agreed to do but thus far have resisted doing. The second, conducted while the nuclear disarmament process is occurring, is to **improve U.S.-China relations**. If the American and Chinese people are interested in ensuring their survival and that of the world, they should be working to encourage these policies.

#### AND, failure devastates US-Latin America relations

**Condon 13** – Staff writer covering the White House for National Journal. [George E. Condon Jr., “Why Mexico Will Always Play Second Fiddle,” National Journal, Updated: May 9, 2013 | 9:19 p.m. pg. http://www.nationaljournal.com/magazine/why-mexico-will-always-play-second-fiddle-20130509

It was a dramatic reminder that events—more than even presidents—set agendas. And it is a lesson with some relevance to President Obama, who traveled to Mexico last week and repeated some of the now-expected promises to elevate U.S.-Mexican relations in the foreign policy hierarchy. No one doubts the president’s sincerity. He understands the growing importance of trade with Mexico and with the Central American countries, whose leaders he met with last week in Costa Rica. In fact, a main purpose of the trip was to shift attention from the issues of drug cartels, crime, and violence that dominated earlier hemispheric summits. That repositioning came even amid indications that newly elected Mexican President Enrique Peña Nieto is reconsidering some security cooperation with the United States.

But, given the many challenges facing Obama both domestically and abroad, there is definitely some doubt on both sides of the border about his ability to keep the spotlight where he wants it.

“This is a big, complicated country,” says Lee Hamilton, the 17-term congressman, longtime chairman of the House Foreign Affairs Committee, and now director of the Center on Congress at the University of Indiana. “The president is the single most important voice in setting the agenda. But he certainly does not control the agenda. He has to react to events, and events often dominate the agenda.”

Just as Bush was unhappy that he had to shelve his high hopes for Mexico in 2001, all presidents are frustrated by their lack of control. “It’s the old problem of the in-box,” Hamilton told National Journal. “The in-box swamps the policymaker again and again so that they can’t get to their broader vision.” That reality has been brought home to Obama in recent days. He did not run for office as a foreign policy president. He wants to be talking about jobs and the economy, agenda items that took him to Austin, Texas, this week. But he has spent more time recently on questions about the terrorist attack in Benghazi, Israeli attacks on Damascus, chemical weapons in Syria, threats in North Korea, and gun regulations at home.

Few of these topics dominated the presidential campaign last year when Obama was outlining his priorities. In more than 75,000 words spoken in the three presidential debates and one vice presidential debate, only one question was about guns. And “Mexico” and “Korea” were uttered only once each, both times by Mitt Romney. Obama never mentioned either country—although, of course, both candidates offered immigration plans and competing strategies on border enforcement.

Now reelected, Obama is determined to force Mexico onto the foreign policy agenda—and not as a border or immigration issue. In part, that is because he sees Mexico as a crucial part of his top priority of creating more American jobs. With that in mind, Obama scheduled the visit to Mexico City and San Jose, Costa Rica, as the first foreign trip of his second term. “It really is an effort to elevate what we’re doing in the Americas,” said Ricardo Zuniga, the president’s new top Latin America adviser on the National Security Council. But Zuniga realizes that Hamilton is correct: Latin America is waiting to see if Obama delivers. “Mexicans have deeply resented that we go down there and we give speeches about how important the relationship is, and then it falls off the calendar completely,” Hamilton said. “It creates a kind of anger on the part of many countries. What is true of Mexico is true of Latin America in general. Latin Americans feel greatly neglected.”

Zuniga is experienced enough in the region to recognize that anger, and to know of the long trail of broken promises. “It’s a fair point,” he said, acknowledging that U.S. security interests elsewhere often trump a president’s engagement with Latin America, just as they did after 9/11. “One of the reasons why you constantly hear that the Americas don’t receive the attention that other parts of the world receive is because there are other issues going on in the world that are directed at our national security.”

But Zuniga said that this time will be different because U.S. jobs are more reliant today on Mexico and other southern neighbors. “Mexico, economically, is even more important to the United States than it was at the time of 9/11. Our economies now are integrated. There is shared production. There is shared work at the international level that wasn’t even taking place then.”

It is also true that Latin America is no longer so completely at the mercy of decisions made in Washington and consumers north of the border. When the recession struck in 2008, Latin American countries rebounded more robustly than the United States because they took advantage of a Chinese market that wasn’t accessible when earlier U.S. presidents were taking them for granted. For this president, that is yet another factor he cannot control. Even so, and despite the record of broken promises, Obama is determined to deliver that new era of U.S.-Mexican relations that Bush proclaimed in 2001. A new generation of leaders across the hemisphere will be watching expectantly.

#### Energy and Climate Partnership of the Americas is at risk.

[**Edwards**](http://www.intercambioclimatico.com/pt-br/author/guy/) **11** - Research fellow @ [Brown University’s Center for Environmental Studies](http://envstudies.brown.edu/) [[Guy Edwards](http://www.intercambioclimatico.com/pt-br/author/guy/) (Researcher for and works with the [Latin American Platform on Climate](http://www.intercambioclimatico.com/en/2011/02/17/latin-american-platform-on-climate-strategy-2010/) and the [Climate and Development Knowledge Network](http://cdkn.org/)), “Climate, energy to dominate US-Latin American relations,” Thomson Reuters Foundation - Mon, 18 Jul 2011 11:14 AM, pg. http://www.trust.org/item/?map=climate-energy-to-dominate-us-latin-american-relations/

With the challenges of climate change, clean energy, resource scarcity and green growth [are] set to dominate U.S.-Latin American relations, Valenzuela’s successor should have experience in these areas.

These issues are a [priority](http://www.state.gov/p/wha/rls/rm/2011/154105.htm) for the Obama administration and present lucrative opportunities for the U.S. to improve trade and commercial relations with Latin America at a time when the region is a magnet for investment in clean energy.

In Chile, President Barack Obama spoke of the [urgency](http://www.whitehouse.gov/the-press-office/2011/03/21/remarks-president-obama-latin-america-santiago-chile) of tackling climate change and embracing a more secure and sustainable energy future in the Americas. The Energy and Climate Partnership of the Americas (ECPA), which aims to accelerate the deployment of clean energy and advance energy security, is an essential component of hemispheric relations.

Multiple U.S. agencies and departments are carrying out extensive work on climate change. The U.S. Agency for International Development (USAID), which runs the Global Climate Change Initiative, [argues](http://www.usaid.gov/our_work/environment/climate/) that climate change is one of the century’s greatest challenges and will be a diplomatic and development priority.

The U.S. Special Envoy for Climate Change, Todd [Stern](http://www.ecpamericas.org/files/events/Todd_Stern_20100416_eng.pdf), says that Latin America is a significant focus of funding with over $60 million spent in 2009-10 on climate-related bilateral assistance in the region. The U.S. military Southern Command [co-hosted](http://www.intercambioclimatico.com/en/2011/07/14/wp-content/uploads/Civil-Military-Collaboration-to-Address-Adaptation-to-Climate-Change-in-South-America.pdf) two events in Colombia and Peru focused on climate change concluding that the issue is a major security concern and as a result could be a powerful vehicle for U.S. military engagement in the region.

This year the Union of South American Nations’ (UNASUR) Defense Council (CDS) [inaugurated](http://en.mercopress.com/2011/05/23/unasur-defence-strategic-studies-centre-opens-this-week-in-buenos-aires) the new Defense Strategic Studies Center (CEED), which will look at various challenges including the protection of strategic [energy](http://www.rpp.com.pe/2011-05-27-ministros-de-defensa-de-unasur-piden-proteger-recursos-estrategicos-noticia_369675.html) and food resources and adapting to [climate change](http://www.google.com/hostednews/epa/article/ALeqM5jwR9CJoQuzRwgF3cGM48NV0LuyOA?docId=1538629).

THE REGION’S RESOURCES

Latin America and the Caribbean boast incredible and highly coveted natural resources including 25 percent of the planet’s arable land, 22 percent of its forest area, [and] 31 percent of its freshwater, 10 percent of its oil, 4.6 percent of its natural gas, 2 percent of coal reserves and 40 percent of its copper and silver reserves.

The International Energy Agency [forecasts](http://www.nytimes.com/2011/06/16/business/energy-environment/16oil.html?_r=2) that in the future world consumers are going to become more dependent on the Americas to satisfy their demand for oil with Brazil, Colombia, the U.S. and Canada set to meet the demand.

Brazil will host the U.N. [Conference on Sustainable Development](http://www.uncsd2012.org/rio20/) in 2012 with the green economy theme topping the agenda. Peter [Hakim](http://www.thedialogue.org/page.cfm?pageID=32&pubID=2679), president emeritus of Inter-American Dialogue, argues that while U.S.-Brazilian relations are fraught, both countries need to work harder to improve cooperation.

Climate change, clean energy, resource scarcity and green growth are key potential areas for U.S.-Brazilian relations. The launch of a [U.S](http://www.whitehouse.gov/the-press-office/2011/03/19/united-states-and-brazil-fact-sheets).[-Brazilian Strategic Energy Dialogue](http://www.whitehouse.gov/the-press-office/2011/03/19/united-states-and-brazil-fact-sheets), focusing on cooperation on biofuels and renewable energy, among other areas, is a productive start.

Although Latin America and the Caribbean continue to be the largest U.S. export market, the U.S.’s share of the region’s imports and exports has [dropped](http://www.eclac.org/publicaciones/xml/4/42854/2011_195_Highlights_of_economics_and_trade_WEB.pdf) over the last few years. China is now the top destination for the [exports](http://www.eclac.cl/comercio/publicaciones/xml/4/43664/People_Republic_of_China_and_Latina_America_and_the_Caribbean_trade.pdf) of Argentina, Venezuela, Brazil, Chile, Costa Rica, Peru and Uruguay. Latin American exports to China are concentrated in raw materials, which account for nearly [60 percent](http://www.eclac.cl/comercio/publicaciones/xml/4/43664/People_Republic_of_China_and_Latina_America_and_the_Caribbean_trade.pdf), while exports to the U.S. are more diversified.

THE RISE OF CHINA

Arturo Valenzuela [says](http://www.miamiherald.com/2011/05/25/2236198/washington-says-its-not-scared.html) this makes Latin Americans better off trading with the U.S. because they can take advantage of greater technology in the value chain. However, crude oil remained the top [export](http://www.eclac.org/cgi-bin/getProd.asp?xml=/publicaciones/xml/4/42854/P42854.xml&xsl=/comercio/tpl/p9f.xsl&base=/tpl/top-bottom.xsl) to the U.S. for Argentina, Brazil, Colombia, Ecuador, Mexico and Venezuela in the 2007-2009 time period.

The U.S. may assert it has a superior trade model to China, but the U.N.’s economic commission for the region [argues](http://www.eclac.org/publicaciones/xml/4/42854/2011_195_Highlights_of_economics_and_trade_WEB.pdf) there is a perceived lack of strategic vision by the U.S. in Latin America. Although the Energy and Climate Partnership of the Americas (ECPA) is the flagship U.S. initiative in the region and will be a key focus for President Obama at the 2012 Summit of the Americas, it is not yet comparable to past initiatives such as the 1960s-era [Alliance for Progress](http://en.wikipedia.org/wiki/Alliance_for_Progress).

#### ECPA facilitates sustainable development. Failure in Latin America will have global ramifications

**Kammen & Barido 12** - Professor of Energy @ UC Berkeley & Doctoral student in the Energy and Resources Group @ UC Berkeley who has done research on Latin American water management and ecosystem services  [Daniel M. Kammen & Diego Ponce de Leon Barido, “[Building Bridges to a Sustainable Energy Future](http://www.greatenergychallengeblog.com/2012/12/05/building-bridges-to-a-sustainable-energy-future/),” National Geographic, December 5, 2012, pg. http://www.greatenergychallengeblog.com/2012/12/05/building-bridges-to-a-sustainable-energy-future/

The Americas are undergoing a transition in the energy sector that will have global geopolitical ramifications. At the same time as the United States is touted to become the world’s largest oil producer by 2020, and a net exporter by 2030, Brazil, Nicaragua, and Panama show the most promise in becoming regional hubs not only for clean energy investment, but for sustained low-carbon economic growth (see related story: “[U.S. to Overtake Saudi Arabia, Russia as World’s Top Energy Producer](http://news.nationalgeographic.com/news/energy/2012/11/121112-iea-us-saudi-oil/)“).

Although Latin America and the Caribbean lag behind the United States and Canada in terms of implemented clean energy policy and project funding, 7 percent of the region’s total installed capacity today is renewables, and it is expected to grow faster in years to come. (See related interactive map: [“The Global Electricity Mix](http://environment.nationalgeographic.com/environment/energy/great-energy-challenge/world-electricity-mix/)“) Faced with ever-changing economic and political realities, regional collaborations for knowledge-creation and -sharing are crucial for fostering lasting partnerships that can make ‘sustainability science’, well, sustainable.

International partnerships that lead to concrete action are often the clearest signs of innovation.  At the state to state level, the [Energy and Climate Partnership for the Americas](http://www.ecpamericas.org" \t "_blank) (ECPA) and at the person-to-person level, the Fulbright [NEXUS](http://www.cies.org/nexus/" \t "_blank) program provide clear evidence regional collaborations that are clearly changing the modes of engagement within the hemisphere. One of us just returned from a partnership-building ECPA sponsored trip to Nicaragua, facilitated by both the U. S. Embassy team and a local NGO, [blueEnergy](http://www.blueenergygroup.org/?lang=en" \t "_blank), which is discussed below and [here](http://www.partnersoftheamericas.net/2012/08/senior-ecpa-fellow-returns-from.html" \t "_blank), focused on community energy.

Just two years after its launch by President Obama in 2009, ECPA has moved beyond its initial focus on knowledge sharing around cleaner and more efficient energy, and now also supports sustainable forest and land use initiatives as well as climate change adaptation strategies. Governments and institutions such as the Organization of American States (OAS), the World Bank, and the Inter-American Development Bank (IDB), have all worked together to support regional technical workshops, business strategies, and other initiatives for new and cleaner ways to provide energy.  ECPA has also become a vehicle for leaders in sustainability research and practice to work at the institutional level to link industry, university, and civil-society groups in the New World.

#### AND, Successful ECPA will be the global model

**Brune 00** - Researcher on energy security and national security issues @ Sandia National Laboratories [Dr. Nancy E. Brune (Truman National Security Fellow), “Latin America: A Blind Spot in US Energy Security Policy,” Journal of Energy Security, Monday, 26 July 2010 00:00, pg. http://tinyurl.com/lrdweto

In their recent piece in Foreign Affairs, David G.  Victor and Linda Yueh conclude that (global) energy governance requires “a mechanism for coordinating hard-nosed initiatives focused on delivering energy security and environmental protection."  The US, a country with strong institutions and regulatory bodies, must take a leadership role to ensure that ECPA avoid the fate of previous regional energy initiatives by articulating clear mechanisms for making decisions and resolving conflicts, establishing performance metrics, coordinating policies across countries, and monitoring and evaluating outcomes.  In other words, the US, as author of the ECPA initiative, has the added responsibility of guaranteeing its success.  The energy security of the US and of our Latin American partners cannot afford another failed effort to manage the region’s energy problems.  If successful, the ECPA could serve as a model of regional, and possibly global, energy governance, replacing the international and national institutions that are “struggling to remain relevant.”    
Second, the US must leverage the opportunity presented by the creation of the ECPA to strengthen and expand strategic, bilateral energy arrangements with our resource-wealthy neighbors, just as China, Iran, Russia and India are doing.  America should not view ECPA as a substitute for bilateral arrangements, but as a long-overdue occasion to jump start relations and create bold, new partnerships.  To this end, the US should remove the $.58 tariff on imported Brazilian ethanol, a policy measure which has paralyzed efforts to move forward on the Memorandum of Understanding (MoU) on biofuels, signed by Brazil and the US in 2007, in which the two countries expressed an intention to cooperate in research and the production and export of ethanol, with the goal of developing a global biofuels’ market.

The current landscape is ripe for technological partnerships which should provide the cornerstone of strategic, bilateral energy partnerships.  According to EIA’s World Energy Outlook of 2007, Latin America needs to invest approximately $1.3 trillion in overall investment in its energy sector by 2030.  Moreover, the potential for renewable energy production “has remained unexplored due to engineering difficulties, environmental concerns and lack of investment.”  America’s technological expertise—wielded by our private sector companies, research institutions and unique configuration of national laboratories—could assist and support strategic partnerships between the US and our Latin American neighbors.  These sorts of strategic collaborations could enable the Western Hemisphere to become the global behemoth in renewable energy and biofuels, an area in which we are quickly losing ground to China.  America stands at a crossroads.  On the one hand, we can continue our muddled, reactive engagement with Latin America.  Or, we can forge a bold new vision of collaborative engagement to strengthen our energy security and manage the region’s energy problems.  Our global counterparts recognize that the countries south of the border are critical to their energy security interests.  Will America?

#### All complex life on Earth is at risk

**Barry 13** – Political ecologist with expert proficiencies in old forest protection, climate change, and environmental sustainability policy [Dr. Glen Barry (Ph.D. in "Land Resources" and Masters of Science in "Conservation Biology and Sustainable Development” from the University of Wisconsin-Madison), “ECOLOGY SCIENCE: Terrestrial Ecosystem Loss and Biosphere Collapse,” Forests.org, February 4, 2013, pg. http://forests.org/blog/2013/02/ecology-science-terrestrial-ec.asp

Blunt, Biocentric Discussion on Avoiding Global Ecosystem Collapse and Achieving Global Ecological Sustainability  
Science needs to do a better job of considering worst-case scenarios regarding continental- and global-scale ecological collapse. The loss of biodiversity, ecosystems, and landscape connectivity reviewed here shows clearly that ecological collapse is occurring at spatially extensive scales. The collapse of the biosphere and complex life, or eventually even all life, is a possibility that needs to be better understood and mitigated against. A tentative case has been presented here that terrestrial ecosystem loss is at or near a planetary boundary. It is suggested that a 66% of Earth's land mass must be maintained in terrestrial ecosystems, to maintain critical connectivity necessary for ecosystem services across scales to continue, including the biosphere. Yet various indicators show that around 50% of Earth's terrestrial ecosystems have been lost and their services usurped by humans. Humanity may have already destroyed more terrestrial ecosystems than the biosphere can bear. There exists a major need for further research into how much land must be maintained in a natural and agroecological state to meet landscape and bioregional sustainable development goals while maintaining an operable biosphere.   
It is proposed that a critical element in determining the threshold where terrestrial ecosystem loss becomes problematic is where landscape connectivity of intact terrestrial ecosystems erodes to the point where habitat patches exist only in a human context. Based upon an understanding of how landscapes percolate across scale, it is recommended that 66% of Earth's surface be maintained as ecosystems; 44% as natural intact ecosystems (2/3 of 2/3) and 22% as agroecological buffer zones. Thus nearly half of Earth must remain as large, connected, intact, and naturally evolving ecosystems, including old-growth forests, to provide the context and top-down ecological regulation of both human agroecological, and reduced impact and appropriately scaled industrial activities.  
Given the stakes, it is proper for political ecologists and other Earth scientists to willingly speak bluntly if we are to have any chance of averting global ecosystem collapse. A case has been presented that Earth is already well beyond carrying capacity in terms of amount of natural ecosystem habitat that can be lost before the continued existence of healthy regional ecosystems and the global biosphere itself may not be possible. Cautious and justifiably conservative science must still be able to rise to the occasion of global ecological emergencies that may threaten our very survival as a species and planet.   
Those knowledgeable about planetary boundaries – and abrupt climate change and terrestrial ecosystem loss in particular – must be more bold and insistent in conveying the range and possible severity of threats of global ecosystem collapse, while proposing sufficient solutions. It is not possible to do controlled experiments on the Earth system; all we have is observation based upon science and trained intuition to diagnose the state of Earth's biosphere and suggest sufficient ecological science–based remedies.  
If Gaia is alive, she can die. Given the strength of life-reducing trends across biological systems and scales, there is a need for a rigorous research agenda to understand at what point the biosphere may perish and Earth die, and to learn what configuration of ecosystems and other boundary conditions may prevent her from doing so. We see death of cells, organisms, plant communities, wildlife populations, and whole ecosystems all the time in nature – extreme cases being desertification and ocean dead zones. There is no reason to dismiss out of hand that the Earth System could die if critical thresholds are crossed. We need as Earth scientists to better understand how this may occur and bring knowledge to bear to avoid global ecosystem and biosphere collapse or more extreme outcomes such as biological homogenization and the loss of most or even all life. To what extent can a homogenized Earth of dandelions, rats, and extremophiles be said to be alive, can it ever recover, and how long can it last?  
The risks of global ecosystem collapse and the need for strong response to achieve global ecological sustainability have been understated for decades. If indeed there is some possibility that our shared biosphere could be collapsing, there needs to be further investigation of what sorts of sociopolitical responses are valid in such a situation. Dry, unemotional scientific inquiry into such matters is necessary – yet more proactive and evocative political ecological language may be justified as well. We must remember we are speaking of the potential for a period of great dying in species, ecosystems, humans, and perhaps all being. It is not clear whether this global ecological emergency is avoidable or recoverable. It may not be. But we must follow and seek truth wherever it leads us.  
Planetary boundaries have been quite anthropocentric, focusing upon human safety and giving relatively little attention to other species and the biosphere's needs other than serving humans. Planetary boundaries need to be set that, while including human needs, go beyond them to meet the needs of ecosystems and all their constituent species and their aggregation into a living biosphere. Planetary boundary thinking needs to be more biocentric.  
I concur with Williams (2000) that what is needed is an Earth System–based conservation ethic – based upon an "Earth narrative" of natural and human history – which seeks as its objective the "complete preservation of the Earth's biotic inheritance." Humans are in no position to be indicating which species and ecosystems can be lost without harm to their own intrinsic right to exist, as well as the needs of the biosphere. For us to survive as a species, logic and reason must prevail (Williams 2000).   
Those who deny limits to growth are unaware of biological realities (Vitousek 1986). There are strong indications humanity may undergo societal collapse and pull down the biosphere with it. The longer dramatic reductions in fossil fuel emissions and a halt to old-growth logging are put off, the worse the risk of abrupt and irreversible climate change becomes, and the less likely we are to survive and thrive as a species. Human survival – entirely dependent upon the natural world – depends critically upon both keeping carbon emissions below 350 ppm and maintaining at least 66% of the landscape as natural ecological core areas and agroecological transitions and buffers. Much of the world has already fallen below this proportion, and in sum the biosphere's terrestrial ecosystem loss almost certainly has been surpassed, yet it must be the goal for habitat transition in remaining relatively wild lands undergoing development such as the Amazon, and for habitat restoration and protection in severely fragmented natural habitat areas such as the Western Ghats.   
The human family faces an unprecedented global ecological emergency as reckless growth destroys the ecosystems and the biosphere on which all life depends. Where is the sense of urgency, and what are proper scientific responses if in fact Earth is dying? Not speaking of worst-case scenarios – the collapse of the biosphere and loss of a living Earth, and mass ecosystem collapse and death in places like Kerala – is intellectually dishonest. We must consider the real possibility that we are pulling the biosphere down with us, setting back or eliminating complex life.  
The 66% / 44% / 22% threshold of terrestrial ecosystems in total, natural core areas, and agroecological buffers gets at the critical need to maintain large and expansive ecosystems across at least 50% of the land so as to keep nature connected and fully functional. We need an approach to planetary boundaries that is more sensitive to deep ecology to ensure that habitable conditions for all life and natural evolutionary change continue. A terrestrial ecosystem boundary which protects primary forests and seeks to recover old-growth forests elsewhere is critical in this regard. In old forests and all their life lie both the history of Earth's life, and the hope for its future. The end of their industrial destruction is a global ecological imperative.   
Much-needed dialogue is beginning to focus on how humanity may face systematic social and ecological collapse and what sort of community resilience is possible. There have been ecologically mediated periods of societal collapse from human damage to ecosystems in the past (Kuecker and Hall 2011). What makes it different this time is that the human species may have the scale and prowess to pull down the biosphere with them. It is fitting at this juncture for political ecologists to concern themselves with both legal regulatory measures, as well as revolutionary processes of social change, which may bring about the social norms necessary to maintain the biosphere. Rockström and colleagues (2009b) refer to the need for "novel and adaptive governance" without using the word revolution. Scientists need to take greater latitude in proposing solutions that lie outside the current political paradigms and sovereign powers.  
Even the Blue Planet Laureates' remarkable analysis (Brundtland et al. 2012), which notes the potential for climate change, ecosystem loss, and inequitable development patterns neither directly states nor investigates in depth the potential for global ecosystem collapse, or discusses revolutionary responses. UNEP (2012) notes abrupt and irreversible ecological change, which they say may impact life-support systems, but are not more explicit regarding the profound human and ecological implications of biosphere collapse, or the full range of sociopolitical responses to such predictions. More scientific investigations are needed regarding alternative governing structures optimal for pursuit and achievement of bioregional, continental, and global sustainability if we are maintain a fully operable biosphere forever. An economic system based upon endless growth that views ecosystems necessary for planetary habitability primarily as resources to be consumed cannot exist for long.   
Planetary boundaries offer a profoundly difficult challenge for global governance, particularly as increased scientific salience does not appear to be sufficient to trigger international action to sustain ecosystems (Galaz et al. 2012). If indeed the safe operating space for humanity is closing, or the biosphere even collapsing and dying, might not discussion of revolutionary social change be acceptable? Particularly, if there is a lack of consensus by atomized actors, who are unable to legislate the required social change within the current socioeconomic system. By not even speaking of revolutionary action, we dismiss any means outside the dominant growth-based oligarchies.   
In the author's opinion, it is shockingly irresponsible for Earth System scientists to speak of geoengineering a climate without being willing to academically investigate revolutionary social and economic change as well. It is desirable that the current political and economic systems should reform themselves to be ecologically sustainable, establishing laws and institutions for doing so. Yet there is nothing sacrosanct about current political economy arrangements, particularly if they are collapsing the biosphere. Earth requires all enlightened and knowledgeable voices to consider the full range of possible responses now more than ever.   
One possible solution to the critical issues of terrestrial ecosystem loss and abrupt climate change is a massive and global, natural ecosystem protection and restoration program – funded by a carbon tax – to further establish protected large and connected core ecological sustainability areas, buffers, and agro-ecological transition zones throughout all of Earth's bioregions. Fossil fuel emission reductions must also be a priority. It is critical that humanity both stop burning fossil fuels and destroying natural ecosystems, as fast as possible, to avoid surpassing nearly all the planetary boundaries.   
In summation, we are witnessing the collective dismantling of the biosphere and its constituent ecosystems which can be described as ecocidal. The loss of a species is tragic, of an ecosystem widely impactful, yet with the loss of the biosphere all life may be gone. Global ecosystems when connected for life's material flows provide the all-encompassing context within which life is possible. The miracle of life is that life begets life, and the tragedy is that across scales when enough life is lost beyond thresholds, living systems die.

# Economy Adv (8)

#### Contention \_\_\_\_\_: Economy

#### Inadequate US-Mexico border infrastructure undermines North American integration and hemispheric growth

**Wilson 11** – Associate with the Mexico Institute @ the Woodrow Wilson International Center for Scholars [Christopher E. Wilson (Former Mexico Analyst for the U.S. Military and Researcher @ American University’s Center for North American Studies, “Working Together: Economic Ties between the United States and Mexico,” Mexico Institute, November 2011

Mexico and the United States are no longer distant neighbors whose economies are engaged in direct competition and where gains on one side of the border imply losses on the other. They are now deeply integrated economies whose future is also linked. Trade between the two countries is not a zero-sum game but a question of mutual interest. If the Mexican economy prospers, it is likely to enhance U.S. competitiveness considerably, and vice versa. Indeed, it is hard to conceive of a strategy for increasing U.S. economic competitiveness and supporting job-creation that does not significantly take into account its two neighboring countries, Mexico and Canada. Unlike two decades ago, when the agreement to launch a free trade agreement in North America generated enormous controversy, the U.S. economy is now inextricably linked to that of its neighbors, and future efforts will have to take this mutual dependence into account. This does not mean that economic integration across the border is uncomplicated and there are no legitimate disputes or real dislocations within particular industries that will need to be addressed. But it does mean that it will be in the self-interest of the United States to see Mexico primarily as a partner in economic efforts, rather than as a competitor, and that calls for policies that enhance existing production chains and strengthen both economies. It also suggests that Mexican economic growth will have significant positive effects for the U.S. economy, which calls for greater U.S. policy attention to support Mexico’s efforts to strengthen its economic future.

Toward a Regional Competitiveness Agenda: Looking Back and Moving Forward

U.S.-Mexico economic integration boomed in the 1980s and 1990s as Mexico pursued first a unilateral liberalization of its economy after decades of protectionism, 17 and then a regional strategy culminating in the 1994 implementation of the North American Free Trade Agreement. While disagreements remain about specific economic and social effects of the agreement,18 it undoubtedly increased U.S.-Mexico economic integration, with bilateral trade growing at an annual rate of 17.4% and doubling in value before the end of the decade. Since 2000, however, a number of regional and global factors have slowed the pace of integration, bringing the average annual increase in trade down to 9.5%. Perhaps most significantly, NAFTA deepened a model of production sharing and cross-border investment among the three North American countries, making the economies profoundly interdependent.

Outside of North America, the largest challenge to U.S.-Mexico integration is China. Since joining the World Trade Organization in 2000, China has surpassed Mexico and Canada to become the United States’ largest source of imports (but is still well behind the two regional partners as a market for U.S. exports).19 Cheap labor costs in China drew factories away from both the U.S. and Mexico. Although production costs often declined, the large ocean separating North America from China prevented the development of the production sharing operations that are so prevalent between the United States and Mexico. This is evidenced by the fact that Mexican imports contain ten times more U.S. content than their Chinese equivalents. While Chinese imports were displacing Mexican ones, China, Japan and other Asian countries increased their sale of materials and parts for Mexican manufacturers. From 2000 to 2006, the U.S. share of Mexico’s imports for processing exports fell from 81% to 51%.20 This means other countries are supplying more and more of the parts and materials used to make products that are sold to the United States.

In order to protect the U.S. jobs that depend on supplying Mexican manufacturers, it is important that businesses and policymakers work to improve the competitiveness of U.S.-Mexico supply chains. Businesses might also look for ways to take advantage of Mexico’s 12 free trade agreements with 44 countries to increase jointly produced exports to the rest of the world.

Within the region, another set of challenges has emerged in the new millennium. The United States, and consequently Mexico, experienced two recessions that slowed trade and investment while threatening to fuel a return to protectionism. Differences in regional regulatory frameworks, complicated rules of origin, and transportation inefficiencies all erode the natural comparative advantages of the North American region. Key to solving these and other challenges is an understanding on the part of policymakers, industry, and labor that the U.S. relationship with Mexico is not being fully leveraged to maximize North American competitiveness vis-à-vis other economic regions such as Europe or East and Southeast Asia.21

Many argue the border has become more difficult and costly to cross as a result of inadequate infrastructure investment and the increased security measures put in place after September 11, 2001. Extended and unpredictable wait times at the border create a disincentive to bilateral trade and production sharing, disrupting production chains and disproportionately hurting small and medium sized businesses. Nearly 80% of trade with Mexico is land trade, meaning it enters or exits the U.S. through one of the ports of entry along the Southwest border.22 The enhanced use of techniques, such as pre-inspection clearance, that facilitate the secure flow of goods across the border can help lower the costs of trade and encourage production sharing.23 Recognizing the need to prioritize both security and the economy, the U.S. and Mexican governments developed the 21st Century Border Initiative to expedite secure, legal traffic by trusted parties and thereby free up capacity for border security personnel to investigate potentially dangerous goods and individuals. Strong cooperation at the border allowed the United States and Mexico to open three new border crossings in 2010, two in Texas and one in Arizona.

There is no doubt that the economies of the United States and Mexico are facing serious challenges. While much of the risk is due to external pressures, whether the rise of Asian competition or fears of crisis in Europe, much of the solution lies in strengthening regional competitiveness. Efforts to improve border management, harmonize regional regulation, and simplify rules of origin are a good starting point, but improving policy requires surmounting certain political challenges. The path forward, then, must be based in a clear understanding that enhanced cooperation with Mexico strengthens the economy of the United States. The solution begins with a vision of the United States and Mexico as partners rather than competitors. pg. 4-8

#### Slow growth risks global nuclear war

**Heinberg 12** – Senior Fellow-in-Residence of Post Carbon Institute [Richard Heinberg, “Conflict and Change in the Era of Economic Decline: Part 2: War and peace in a shrinking economy,” [Post Carbon Institute](http://www.postcarbon.org/article/1345757-conflict-and-change-in-the-era" \t "_blank)  | Dec 12, 2012, pg. http://tinyurl.com/cxytpjh]

But there is a problem with Pinker’s implied conclusion that global violence will continue to decline. The Long Peace we have known since World War II may well turn out to be shorter than hoped as world economic growth stalls and as American hegemony falters—in John Michael Greer’s words, as “the costs of maintaining a global imperial presence soar and the profits of the imperial wealth pump slump.” Books and articles predicting the end of the American empire are legion; while some merely point to the rise of China as a global rival, others describe the looming failure of the essential basis of the U.S. imperial system—the global system of oil production and trade (with its petro-dollar recycling program) centered in the Middle East. There are any number of scenarios describing how the end of empire might come, but few credible narratives explaining why it won’t.

 When empires crumble, as they always do, the result is often a free-for-all among previous subject nations and potential rivals as they sort out power relations. The British Empire was a seeming exception to this rule: in that instance, the locus of military, political, and economic power simply migrated to an ally across the Atlantic. A similar graceful transfer seems unlikely in the case of the U.S., as economic decline during the 21st century will be global in scope. A better analogy to the current case might be the fall of Rome, which led to centuries of incursions by barbarians as well as uprisings in client states.

 Disaster per se need not lead to violence, as Rebecca Solnit argues in her book A Paradise Built in Hell: The Extraordinary Communities that Arise in Disaster. She documents five disasters—the aftermath of Hurricane Katrina; earthquakes in San Francisco and Mexico City; a giant ship explosion in Halifax, Canada; and 9/11—and shows that rioting, looting, rape, and murder were not automatic results. Instead, for the most part, people pulled together, shared what resources they had, cared for the victims, and in many instances found new sources of joy in everyday life.

However, the kinds of social stresses we are discussing now may differ from the disasters Solnit surveys, in that they comprise a “long emergency,” to borrow James Kunstler’s durable phrase. For every heartwarming anecdote about the convergence of rescuers and caregivers on a disaster site, there is a grim historic tale of resource competition turning normal people into monsters.

 In the current context, a continuing source of concern must be the large number of nuclear weapons now scattered among nine nations. While these weapons primarily exist as a deterrent to military aggression, and while the end of the Cold War has arguably reduced the likelihood of a massive release of these weapons in an apocalyptic fury, [it is still possible to imagine several scenarios in which a nuclear detonation could occur as a result of accident](http://www.carolmoore.net/nuclearwar/alternatescenarios.html" \t "_blank), aggression, pre-emption, or retaliation.

 We are in a race—but it’s not just an arms race; indeed, it may end up being an arms race in reverse. In many nations around the globe the means to pay for armaments and war are starting to disappear; meanwhile, however, there is increasing incentive to engage in international conflict as a way of re-channeling the energies of jobless young males and of distracting the general populace, which might otherwise be in a revolutionary mood. We can only hope that historical momentum can maintain The Great Peace until industrial nations are sufficiently bankrupt that they cannot afford to mount foreign wars on any substantial scale.

#### AND, we facilitate the completion of Trans-Pacific and Transatlantic trade agreements. Closer integration with Mexico forces Asia and Europe to get on board

**Pastor 13** – Professor and Founding Director of the Center for North American Studies @ American University [Robert A. Pastor, “Shortcut to U.S. Economic Competitiveness: A Seamless North American Market,” Council on Foreign Relations, Policy Innovation Memorandum No. 29, Tuesday, March 5, 2013, pg. http://www.cfr.org/north-america/shortcut-us-economic-competitiveness-seamless-north-american-market/p30132

In looking abroad to promote economic growth, the United States need go no further than its two closest neighbors, Canada and Mexico. But the three governments have failed to pursue collaborative efforts to address a new generation of issues that were not anticipated by the 1994 North American Free Trade Agreement (NAFTA). Instead of tackling new transnational problems such as regulatory harmonization together, the United States and its neighbors reverted to old habits of bilateral, ad hoc negotiations. Instead of forging a unified competitiveness strategy toward the European Union and East Asia, each government has negotiated on its own. The three North American governments should create a seamless market, one in which it is as easy and cheap for a Chicago merchant to sell products in Monterrey as in San Francisco. This requires negotiating a common external tariff, eliminating restrictions on transportation and services, funding new continental infrastructure, and fostering a sense of community among the publics of the three countries that will also enhance the region’s influence in negotiations with Asia and Europe. One estimate suggests that the benefits to the three countries would exceed $400 billion.

THE CASE FOR A NORTH AME RICAN MARKET

With rising competitive pressures from overseas and weak growth at home, the quickest external route to economic recovery and enhanced competitiveness is to stretch the U.S. market to include 113 million Mexicans and 34 million Canadians. The Obama administration has made it a priority to complete the Trans-Pacific Partnership (TPP) with Asia and has announced its intention to launch a new U.S.-European Union Transatlantic Trade and Investment Partnership (TTIP). But the administration has neglected its two neighbors despite the fact that their combined product is more than six times that of other TPP countries and that U.S. exports to them exceed those to the EU. Mexico and Canada are already the United States’ two largest export markets, its two largest sources of energy imports, and in the case of Mexico, the largest source of immigrants. The three countries also make products together. Unlike U.S. trade with most other countries, roughly 25 to 40 percent of the value of U.S. imports from Canada and Mexico comes from components made in the United States, and then assembled into finished goods in one of the two countries. Closer integration would translate into a more efficient supply chain and improved competitiveness. With labor costs in China rising to those in Mexico, and the cost of transportation across the Pacific increasing, a North American supply chain is not only more efficient than an Asian route, but it could also become a strong export platform to Asia. Moreover, if the United States seeks a unified approach to trade negotiations with Mexico and Canada, Asia and Europe will recognize that Washington has other options, and prospects for concluding transpacific and transatlantic trade deals would likely improve. For example, in the 1990s, world trade talks were stalemated until NAFTA was signed. Pg. 1-2

#### Transatlantic trade partnership preserves US-EU relations

**Baker 13** – Director of transatlantic relations @Bertelsmann Foundation [Tyson Barker (MA in International Economics and International Affairs from Johns Hopkins University School of Advanced International Studies (SAIS), “For Transatlantic Trade, This Time Is Different,” [Foreign Affairs](http://www.foreignaffairs.com/articles/139027/tyson-barker/for-transatlantic-trade-this-time-is-different" \t "_blank), Feb 26, 2013, pg. http://www.bfna.org/in\_the\_news/for-transatlantic-trade-this-time-is-different

More important, the strategic calculus for a Transatlantic Trade and Investment Partnership (TTIP) seems to have changed. First and foremost, a U.S.-EU trade and investment deal could boost the slumping economies on both sides of the Atlantic. This allure has always been there in previous trade talks, but given anemic U.S. economic growth and the eurozone recession, the need for stimulus is particularly acute these days. In December 2012, unemployment stood at 7.8 percent in the United States and at 10.7 percent in the EU. Consider the potential effects of a deal. Today, a third of the tariffs paid by the United States go to Europe. Zeroing out tariffs could add $180 billion to both economies. And the greatest benefits to be gained may come from deeper regulatory alignment, in which both sides seek ways to recognize the other sides' standards, certifications, and safety tests for products as roughly providing an equivalent level of protection for their consumers.

What is more, the logic behind such a deal is not just economic -- it's also political. Several geopolitical developments could also tip the scales in favor of the agreement.

For starters, a trade deal would give logic to a transatlantic relationship that many observers lament is becoming irrelevant. A budget-constrained Washington and a Europe still battling its sovereign debt crisis may find it difficult to take joint action on the global stage. With the United States increasingly looking east toward Asia, and the EU increasingly turning inward, the threat of the transatlantic community being pulled apart is real. But trade negotiations would reinvigorate the transatlantic alliance. Moreover, they would also help legitimize the EU in the eyes of some euro-skeptic governments, such as in London and in Prague, by providing a project that would put market access at the core of the EU's global mission and allow their countries to balance their European and Atlanticist identities.

On a grand strategic level, closer U.S.-European ties would also enhance the West's leverage with China at a time when it is sorely needed. As a result of China's state-capitalist model, Beijing can harness its money to enhance its industrial competitiveness. Moreover, it selectively follows international economic rules, for example by restricting market access to and exports of its raw materials, such as rare earths, and ignoring international norms about intellectual property. Left unchallenged, such behavior could undermine commerce in ways not seen since the establishment of the Bretton Woods system. A robust trade and investment deal would give the United States and Europe greater leverage in the coming decades to push back against China and reaffirm the liberal international order.

In 1995 and 2007, when the economic preeminence of the United States and Europe was unquestioned, the two sides had the luxury of putting off negotiations. When the Clinton administration pushed for a trade deal, China's economy was the size of Turkey's. By the time of the last round of talks, the Chinese economy was the size of Germany's. Now, however, the OECD predicts that China will become the largest global economy by 2016, giving it enormous ability to set the terms of global trade. As much as anything, this change in the economic pecking order has enhanced the need for a U.S.-European trade deal.

In the broadest terms, a U.S.-EU trade deal would allow the United States and Europe to maintain their sway over global economic governance. Both recognize that their ability to set global rules will diminish as economic power shifts to the Asia-Pacific region. In the coming decade, no one power will be able to drive the international agenda. But if they join forces, the United States and Europe can channel their combined economic weight to keep control of the reins of the global economic order.

**US-EU relations will stabilize Eurasia. We will also control the internal link for every impact in the debate**

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There is no doubt that US-European relations are in a **period of transition**, and that the stresses and strains of globalization are increasing both the number and the seriousness of the challenges that confront transatlantic relations.

The events of 9/11 and the Iraq War have added significantly to these stresses and strains. At the same time, international terrorism, the nuclearization of **North Korea** and especially **Iran**, the proliferation of weapons of mass destruction (WMD), the transformation of **Russia** into a stable and cooperative member of the international community, the growing power of **China**, the political and economic transformation and integration of the **Caucasian** and **Central Asian** states, the integration and stabilization of the **Balkan** countries, the promotion of peace and stability in the **Mid**dle **East**, poverty, climate change, AIDS and other emergent problems and situations require further cooperation among countries at the regional, global and institutional levels.

Therefore, cooperation between the U.S. and Europe is more **imperative** than ever to deal effectively with these problems. It is fair to say that the challenges of crafting a new relationship between the U.S. and the EU as well as between the U.S. and NATO are more regional than global, but the implications of success or failure will be global.

The transatlantic relationship is still in crisis, despite efforts to improve it since the Iraq War. This is not to say that differences between the two sides of the Atlantic did not exist before the war. Actually, post-1945 relations between Europe and the U.S. were fraught with disagreements and never free of crisis since the Suez crisis of 1956. Moreover, despite trans-Atlantic proclamations of solidarity in the aftermath of 9/11, the U.S. and Europe parted ways on issues from global warming and biotechnology to peacekeeping and national missile defense.

Questions such as, the future role of NATO and its relationship to the common European Security and Defense policy (ESDP), or what constitutes terrorism and what the rights of captured suspected terrorists are, have been added to the list of US-European disagreements.

There are two reasons for concern regarding the transatlantic rift. First, if European leaders conclude that Europe must become **counterweight** to the U.S., rather than a partner, it will be difficult to engage in the kind of open search for a common ground than an elective partnership requires. Second, there is a risk that public opinion in both the U.S. and Europe will make it difficult even for leaders who want to forge a new relationship to make the necessary accommodations.

If both sides would actively work to heal the breach, a new opportunity could be created. A vibrant transatlantic partnership remains a real possibility, but only if both sides make the necessary political commitment.

There are strong reasons to believe that the security challenges facing the U.S. and Europe are more shared than divergent. The most dramatic case is terrorism. Closely related is the common interest in halting the spread of weapons of mass destruction and the nuclearization of Iran and North Korea. This commonality of threats is clearly perceived by publics on both sides of the Atlantic.

Actually, Americans and Europeans see eye to eye on more issues than one would expect from reading newspapers and magazines. But while elites on both sides of the Atlantic bemoan a largely illusory gap over the use of military force, biotechnology, and global warming, surveys of American and European public opinion highlight sharp differences over global leadership, defense spending, and the Middle East that threaten the future of the last century’s most successful alliance.

There are other important, shared interests as well. The transformation of Russia into a stable cooperative member of the international community is a priority both for the U.S. and Europe. They also have an interest in promoting a stable regime in Ukraine. It is necessary for the U.S. and EU to form a united front to meet these challenges because first, there is a risk that dangerous materials related to **WMD** will fall into the wrong hands; and second, the **spread of conflict** along those countries’ periphery could destabilize neighboring countries and provide **safe havens for terrorists** and other international criminal organizations. Likewise, in the Caucasus and Central Asia both sides share a stake in promoting political and economic transformation and integrating these states into larger communities such as the OSCE.

This would also minimize the risk of instability spreading and prevent those countries of becoming havens for international terrorists and criminals. Similarly, there is a common interest in integrating the Balkans politically and economically. Dealing with Iran, Iraq, Lebanon, and the Israeli-Palestinian conflict as well as other **political issues in the Mid**dle **East** are also of a great concern for both sides although the U.S. plays a dominant role in the region. Finally, US-European cooperation will be more effective in dealing with the **rising power of China** through engagement but also containment.

The post Iraq War realities have shown that it is no longer simply a question of adapting transatlantic institutions to new realities. The changing structure of relations between the U.S. and Europe implies that a new basis for the relationship must be found if transatlantic cooperation and partnership is to continue. The future course of relations will be **determined above all by U.S. policy towards Europe** and the Atlantic Alliance.

Wise policy can help forge a new, more enduring strategic partnership, through which the two sides of the Atlantic cooperate in meeting the many major challenges and opportunities of the evolving world together. But a policy that **takes Europe for granted** and routinely **ignores or** even **belittles Europe**an concerns, may force Europe to conclude that the costs of continued alliance outweigh its benefits.

There is no doubt that the U.S. and Europe have considerable potential to pursue common security interests. Several key steps must be taken to make this potential a reality. First, it is critical to avoid the trap of ‘division of labor’ in the security realm, which could be devastating for the prospects of future cooperation. Second, and closely related to avoiding division of labor as a matter of policy, is the crucial necessity for Europe to develop at least some ‘high-end’ military capabilities to allow European forces to operate effectively with the U.S. Third, is the need for both the U.S. and Europe to enhance their ability to contribute to peacekeeping and post-conflict stabilization and reconstruction. Fourth, is the importance of preserving consensus at the heart of alliance decision-making. Some have argued that with the expansion of NATO, the time has come to reconsider the consensus role. One way to increase efficiency without destroying consensus would be to strengthen the role of the Secretary General in managing the internal and administrative affairs of the alliance, while reserving policy for the member states. Fifth is the need to make further progress on linking and de-conflicting NATO and EU capabilities. Sixth is the need for enhanced transatlantic defense industrial cooperation. Seventh, one future pillar for transatlantic cooperation is to strengthen US-European coordination in building the infrastructure of global governance through strengthening institutions such as the UN and its specialized agencies, the World Bank, the IFM, G-8, OECD and regional development banks.

Finally, cooperation can also be achieved in strengthening the global economic infrastructure, sustaining the global ecosystem, and combating terrorism and international crime.

To translate the potential of the transatlantic relationship into a more positive reality will require two kinds of development. First, the EU itself must take further steps to institutionalize its own capacity to act in these areas. Foreign policy and especially defense policy remain the areas where the future of a ‘European’ voice is most uncertain. Second, the U.S. and Europe need to establish more formal, effective mechanisms for consultation and even decision-making.

The restoration of transatlantic relations requires policies and actions that governments on both sides of the Atlantic should **simultaneously adopt** and not only a unilateral change of course. Developing a new, sustainable transatlantic relationship requires a series of deliberate decisions from both the U.S. and EU if a partnership of choice and not necessity is to be established.

For the U.S., this means **avoiding the temptation**, offered by unprecedented strength, **to go it alone** in pursuit of narrowly defined national interests. For the EU, the new partnership requires a willingness to accept that the EU plays a uniquely valuable role as a leader in a world where power still matters, and that a commitment to a rule-based international order does not obviate the need to act decisively against those who do not share that vision.

#### Nuclear war. All the relevant actor will be involved

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The increasing involvement of the US, the EU, Russia, China, Iran, and Turkey, and also TNCs in the region underscores the significance of the oil and gas resources in CEA and the potential competition for the control of these resources. What we are witnessing now is, a re-composition of the geo-strategic map not only for CEA and the Caspian region, but also of the whole world. Tensions could be further aggravated by disparities in military power, if conflicts were to escalate. The Eurasian region includes states with a **number of the largest armed forces** in Europe and Asia: Russia, Turkey, Ukraine, Iran, Pakistan, China, India and Uzbekistan. The region also has **four nuclear-armed countries** – Russia, China, Pakistan and India – making it a **dangerous** potential **flash point** of global significance. Further, security risks concern the US / NATO involvement in numerous political and economic crises in post-Soviet CEA, the war on terrorism in Afghanistan, and the war and crisis in Iraq.

\*CEA = post-Soviet Central Eurasia

#### AND, Transpacific partnership agreement will jumpstart the WTO

[**Stocker**](http://www.mapi.net/who-we-are/experts/frederick-t-stocker) **13** - Vice President, General Counsel and Secretary and Council Director @ MAPI Law and Risk Management Councils [[Frederick T. Stocker](http://www.mapi.net/who-we-are/experts/frederick-t-stocker) (LL.M. in International and Comparative Law from Georgetown University and J.D. from the University of Illinois College of Law), “The Trans-Pacific Partnership—U.S. Free Trade Agenda Appears to be Picking Up Steam,” Manufacturers Alliance for Productivity and Innovation, January 29, 2013, pg. http://www.mapi.net/trans-pacific-partnership-us-free-trade-agenda#sthash.af0mQdf7.dpuf

Conclusion  
After a sustained period of relative inaction on the trade liberalization front, the United States once again seems to be moving forward. In that sense, the TPP can serve as a significant job-creating boost to the U.S. economy as well as a statement that the United States is again poised to assume a leadership role on free trade issues. Hopefully, negotiators will complete their work in 2013 so that the parties can begin the implementation process. Such a timetable is both ambitious and achievable. In that regard, a demonstrated sense of urgency could provide an impetus to an even more audacious Trans-Atlantic FTA and, beyond that, a boost to restart multilateral trade negotiating efforts under the auspices of the WTO. While virtually everyone agrees that the Doha Round of multilateral negotiations died last year, the TPP might serve as encouragement for a rumored multi-party WTO services agreement. MAPI will continue to follow these free-trade-related developments and report on them to its membership.

#### WTO prevents resource constraints and crises

**Carbonnier 13** – Professor of Development Economics @ Graduate Institute of International and Development Studies [[Gilles Carbonnier](http://www.cepweb.org/author/gilles-carbonnier/) (Editor-in-chief of International Development Policy, President of the board of directors of CERAH, the Centre for Education and Research in Humanitarian Action, and founding member of CEP), “Resource Scarcity, Export Restrictions and the Multilateral Trading System,” | Council on Economic Policies, April 10, 2013, pg. http://www.cepweb.org/resource-scarcity-export-restrictions-and-the-multilateral-trading-system/

A Greater Role for the WTO?

How pivotal should the WTO be in improving the global governance of food, energy and minerals? Each commodity market presents its own characteristics with different key players and specific regional and global organisations pursuing different, potentially conflicting, objectives. Enhancing transparency by providing reliable information on stocks and flows is critical to enable importing and exporting countries as well as investors to take early action and avoid panic moves. The WTO could provide greater transparency on export restrictions with tighter rules on early notifications and consultations involving all interested parties. Member states could also clarify the interpretation of relevant WTO disciplines, in particular with regard to the temporary application of export restrictions for the sake of preventing or relieving critical shortages of primary commodities deemed essential to exporting countries. It has further been suggested to seek a deal under which importing countries would commit to reduce tariff escalation on processed goods against binding commitment from exporting countries not to impose trade restrictions on primary commodity exports.[[4]](http://www.cepweb.org/resource-scarcity-export-restrictions-and-the-multilateral-trading-system/#_ftn4)

Concluding Remarks

The Doha Round stalemate does not bode well for rapid advances on the options highlighted above. This should, however, not prevent progress on greater transparency and effective early consultations. For obvious reasons, previous multilateral trade negotiations focused on import protectionism. Today, the WTO should address export restrictions as a matter of priority. An effective multilateral trading system is expected to contribute to avoiding harmful panic moves when not justified by market fundamentals, as exemplified by the 2008 rice crisis. On the other hand, the WTO does and can further take into account the legitimate concerns of producer countries, allowing for restrictions deemed essential for national security or environmental protection.

This should be part of a broader attempt to strengthen the global institutional architecture dealing with food and energy security. It requires considering a myriad of bilateral, regional and global arrangements ranging from informal, voluntary initiatives to systematic data exchange and oversight via the building and sharing of emergency stocks and the clarification of binding rules related to export restrictions. There is no one-size-fits-all solution: each commodity market has its own characteristics with different players and specific risks and vulnerabilities. Yet, the growing nexus between water, food and energy requires factoring the complex interactions between various commodity markets into the analysis with a view to identifying critical bottlenecks and devising early risk management strategies. Pragmatic multilateralism must contain the tendency to address resource scarcity through bilateral and exclusive deals.

#### Extinction

**Aguilar-Millan et al 10** – Director of research @ European Fu22tures Observatory [Stephen Aguilar-Millan (Member of the Global Advisory Council of the World Future Society and the Board of the Association of Professional Futurists), Ann Feeney (Member of the Association of Professional Futurists and its board and is a Certified Association Executive), Amy Oberg (Managing partner at Future-In-Sight, LLC. 25 years of experience), and Elizabeth Rudd (Risk assessment consultant), “The Post-Scarcity World of 2050-2075,” The Futurist, Jan/Feb 2010, pg. <http://www.eufo.org/psw1.pdf>]

Historically, there have been periods when large numbers of the global population have been reduced due to war, disease, natural disasters or famine. In the next 75 years, such an episode is likely to occur. The world has **several military hot spots**, and weapons able to **eliminate large portions of the population** are more prevalent than in the past. Rogue states or non-state actors such as terrorist organizations may develop these capabilities over the coming decades. **Resource shortages** may lead to heightened tensions, isolationism by countries, and increasing incidents of violence. In order to reduce the possibility of such incidents, we may see the rise of supranational governance and regulation and continued efforts to resolve conflicts through diplomacy and negotiation. The outbreak of disease is also a threat. A **global pandemic**, which, due to global travel, may spread more rapidly than any outbreak in history, could eliminate large numbers of the population. How widespread, and how great the population loss, will be dependent on the ability to curtail the global outbreak and find a cure or vaccination quickly. Inequities in access to health care mean pre-modern nations are likely to sustain a greater proportion of population loss than more-developed nations. **Famine** has the greater impact in pre-modern nations. Post-modern nations may be able to rely on their supranational relationships to assist them through the tough times. Modern nations may have better resources to manage or avoid food scarcity, but pre-modern nations are heavily dependent on aid from other nations. If globalization and access to finance becomes more difficult, coupled with resource shortages within their own countries, aid may decrease to the pre-modern nations, which will increase the duration and severity of famines. Weather patterns are cyclical. As well, there is a growing body of evidence in the early decades of the century indicating global warming. The severity and occurrence of natural disasters is increasing. If this continues, we are likely to have larger numbers of people displaced, and the death toll is likely to increase. In the early decades of the century, birthrates are much higher in modern and pre-modern countries. Economic development—especially in terms of the advancement of women through access to education, to micro-finance, and to birth control—contributes to reductions in birthrates in pre-modern countries. If pre-modern countries can successfully advance economically, this is likely to contribute to reduced population growth. Population will also impact where and how we live. People have lived in some type of dwelling for most of time, usually with family members. People will continue to live together in dwellings, but what will be the location, form, and ownership of those dwellings? The percentage of the global population living in urban areas is expected to increase from 48% in 2003 to 61% by 2030. The UN estimates that most of these urban dwellers will be in developing countries, living in cities in low-lying coastal areas at high risk from flooding due to global warming, making them vulnerable to natural disasters. As resources become scarce, housing prices are likely to rise, making home ownership less affordable; this may impact living arrangements, meaning more people living together in smaller spaces. This in turn could lead to increased crime rates for theft and violence. This may give rise to the countertrend of a return to villages. Villages afford more space and the ability to attain greater self-sufficiency for essentials like food, water, and power. Individual home ownership is common in many countries. Apartments or condominiums are also often individually owned, or sometimes the whole building is owned by a corporation. As global finance and credit markets become tighter, and resource shortages drive up the cost of housing, we may see more people leasing for longer periods of time and more housing owned by larger corporation and retirement funds. Rents are also likely to increase, so more people will likely share a household, thus reversing the growing trend of oneto two-person households. The materials we use to build and the sources of energy we use to heat and power our homes will likely change. Material shortages may drive innovation in recycled building materials and longer-lasting materials. Wind and solar may become more common sources of power. Rooftop, hydroponic, and vertical gardening could enable residential space to be used for food production, as a shortage of soil and arable land make it harder to feed the world’s growing population. It is difficult to conceive of a society without some form of individual ownership. A world in which all goods, services, and accommodation are provided by the government or by corporations seems unlikely. However, it is possible to conceive of one in which what individuals own, and how goods are consumed, changes due to both the availability of resources and also the materials used. Cradle-to-cradle manufacturing, a closed-cycle manufacturing process where nothing is wasted, may become more commonplace. Planned obsolescence in manufactured goods may become a thing of the past. Leasing of goods, where the manufacturer is responsible for repair and/or replacement and recycling of the item, may become more common. Innovation efforts are likely to focus on these types of efforts as resource availability begins to peak, yet demand continues to increase. While many fantasize about reduced workweeks and more leisure time, for the foreseeable future people will continue to work outside the home to earn an income. Where changes may occur is in the nature and quantity of the work. Statistics indicate that, as many countries develop economically, working hours increase. Resource shortages may mean this will eventually begin to show more balance. As the focus turns to efficiency and resource reuse, people are likely to buy less, which means less is produced, although it may be at a higher cost. Population growth means more adults available to work. This may lead to the elimination of child labor. Access to education for women as well as children may also assist in reducing the number of children working outside the home. Advances in health care and improvements in life span and the quality of life may assist people to remain in the workforce longer; this will be especially beneficial for post-modern countries, where the birthrate typically declines as the country advances economically. Greater numbers of people may enter or remain in the workforce. Reduced working hours may be mandated, in order to create more jobs. More people might work part time. Greater self-reliance may mean more need for time outside of work to spend growing food and tending to other essential activities. The time and activities performed at work are likely to change. Leisure activities are also likely to shift, with more physical activities being more local and distance interactions done virtually through the use of technology. The cost and resources available to enable global leisure travel are likely to experience shortages in the age of scarcity. By 2075, perhaps new technologies to enable low-cost, low impact travel may be developed. The desire to do so, however, is more a question of geopolitics, an issue to which we shall now turn. Post-Scarcity Geopolitics The most-plausible scenario of the development of a post-scarcity society would be driven by advances in nanotechnology or other extensions of materials sciences. So, based on the current infrastructure, the breakthrough developments would most likely take place in Western Europe, the United States, Japan, or South Korea, although China or India, or even one of the oil-wealthy Gulf nations, cannot entirely be ruled out. It would be tempting to follow all these possible scenarios, but for the scope of this paper, we will focus on the assumption that the post-scarcity future begins in the developed, Westernized world. By the time we build a post-scarcity capacity enough to build a post-scarcity economy, there will still be **widespread poverty** in many nations, particularly those that were still developing at the time of “peak everything” and many that reverted to developing-nation status under the hardships of climate change, scarcity of potable water, wars, and environmental degradation. Whether led by a spirit of philanthropy, capitalism, or enlightened self-interest, it seems likely that the originating nations would ensure that other nations would receive at least some of the benefits fairly soon. Much geopolitical conflict derives from scarcity or perceived scarcity of land, water, energy sources, mineral wealth, or other physical objects, ones which would be greatly alleviated by a post-scarcity economy. Eliminating or reducing these causes for conflict would be a great step toward international peace. However, it would not create total peace, largely because the capacity to mount deadly attacks would increase at the same time that some reasons for conflict will remain or might even worsen. Some scholars posit that **all historical conflict has been driven by competition over resources**, and that even wars ostensibly over ideologies were truly about scarcity. Political or ideological dominance were ways to an end, rather than the end itself. Certainly for many wars, such as the Crusades and World War II, their arguments are at least plausible. However, conflicts that might have started over scarcity may still capture hearts, minds, and resources by the enticing trappings of politics, religion, or even simply historical grudges. If, as other scholars believe, humans are **inherently a warlike species**, a postscarcity economy will enhance leaders’ ability to create war over causes that might have seemed trivial during a time when there was scarcity to worry about. The status of the natural world is another area that could create conflict. Many arguments for environmental protection are based on the direct and indirect human benefit of natural land and species conservation. The world’s forests act to sequester carbon, clean the air, regulate the temperature, and house animals and plants of current or potential benefit to humankind. In a post-scarcity society where technology can replace all of those functions, there could well be conflict over the appropriate use of whatever wild areas are left between those who see such areas as having intrinsic value, or possible future extrinsic value, and those who wish to use such land for other purposes. So far, we have just looked at the questions in terms of today’s nations and assumed that today’s nation-states are more or less intact by the time of the post-scarcity society. However, the post-scarcity society may well make both today’s states and the idea of a nationstate obsolete. On the other hand, the twentieth- and twenty-firstcentury creation of international groups and agencies from mutual interests rather than shared borders could replace today’s states in a different way. For example, the European Union formed, as an economic union, the European Economic Community, which itself arose from the European Coal and Steel Community. It has broadened its objectives beyond the purely economic or closely related (e.g., free movement of labor) to include social justice (e.g., its powers to legislate against discrimination), environmental policy, foreign policy, and security issues. If it were to change its charter to be one of shared values and common history, such an organization might not only include Turkey, thus adding part of Asia to its scope, but also traditional allies such as the United States. It might even transcend geography and history to become an alliance of democracies, bringing all of North America and large parts of South America, Asia, Africa, and even parts of the Middle East. Of course, the shadows of colonialism may create too great a barrier for some time, and continental alliances, rather than intercontinental, may come first. Some alliances would be unlikely to continue. OPEC, based on commodity production, would likely disappear. The existing NonAligned Movement, originally formed as a response to NATO and the Warsaw Pact nations, has struggled to define itself and its purpose since the collapse of the Cold War, and even now, its membership has little in common. One remaining unifying theme has been fair and sustainable development, but in a mature post-scarcity world, development would be moot for virtually all nations. On the other hand, a post-scarcity society in which the means of living could be created at a micro level, or even at a household level, could make it possible for small, self-selected communities to exist either as parts of a nation-state but largely independent or as entirely autonomous of a nation-state, even as their own nation-state. History suggests that most of these would be beneficial to their members and at worst harmless to others, but also gives us darker warnings of cults and militant groups that attacked other groups or destroyed themselves and took innocents with them. The ability of these organizations to operate with all the capacities of an autonomous nation in a post-scarcity society is a sobering thought. On the other hand, if the pursuit of these groups is control over themselves and their members and no control from an outside world, or if they can at least settle for this, we might find that post-scarcity geopolitics are in fact the road to a lasting peace. Ultimately, the geopolitics of a post-scarcity world depends upon the interactions of humans and groups. While human nature is a constant, human ethics are not, and most of the world’s history, viewed over a long time span, is what most of us would consider the growth of human ethics. For example, things once considered tolerable by the majority of society, such as slavery and indiscriminate slaughter during war, are now mostly condemned, at least in principle if not always in practice, and are greatly reduced. Perhaps this is what has **enabled us to survive** so far—that, while our technical capacities always run ahead of our ethical development, our ethics do keep up just enough. In order for a post-scarcity society to develop in such a way that it adds to net human freedom, justice, and well-being, we need more than ever to reinforce the principles of equality, generosity, tolerance, compassion, and mutual interdependence in what we teach and in what we model before those who will build the post-scarcity world. These values (or **their lack**) will shape whether the post-scarcity world fulfills its promise or **creates the seeds of the destruction of civilization**. Nowhere will this be felt greater than in the post-scarcity financial system. Pg. 289-297

# Solvency (3)

#### Contention \_\_\_\_\_: We solve

#### NADBank Enhancement Act solves without adding to the federal deficit

**Balido 11** - President of the Border Trade Alliance [Nelson Balido, “Bill to expand NADBank projects holds potential to make big impact for border,” BTA, Published August 29, 2011, pg. http://www.thebta.org/btanews/bill-to-expand-nadbank-projects-holds-potential-to-make-big-impact-for-border.html

Over the past sixteen years of operation, the NADBank has been vitally important to improving basic services in the border region by financing numerous water, wastewater, solid waste and street paving projects, among others. To date, NADBank has provided approximately $1.24 billion in loans and grants to support 149 infrastructure projects in the border region, which represents a total investment of $3.26 billion and will benefit more than 12.8 million residents of the region.

One particularly notable accomplishment is the significant improvement in wastewater treatment coverage on the Mexican side of the border. In 1995, it was estimated that 27 percent of wastewater generated in border communities was being treated. According to Mexico’s National Water Commission (CONAGUA), wastewater treatment coverage has now reached approximately 85 percent. This dramatic improvement is in large part due to the work of NADBank.

The bank remains limited, however, in the projects it can finance. Its charter permits the bank only to get involved in projects deemed to have a significant positive environmental impact. There have been cases where the NADBank has taken interest in projects involving international ports of entry that would benefit an area’s economy and create new jobs. Yet the bank has been unable to deliver financing to such projects, over the objections of its board of directors, for not demonstrating a sufficient environmental benefit to merit NADBank financing.

Rep. Rubén Hinojosa (D-Texas) has introduced a bill, H.R. 2216, the NADBank Enhancement Act of 2011, which would broaden the scope of projects where the bank could provide financing. This would include projects that promote trade and commerce between the U.S. and Mexico, including port of entry modernization and construction projects.

Perhaps the best thing about the bill is that it doesn’t add a dime to the federal deficit or debt. Rather, the bill will help ensure NADBank’s existing capital is more fully utilized for the benefit of the U.S.-Mexico border region, and ultimately for the benefit of both the U.S. and Mexico.

The NADBank isn’t going to solve the nation’s infrastructure woes. NADBank is and will continue to be a bank focused on the border region. But the potential is there for the bank to move beyond its traditional scope of financing U.S.-Mexico border region water quality and wastewater projects and get involved in financing additional border area infrastructure projects that could improve the area’s quality of life and provide a needed boost to the region’s economy.

#### Inclusion of infrastructure facilitates coordination and harmonization

**Rodriguez 09** – Chair of the Board of Advisors for the North American Center for Transborder Studies @ Arizona State University [Raul Rodriguez (Chair and professor in Banking and Finance @ University of the Incarnate Word and the President of RMI, an investment and trade consulting firm in Mexico. He served as CEO and Managing Director of the North American Development Bank (NADBank) until October 2005. Prior to joining the NADBank, he was Executive Director of the Mexican Foreign Trade Bank; the Bank’s Director for Asia; Mexico’s Trade Commissioner in Canada during the NAFTA negotiation; and Secretary of Economic Development for the Mexican border State of Tamaulipas), “The Future of the North American Development Bank” The Wilson Center Mexico Institute and El Colegio de la Frontera Norte, Policy Brief, June 2009, pg. http://wilsoncenter.org/sites/default/files/RODRIGUEZ%20NADBANK.pdf

Its mere existence and capacity for reform given its small size and overhead make NADB a valuable asset. Only an accountable and trusted institutional body with a mandate on both sides of the border and subject to bilateral oversight will allow for further resource transfers and productive interaction. With its track record of tackling difficult sectors and its untapped potential, NADB could truly become the long overdue border bank. It is time for NADB and its mandate to reach beyond the environment to other areas where it can be a vital funding and capacity-building instrument.

Mexico has sought a broader mandate for NADB since 2000. President Felipe Calderón has acknowledged its value and the need to continue expanding its role. He has underscored the “very positive outcomes” of NADB financing; his “commitment to promote” further “reforms of the Bank’s mandate” in order to “eliminate restrictions and improve its operations”; and the need to increase single obligor limits and to expand the mandate to cover “infrastructure projects in general”, and not just environmental projects (speech at the VI National Convention, American Chamber of Commerce; February 27, 2007).

Some progress has been made along Pres. Calderon’s line of thinking. In 2008 the Bank authorized increasing the single-obligor limit, as well as financing for a new type of air quality improvement project: border-crossing infrastructure.

NADB’s role also fits within President Barack Obama’s agenda in terms of the critical importance of infrastructure development, the need to tend to border issues, and the structuring of more positive and comprehensive cooperative efforts with Mexico. Both federal governments are sponsoring infrastructure programs along the border as part of their economic stimulus initiatives that will render synergies if closelycoordinated.

A drawn-out debate has taken place among environmentalists along the border who would like BECC and NADB to continue concentrated on their current mandate and those who believe they should cater to much broader infrastructure needs and an ¶ extended jurisdiction. There is a valid argument in making sure these institutions remain focused and clearly there is still much to do environmentally. But there is a wider range of needs along the border that require urgent attention, face decreasing government funding, and are not profitable enough to be financed by commercial banks or the private sector. Addressing these needs would not only have a high impact on the quality of life of the population but would also foster job creation and economic development. In addition, covering more profitable sectors would enhance the Bank’s ability to respond to projects lacking credit capacity.

Below are ten of the actions and policy initiatives that have been debated in recent years with regard to achieving an expanded and more effective role for NADB:

A. Expand the mandate to include additional infrastructure sectors:

The Bank requires a more flexible mandate that takes into account a broader set of criteria that do not focus excessively on quantifiable environmental benefits. Currently the Board sets very high environmental benefit thresholds on projects. Factors relating to the broader goals of infrastructure improvement and economic development should be considered in addition to environmental criteria in a balanced way.

Some sectors are more amenable than others for bilateral cooperation. Water— and environmental infrastructure in general—has been a must in view of its strategic importance as a shared and scarce resource on both sides of the border and given its growing complexity. Transportation and logistics, among other areas, is a natural choice: fostering the corridors concept, linking inland port projects and facilities on both sides, helping address the tradeoffs with security measures, promoting customs systems and bridge and road projects that have faced endless delays. Maximizing the use of current infrastructure and addressing mismanagement, coordination and harmonization issues should continue to be part of NADB’s focus.

The Bank should become more fully engaged with the development and expansion of ports of entry and border crossings. In the context of security imperatives, investments aimed at facilitating the construction and improvement of crossings through public-private partnerships might be the most important contribution to the border’s development today.

The need for legislation to authorize further expansion into other infrastructure sectors has been debated. Some suggest it is simply an issue for the governments to resolve. However, given the restrictive interpretations of the charter, if a favorable legislative climate develops its amendment would be advisable if broad mandate expansion were to be considered.

A lingering question is how much of a BECC certification process should be applied to projects in new sectors. Public and stakeholder participation in project development, approval and support has been a fundamental contribution of BECC over the years, but there is a concern—particularly among private sector investors—that it delays the funding process unduly. Expedited NADB lending approval processes will also be critical in order to foster more private sector participation.

As new sectors are addressed, it will be crucial to find even more creative ways to mitigate risks, foster long-term financing in the local currency, and leverage funds from different sources. A key role for the NADB will be to help enhance project conditions and provide guarantees in order to link with private financial markets where affordable long-term funds in a multi-year programming context might be available.

#### No additional money is needed. We provide access to municipal bond financing in Mexico

**Rodriguez 09** – Chair of the Board of Advisors for the North American Center for Transborder Studies @ Arizona State University [Raul Rodriguez (Chair and professor in Banking and Finance @ University of the Incarnate Word and the President of RMI, an investment and trade consulting firm in Mexico. He served as CEO and Managing Director of the North American Development Bank (NADBank) until October 2005. Prior to joining the NADBank, he was Executive Director of the Mexican Foreign Trade Bank; the Bank’s Director for Asia; Mexico’s Trade Commissioner in Canada during the NAFTA negotiation; and Secretary of Economic Development for the Mexican border State of Tamaulipas), “The Future of the North American Development Bank” The Wilson Center Mexico Institute and El Colegio de la Frontera Norte, Policy Brief, June 2009, pg. http://wilsoncenter.org/sites/default/files/RODRIGUEZ%20NADBANK.pdf

Over the past twenty years, municipal reform in Mexico has concentrated mostly on the transfer of federal funds and key responsibilities, leaving local financial instruments, management structures and practices unchanged in many instances. The lack of transparency, professionalization and continuity at all levels of municipal government is still prevalent. Inadequate legal and contractual frameworks, board configurations, pricing practices and tariff structures, billing and collection systems, and staffing continue to encumber the performance of local public utilities and their access to credit.

By contrast, the U.S. tax-exempt municipal and revenue bond markets are pervasive and have had continued success and very low rates of default. The key is the fiscal setting and the significant firewall that exists between electoral politics and city or utility management. That separation is still a crucial challenge in Mexico for any market mechanism to work in the less developed sectors. NADB can assist in the development of better conditions for municipal financing by strengthening its requirements and providing direct incentives for improved financial governance, especially on the Mexican side. It can also assist in testing new financing settings and tools, conducive to expanding municipal bond markets.

G. Use NADB as an instrument to foster, test and implement municipal reforms in Mexico:

Infrastructure finance in the developing world is beset not only by funding shortages, but by challenges in credit capacity, design, groundwork tasks, procurement, administration and control. Oftentimes, a project’s constraint is not financial. Adequate conditions to fund and disburse are frequently lacking, and waste, corruption and the inability to properly manage projects are extensive. These constraints call for institutional strengthening and technical assistance. At BECC and NADB, such efforts are of substantial importance to financing along the border. All NADB financing should be used to encourage institutional reforms and efficiencies. Good management leads to better financing alternatives, encouraging a virtuous cycle.

NADB has strived to transfer successful experiences in the U.S. to the Mexican side regarding city and utility management and municipal finance. It is engaged in ¶ over 150 border communities, assisting with utility and project development and providing training. Its Utility Management Institute (UMI) is enhancing the managerial, financial and leadership capabilities necessary to operate a successful utility (see Appendix).

# FYI

#### FYI: NADBank Governance

EPA 12 [U.S. Environmental Protection Agency, “The BECC and NADBank,” Last updated on 07/26/2012, pg. http://www.epa.gov/international/regions/na/Mexico/beccnadb.html]

Governance

The BECC and NADB are jointly governed by the United States and Mexico, via a 10-member Board of Directors:

From the federal government of the United States, the board members include the [Administrator for EPA](http://blog.epa.gov/administrator/), and the Secretaries of State and Treasury.

From the federal government of Mexico, the board members include the Secretaries for the Environment and Natural Resources (SEMARNAT), Treasury (Hacienda; SHCP), and External Relations (Secretaria de Relaciones Exteriores; SRE).

The board also includes one state representative and one non-governmental organization from each country.

EPA has been an active participant as a member of the Board of Directors for both the BECC and NADB, helping to ensure that the projects approved by the Board are likely to achieve human health and/or environmental benefits, and that completed projects have achieved the anticipated results. In addition, EPA has made it a top priority that transparency and accountability continue to guide the work of the BECC and NADB.

# Topicality – Economic Engagement

#### We meet - NADBank Enhancement Act of 2011 is a unique expansion of economic ties

**HSN 11** [Hispanically Speaking News, “Creating North American Development Bank Seen as Good Economic Opportunity for Border Economy,” Published at 8:35 pm EST, July 13, 2011, pg. http://www.hispanicallyspeakingnews.com/latino-daily-news/details/creating-north-american-development-bank-seen-as-good-economic-opportu/8910/

Action to bring economic development to the US Mexico border is making its way through Congress by the expansion and enhancement of the NADBank.

The North American Development Bank (NADBank) was created out of the North American Free Trade Agreement (NAFTA) in 1993 to address environmental concerns that the members of Congress had and ensure precautions and measures were taken to have environmentally sound region in the U.S.-Mexico border.

The introduction of the “NADBank Enhancement Act of 2011”, allows the two governments to work together to add more benefits along the border region such as infrastructure, transportation and Ports of Entry improvements. The proposed legislation would inject new criteria into the mandate and open the NADBank to finance new infrastructure projects. According to the text of the bill “(3) change the purposes and functions of the Bank, including changes that would allow the Bank to finance infrastructure projects in the border region that promote growth in trade and commerce between the United States and Mexico, support sustainable economic development, reduce poverty, foster job creation, and promote social development in the region.’”

#### We meet – We promote US-Mexico trade

**HSN 11** [Hispanically Speaking News, “Creating North American Development Bank Seen as Good Economic Opportunity for Border Economy,” Published at 8:35 pm EST, July 13, 2011, pg. http://www.hispanicallyspeakingnews.com/latino-daily-news/details/creating-north-american-development-bank-seen-as-good-economic-opportu/8910/

This bill, which Congressman Rubén Hinojosa and 19 co-sponsors introduced, is a bi-partisan and bi-national piece of legislation that speaks to the healthy development along the U.S and Mexico border.

“Allowing the NADBank to develop and finance a broader range of infrastructure projects in the Mexico-US border region would further promote growth in trade between the United States and Mexico, and to foster greater prosperity in the border region”, wrote Mexican Ambassador Arturo Sarukhan in a letter to Chairman Spencer Bachus.

#### We Meet – The plan is inherently about economic assistance

**TCEQ 11** [Texas Commission on Environmental Quality, “NADBank Looks to Expand Financial Clout,” Last Modified Mon, 18 Jul 2011, pg. http://www.tceq.texas.gov/assets/public/comm\_exec/pubs/pd/020/04-03/nadbank-x.pdf

Observing an important anniversary this year, the North American Development Bank looks back on its first decade as a lender for environmental infrastructure along the U.S.-Mexico border.

Since 1994, the institution has pumped $660 million into 79 public works projects; of those, 53 were in the U.S., including 30 in Texas.

NADBank was created by the United States and Mexico as a side agreement to the North American Free Trade Agreement, in recognition that international assistance would be needed to address environmental problems in impoverished border areas.

#### We Meet – NADBank provides direct financing

**TCEQ 11** [Texas Commission on Environmental Quality, “NADBank Looks to Expand Financial Clout,” Last Modified Mon, 18 Jul 2011, pg. http://www.tceq.texas.gov/assets/public/comm\_exec/pubs/pd/020/04-03/nadbank-x.pdf

NADBank, based in San Antonio, was established to offer financial assistance for the construction of water and¶ wastewater treatment facilities and municipal solid waste projects. With the U.S. and Mexico serving as equal¶ partners, the institution was capitalized with $3 billion in cash and pledges.

Oversight comes from a binational board of directors: three members from Mexico and three from the U.S. The¶ chairmanship alternates between countries, as does the chief executive officer's position.

The bank provides direct financing in the form of loans or guaranties for construction of environmental projects¶ certified by its sister organization, the Border Environment Cooperation Commission (BECC), and it administers¶ grants from the Environmental Protection Agency.

# Topicality – Mexico

#### We meet – NADBank is governed by Mexico

EPA 12 [U.S. Environmental Protection Agency, “The BECC and NADBank,” Last updated on 07/26/2012, pg. http://www.epa.gov/international/regions/na/Mexico/beccnadb.html]

Following the 1993 signature of the [North American Free Trade Agreement (NAFTA)](http://www.ustr.gov/trade-agreements/free-trade-agreements/north-american-free-trade-agreement-nafta), two binational institutions were created to improve the environmental conditions of the U.S.-Mexico border region and enhance the well-being of residents in both nations. These institutions fulfill an essential role in supporting the development of environmental infrastructure in the border region.

[North American Development Bank](http://www.Nadb.org) (NADB): Launched in 1994, the NADB is a financial institution, capitalized and governed equally by the United States and Mexico, which finances environmental projects in the border region.

[Border Environment Cooperation Commission](http://www.becc.org) (BECC): Since 1995, the BECC has assisted border communities by designing and certifying infrastructure projects on the border, based on set criteria established by the United States and Mexico.

# Econ – Infrastructure key

#### Infrastructure investments are needed. Failure threatens US-Mexican trade

**Wilson 11** – Associate with the Mexico Institute @ the Woodrow Wilson International Center for Scholars [Christopher E. Wilson (Former Mexico Analyst for the U.S. Military and Researcher @ American University’s Center for North American Studies, “Working Together: Economic Ties between the United States and Mexico,” Mexico Institute, November 2011

Thankfully, the number of trucks crossing the border to deliver goods has not experienced the same level of decline, although many of the same pressures that deter and disrupt the crossing of individuals also apply to commercial flows. Cross-border production sharing operations have come to depend on what is known as just-in-time delivery, a technique that allows nimble production and minimizes the amount of capital invested in inventory. If the delivery of a part from a Mexican subsidiary or partner is unexpectedly delayed, a U.S. manufacturer may be forced to temporarily shut down production to wait for parts. Or, if such delays are common, manufacturers may simply be forced to maintain more inventory than would otherwise be necessary. The benefits of just-in-time supply chain management, production sharing, and even U.S.-Mexico trade more generally, are therefore put at risk by unpredictable and long wait times at the border.

But increased security measures are hardly the only cause of thickening U.S. borders, and certainly no one wants his or her personal safety sacrificed in the name of trade facilitation. Both the growth in U.S.-Mexico trade and the increasingly complex security situation instead demand investment and creative problem solving to simultaneously improve security and promote economic growth. While significant investments in border infrastructure have been made in recent years, including the opening of three new border crossings in 2010, still more are demanded. The San Diego Association of Governments estimated that in 2007, inadequate border infrastructure caused congestion and delays that cost the California-Baja California region $7.2 billion and more than 62,000 jobs.85 El Colegio de la Frontera Norte, a Tijuana-based university, performed a similar study that focused specifically on the costs of extended border wait times to Mexican border cities. While the economic impact on the United States in not calculated, one must assume that a portion of the costs are passed on to U.S. buyers. The results, shown in the table on page 31, make clear that transportation bottlenecks at the border are a drag on regional production. Pg. 30-31

#### Congestion at the Port of Entry undermines regional competitiveness

**Lee & Wilson 12** - Associate Director @ North American Center for Transborder Studies (NACTS), Arizona State University & Associate @ Mexico Institute of the Woodrow Wilson International Center for Scholars [Erik Lee & Christopher E. Wilson, “The State of Trade, Competitiveness and Economic Well-being in the U.S.-Mexico Border Region,” Working Paper Series on the State of the U.S.-Mexico Border, June 2012

The recent economic crisis has drawn attention to the serious need for efforts to increase the competiveness of regional industry that could lead to a renewed emphasis on the trade facilitation portion of the Customs and Border Protection mission. The integrated nature of the North American manufacturing sector makes eliminating border congestion an important way to enhance regional competitiveness. The global economic crisis forced manufacturers to look for ways to cut costs. After taking into consideration factors such as rising fuel costs, increasing wages in China and the ability to automate an ever greater portion of the production process, many American companies decided to nearshore factories to Mexico or reshore them to the United States, taking advantage of strong human capital and shorter supply chains. Bilateral trade dropped significantly during the recession but has since rebounded strongly, growing significantly faster than trade with China.

Despite growing trade, the number of trucks crossing the border has remained relatively stable since the year 2000. As shown in Figure 3 above, personal vehicle and pedestrian traffic shows an even starker contrast, with a clear inflection point around the turn of the century. Several studies have attempted to quantify the costs of border area congestion to the economies of the United States and Mexico. In what is perhaps a testimony to the fragmented and geographically disperse nature of the border region, most of these studies have focused on particular North-South corridors of traffic and trade rather than taking a comprehensive, border-wide approach. The specific results of the studies (summarized in Table 2, on next page) are quite varied, and too much value should not be placed on any single number. Nonetheless, one message comes through quite clearly—long and unpredictable wait times at the POEs are costing the United States and Mexican economies many billions of dollars each year. Pg. 9-10

#### They concede that the lack of infrastructure is a problem

**Lee & Wilson 12** - Associate Director @ North American Center for Transborder Studies (NACTS), Arizona State University & Associate @ Mexico Institute of the Woodrow Wilson International Center for Scholars [Erik Lee & Christopher E. Wilson, “The State of Trade, Competitiveness and Economic Well-being in the U.S.-Mexico Border Region,” Working Paper Series on the State of the U.S.-Mexico Border, June 2012

Commerce between the United States and Mexico is one of the great—yet underappreciated—success stories of the global economy. In fact, in 2011 U.S.-Mexico goods and services trade probably reached the major milestone of one-half trillion dollars with virtually no recognition.1 The United States is Mexico’s top trading partner, and Mexico—which has gained macroeconomic stability and expanded its middle class over the last two decades—is the United States’ second largest export market and third largest trading partner. Seventy percent of bilateral commerce crosses the border via trucks, meaning the border region is literally where “the rubber hits the road” for bilateral relations. This also means that not only California and Baja California, but also Michigan and Michoacán, all have a major stake in efficient and secure border management.

Unfortunately, the infrastructure and capacity of the ports of entry to process goods and individuals entering the United States has not kept pace with the expansion of bilateral trade or the population growth of the border region. Instead, the need for greater border security following the terrorist attacks of 9/11 led to a thickening of the border, dividing the twin cities that characterize the region and adding costly, long and unpredictable wait times for commercial and personal crossers alike. Congestion acts as a drag on the competitiveness of the region and of the United States and Mexico in their entirety. Solutions are needed that strengthen both border security and efficiency at the same time. The development of the 21st Century Border initiative by the Obama and Calderón administrations has yielded some advances in this direction, but the efforts need to be redoubled.

#### Infrastructure key

**Lee & Wilson 12** - Associate Director @ North American Center for Transborder Studies (NACTS), Arizona State University & Associate @ Mexico Institute of the Woodrow Wilson International Center for Scholars [Erik Lee & Christopher E. Wilson, “The State of Trade, Competitiveness and Economic Well-being in the U.S.-Mexico Border Region,” Working Paper Series on the State of the U.S.-Mexico Border, June 2012

As a final point to introduce this macro view of U.S.-Mexico trade, it must be emphasized that this trade relationship requires major infrastructure to function effectively. The largest trade corridor, often referred to as the NASCO corridor, links central and eastern Mexico to Texas, the American Midwest, Northeast, and Ontario, utilizing the key Laredo-Nuevo Laredo ports of entry (POEs). Other important trade arteries include the CANAMEX Corridor, which connects western Mexico to the intermountain United States and Canadian province of Alberta, as well as the shorter but high-volume I-5 corridor connecting California to Baja California. As the economies of both the U.S. and Mexico grow, it is likely that this network of freight transportation infrastructure—and the land ports of entry that serve as nodes in this network—will experience added stress (see Figure 2 on the next page). Pg. 6

# Econ - Linked

#### Economies are linked. We will succeed and fail together

**Lee & Wilson 12** - Associate Director @ North American Center for Transborder Studies (NACTS), Arizona State University & Associate @ Mexico Institute of the Woodrow Wilson International Center for Scholars [Erik Lee & Christopher E. Wilson, “The State of Trade, Competitiveness and Economic Well-being in the U.S.-Mexico Border Region,” Working Paper Series on the State of the U.S.-Mexico Border, June 2012

The quantity of U.S.-Mexico trade is impressive, but its quality makes it unique. The United States and Mexico do not just sell goods to one another, they actually work together to manufacture them. Through a process known as production sharing, materials and parts often cross back and forth between factories on each side of the border as a final product is made and assembled. As a result, U.S. imports from Mexico contain, on average, 40 percent U.S. content, and Mexico’s imports from the U.S. also have a high level of Mexican content. 5

This system of joint production has two important consequences. First, it means that our economies are profoundly linked. We tend to experience growth and recession together, and productivity gains or losses on one side of the border generally cause a corresponding gain or loss in competitiveness on the other side as well. In sum, we will largely succeed or fail together and must therefore join forces to increase the competitiveness of the region. Second, the fact that goods often cross the border several times as they are being produced creates a multiplier effect for gains and losses in border efficiency. Whereas goods from China only go through customs and inspection once as they enter the U.S. or Mexico, products built by regional manufacturers bear the costs of long and unpredictable border wait times and significant customs requirements each time they cross the U.S.-Mexico border. Pg. 5

#### Close economic ties

**Lee & Wilson 12** - Associate Director @ North American Center for Transborder Studies (NACTS), Arizona State University & Associate @ Mexico Institute of the Woodrow Wilson International Center for Scholars [Erik Lee & Christopher E. Wilson, “The State of Trade, Competitiveness and Economic Well-being in the U.S.-Mexico Border Region,” Working Paper Series on the State of the U.S.-Mexico Border, June 2012

The six Mexican and four U.S. border states have especially close bilateral economic ties, but what is often unappreciated is that this economic value extends far beyond the border region. Mexico, for example, is the top buyer of exports from states as far away as New Hampshire (mostly computers and electronics). In fact, Mexico is the first or second most important export market for twenty-one states from Colorado to Ohio, and twenty U.S. states sell more than a billion dollars’ worth of goods to Mexico each year. The United States in an even more important market for Mexican exports. Seventy-nine percent of Mexican exports are sold to the United States, including products produced in the border region and throughout the country.3 Crude oil, for example, which is mostly produced in Mexico’s Gulf Coast states, is the top single export to the United States, but automobiles and auto-parts, which make up an even greater share of exports when taken together, are mainly made in the center and north of the country.4 pg. 5

# Econ - Leadership Impact

#### Competiveness underwrites US global leadership

**Brimley & Stokes 13** - Director of Studies @ Center for a New American Security & Research Associate at CNAS. [[Shawn Brimley](http://www.cnas.org/brimley) (Former Director for Strategic Planning on the National Security Staff @ White House) & [Jacob Stokes](http://www.cnas.org/stokes), “Renewing America's Strategic Solvency,” Center for a New American Security, Commentary, 02/12/2013, pg. http://www.cnas.org/node/10044

[Some](http://www.weeklystandard.com/articles/don-t-come-home-america_575541.html) believed it sent the wrong signal to the world. But the president was and is correct to focus on the connection between our domestic strength and our national security. Making progress on fixing domestic issues will have far-reaching strategic effects that will make America stronger and more secure.

Over the last few years, national security leaders have started to explore this connection. Admiral Mike Mullen, former chairman of the Joint Chiefs, has [famously declared](http://www.washingtonpost.com/blogs/checkpoint-washington/post/mullen-despite-deal-debt-still-a-risk-to-national-security/2011/08/02/gIQAhSr2oI_blog.html) the national debt the greatest threat to U.S. security. And Hillary Clinton, during her time as secretary of state, gave a series of the [speeches](http://www.state.gov/secretary/rm/2012/11/200664.htm) on “economic statecraft.” But few have laid out the specific mechanisms that connect domestic vibrancy to American power.

That connection exists on two levels. First, there are the practical effects. A broad range of efforts on education, health care, infrastructure, immigration, energy and tax reform, among other issues, will bolster American competitiveness. Increased competitiveness will fuel shared prosperity and provide the innovation, dynamism and funding that underwrites America’s global role.

For example, without the world’s best scientists and engineers, the United States will slip behind its adversaries in creating and deploying the next generation of defense technologies. Not only will success in these priorities help renew American economic strength, but it will favorably position America to sustain its geopolitical preeminence even as other powers rise.

Renewing U.S. competitiveness cannot be done via isolationism--it requires a global perspective. The United States is in the midst of an energy revolution at home. According to the International Energy Agency, the nation [will overtake](http://www.nytimes.com/2012/11/13/business/energy-environment/report-sees-us-as-top-oil-producer-in-5-years.html) Saudi Arabia as the world’s leading oil producer around 2017 and will become a net oil exporter by 2030. That trend will affect U.S. foreign policy as much as it does U.S. domestic policy, and the solutions must work together.

Increasing exports and trade can help create good jobs, as the president’s successful effort to double U.S. exports by 2014 has shown. Ninety-five percent of customers globally live outside the United States, according to the [International Trade Association](http://trade.gov/nei/). The IMF estimates that 87 percent of worldwide economic growth will take place outside the United States.

Effective tax reform must be shaped for the global competitive environment; the same goes for infrastructure and immigration. Finding a sensible solution to unsustainable long-term debt will determine whether the U.S. dollar will remain the world’s reserve currency. Just because the solutions must come from American cities and not Baghdad, Beijing or Bamako do not make the implications any less international.

Second, solving big problems at home will have a psychological effect, helping to ease doubts about America’s staying power globally. Resolving big issues can reassure our allies and force potential adversaries to think twice about challenging the rules-based global order. The financial crisis and the contraction in the American economy fueled narratives of American decline as much as U.S. troubles in Iraq and Afghanistan.

Finally, the realities of shifting focus towards the home front hardly means isolationism. While the defense budget will go down over the next decade, the U.S. will remain the world’s pre-eminent military power by a large margin. America will retain a capability and a willingness to counter threats and defend its interests where necessary. As the National Intelligence Council wrote in its [Global Trends 2030 report](http://globaltrends2030.files.wordpress.com/2012/12/global-trends-2030-november2012.pdf), “The potential for an overstretched U.S. facing increased demands is greater than the risk of the U.S. being replaced as the world’s pre-eminent political leader.”

The real threat to American power from budget cuts and inattention will stem from disproportionate cuts to U.S. diplomatic and development tools, arguably among the most cost-effective investments in American statecraft. If anything, the president should make extra efforts to preserve robust funding support for these agencies.

Power starts at home—but it doesn’t necessarily stay there. The rest of the world is watching how America will respond to the great strategic challenge posed by the need for domestic renewal. For that effort will determine the prospects for American power. So foreign policy wonks, listen up!

# AT: integration now

#### It needs to be deeper

**Garza 13** - Former U.S. Ambassador to Mexico from 2002-2009 [[Antonio Garza](http://latino.foxnews.com/archive/author/antonio-garza/index.html) (Counsel in the Mexico City office of White & Case and Chair of Vianovo Ventures. Serves on the Council of the Americas’ Advisory Group on Immigration), “Obama Goes to Mexico: Time is Ripe to Advance Bilateral Relations,” Fox News Latino, April 29, 2013, pg. <http://latino.foxnews.com/latino/opinion/2013/04/29/obama-goes-to-mexico-time-is-ripe-to-advance-bilateral-relations/#ixzz2YQFJ4NOK>

The U.S.-Mexico economic partnership is thriving. Mexico is the U.S.’s second largest export market and third leading source of imports. Bilateral trade reached nearly one-half trillion dollars in 2012, roughly $1.4 billion each day. An estimated six million U.S. jobs depend on trade with Mexico. And strong regional supply chains mean that nearly 40 percent of every product the U.S. imports from Mexico is really “Made in America.”

As strong as the bilateral relationship is now, however, it must deepen and evolve in order to ensure expanded opportunity and security for both countries going forward. Presidents Peña Nieto and Obama have both entered a post-honeymoon environment that demands hard work and successively heavier lifts on every policy goal.

With the stakes potentially so high on so many issues fundamental to the relationship, only the highest-level commitment will advance the agenda. There may never be a more opportune time.

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# TPP – Resource wars

#### The risk of resource wars increasing

**Carbonnier 13** – Professor of Development Economics @ Graduate Institute of International and Development Studies [[Gilles Carbonnier](http://www.cepweb.org/author/gilles-carbonnier/) (Editor-in-chief of International Development Policy, President of the board of directors of CERAH, the Centre for Education and Research in Humanitarian Action, and founding member of CEP), “Resource Scarcity, Export Restrictions and the Multilateral Trading System,” | Council on Economic Policies, April 10, 2013, pg. http://www.cepweb.org/resource-scarcity-export-restrictions-and-the-multilateral-trading-system/

The turn of the millennium marked a shift towards higher commodity prices and greater price volatility, as a result of high demand for natural resources from emerging economies combined with export restrictions and financial speculation. A recent Chatham House report highlights that, over the past decade, the global consumption of coal and iron ore grew by five to ten percent a year. Annual growth was closer to two percent for oil, copper, wheat and rice.[[1]](http://www.cepweb.org/resource-scarcity-export-restrictions-and-the-multilateral-trading-system/#_ftn1) Fast growth in demographic heavyweights and the rise of large middle classes in an increasing number of middle-income countries are likely to remain a major commodity boom driver for years to come. Global demand for food is expected to grow by 70 percent from 2010 to 2050, while global energy demand is forecasted to be one-third higher by 2035 according to the International Energy Agency. A recent study shows that real commodity prices for energy and non-energy resources have actually been on the increase for the past six decades, notwithstanding short-term boom/bust episodes and medium-term cycles, with real prices being particularly low in the 1990s and early 2000s.[[2]](http://www.cepweb.org/resource-scarcity-export-restrictions-and-the-multilateral-trading-system/#_ftn2) The boom in unconventional oil and shale gas shall exert a significant impact on energy prices. In some cases however, powerful constituencies are already advocating for export restriction in order to keep domestic prices low (e.g. shale gas in the United States).

As the world has entered an era of relative resource scarcity, an increasing number of bilateral and regional trade agreements include deals on strategic resources aimed at enhancing supply security for importing partners. This heightens shortage risks for other importing countries that are not part of the deal and poses a serious challenge to the multilateral trading system, inherited from a previous era of relatively low commodity prices and abundant natural resources.

Export Protectionism

Over the past decade, a growing number of countries have introduced export restrictions on food, energy and mineral products. While primary commodity exporters had long levied export duties for fiscal purposes or to promote the domestic transformation of raw materials, things look different this time: between 2007 and 2011, over thirty countries imposed export restrictions on agricultural goods out of food security and price concerns. Such trade restrictions may be responsible for up to half of the food price hikes of 2007-2008.

The post-World War II GATT and post-Cold War WTO were established with the primary objective of addressing import protectionism. Notwithstanding the prohibition of quantitative restrictions on exports (and imports) under GATT Article XI, the negotiations focused primarily on setting binding limits on import tariffs and non-tariff measures, and on export subsidies. In contrast, export duties have not been explicitly dealt with under the GATT, which, in addition, allows for exceptions to the general rule of eliminating quantitative export restrictions. In its 2010 World Trade Report, the WTO underlined that multilateral trade rules had not been designed to regulate trade in natural resources and were not always adequate to respond to sectoral specificities.[[3]](http://www.cepweb.org/resource-scarcity-export-restrictions-and-the-multilateral-trading-system/#_ftn3) However, general WTO principles do provide a framework for limiting trade wars in the resource sector, and there are specific provisions that are particularly relevant to trade in natural resources.

When it comes to the recent food price crisis, assessing the extent to which trade-related measures mattered is no easy task. The specific impact of abnormal climatic events, trade restricting measures and financial speculation remains a contested issue and may greatly vary from one commodity to another. The 2008 rice crisis offers a few important insights in this regard. The price of a metric ton of rice increased from US $393 in January 2008 to more than $1’000 in April-May 2008, and then fell back to $550 by the end of the year. According to rice experts, the market fundamentals did not justify such a price boom and bust. Despite drought affecting a few producing areas, there was no shortage of rice on world markets. Speculation on rice futures markets remains very limited, contrary to the situation prevailing in other markets (e.g. wheat or oil). The major actors on the rice market are sovereign states and private traders. The largest rice futures market, hosted at the Zhengzhou Commodity Exchange, is tightly regulated under the China Securities Regulatory Commission. Financial market speculation cannot be pointed to as the main culprit, although the indirect impact of speculation in other commodity markets cannot be dismissed. Rice can be a substitute for wheat, the price of which had peaked from $196 in May 2007 to $440 in March 2008, i.e. a few months before rice. In addition, the concomitant oil price hike had a severe impact on the price of fertilizers and other agricultural inputs.

Trade policy actually did play a central role in the rice crisis. Producer countries consume about 93 percent of the global rice production domestically, leaving a relatively marginal portion for cross-border trade. By early 2008, India and Vietnam, the second and third largest rice exporters, announced export restrictions soon followed by others, while China introduced an export surcharge. Shortly thereafter, the government of the Philippines announced its resolve to import the required quantity of rice to satisfy domestic consumption at a price as high as $1’100 a to. These measures and official announcements, combined with a lack of transparency on stocks and production levels, led to panic buying and hoarding that sent prices skyrocketing. Since 2009, rice prices have stabilised at approximately between $500 and $600 a ton, whereas the price of wheat has remained more volatile, with a renewed increase from mid-2010 onward. Policy responses to the 2008 rice crisis include efforts by Association of Southeast Asian Nations (ASEAN) countries to increase transparency and exchange of information on production and stocks, which seems to ward off rice from price volatility affecting other commodities.

In sum, export restrictions – or their mere announcement – combined with a lack of transparency and trust between major players were the key ingredients in the 2008 rice crisis. The extent to which such temporary export restrictions may have been justified under international trade law remains untested; however, their legality appears questionable, given that there was no critical shortage of rice. In any case, the WTO dispute settlement mechanism would have been much too slow to address such a sudden crisis unfolding over less than a year.

Export Restrictions on Non-renewables

In a context of resource scarcity, what should the role of the WTO be in providing a sense of security regarding strategic supplies? The January 2012 Appellate Body decision related to Chinese export restrictions on various raw materials is the first ruling directly dealing with the conditions that may justify export restrictions under the WTO.

The dispute was brought up three years earlier by the European Union, Mexico and the United States against export quotas and export duties imposed by China on certain raw materials (e.g. bauxite, manganese, zinc). The Appellate Body broadly confirmed the July 2011 panel decision against China, referring to GATT Article XI:2(a) and Article XX(g) in addition to specific provisions of China’s WTO accession protocol, which oblige the country to eliminate all export duties. Article XI:2(a) allows for a temporary waiver to the general prohibition of quantitative restrictions: export bans and restrictions can be ‘temporarily applied to prevent or relieve critical shortages of foodstuffs or other products’ that are deemed essential to the exporting country. It thus applies first and foremost to renewables. Article XX(g) deals with specific measures relating to the conservation of exhaustible resources, ‘if such measures are made effective in conjunction with restrictions on domestic production or consumption’. The decision of the WTO Appellate Body sets an important precedent not only with regard to the ongoing trade dispute over Chinese export restrictions on rare earths, but more generally to forthcoming export restrictions concerning dwindling non-renewable resources.

# TPP - AT: China Turn – No link

#### China is not barred from the TPP. No encirclement

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The argument that the TPP is a club that bars Chinese entry is inaccurate and unhelpful. China, like any other APEC economy, has the right to request entry into the TPP. Whether the Chinese leadership will judge TPP membership to be in their country’s national interest and whether TPP members can be persuaded that China is prepared to abide by the negotiated disciplines is a separate matter. But it is important to dispel the notion that the TPP precludes Chinese entry. In fact, this trade agreement scores better than most in incorporating an accession mechanism that has already delivered membership expansion from four to twelve members –now comprising 40% of world GDP. More fundamentally, it is hard to understand why TPP countries would pursue the counter-productive and unfeasible goal of marginalizing China. China sits at the apex of the world economy as it ranks number two in share of world GDP and is at the center of global supply chains. A trade agreement that by fiat sought to defy these fundamental economic realities would be foolhardy indeed. Hence the TPP concept is expansive: it aims to eventually develop an Asia-Pacific wide platform of economic integration, not to draw lines encircling China.

#### Other FTAs with China disproves the desire to exclude China. “US vs. Them” not applicable

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If Chinese exclusion were the selling point of the TPP for countries like Japan, then one would be hard pressed to explain why the Japanese government is concurrently negotiating two major trade agreements with China: a trilateral FTA in Northeast Asia and an East Asian trade agreement known as the Regional Comprehensive Economic Partnership (RCEP). And the same is true for all other Asian countries in the TPP who already partake in the ASEAN-China FTA and are participating in the RCEP talks. The “us versus them” dynamic of security alliances is not really applicable to free trade agreements. The noodle bowl that characterizes the maze of FTAs illustrates the fact that in the world of international trade overlapping memberships render moot purely exclusive arrangements.

#### China will join the TPP. Xi sees it as a way to improve China’s image

[**ASEAN Briefing**](http://www.aseanbriefing.com/news/author/asean-briefing) **13** [“Speculation that China May Join TPP Talks,” June 7, 2013, pg. http://www.aseanbriefing.com/news/2013/06/07/speculation-that-china-may-join-tpp-talks.html

Jun. 7 – With Chinese President Xi Jinping visiting the United States over this upcoming weekend, speculation is growing that as an olive branch to be offered to develop trust between the two countries, China might be invited to join talks over joining the Trans-Pacific Partnership. China has been highly critical of the TPP bloc, seeing it as [a move to deliberately leave the country out of multilateral trade discussions](http://www.china-briefing.com/news/2013/02/06/china-set-to-lose-out-to-vietnam-as-u-s-tpp-deal-looms.html" \t "_blank) and to boost instead trade with its competitors.

However, China’s Ministry of Commerce said last week that China was open to joining the TPP. Other TPP members include Australia, Brunei, Canada, Chile, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam. The long term view of the TPP is that the wealthier members are likely to fund manufacturing facilities in the lesser developed nations such as Mexico and Vietnam in order to improve their manufacturing and quality standards. This will, in turn, allow the United States and the more developed nations of the TPP to lessen dependence upon Chinese imports.

Nonetheless, the United States has always maintained that China is welcome to enter discussions over the TPP. President Xi, seeking ways to improve China’s image in multilateral trade following rows with Japan and many of its neighbors over territorial issues that impacted on trade, may want to steer a course away from China’s previous foreign policy aggressiveness and towards tax treaties and trade blocs as a way to improve its relations and diminish domestic opposition over state reforms – which do not want to see China engage with foreign competitors.

# TPP - AT: China Turn – Solves war

#### US-Mexico integration encourages China to embrace the TPP. They will not sit on the sidelines as others are benefitting from US economic engagement

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The United States and Mexico are among the most open economies in the world, having integrated their manufacturing sectors through NAFTA and having negotiated trade agreements granting preferential access to a combined fifty-plus nations and two-thirds of global GDP. This presents a tremendous opportunity for the sale of jointly produced exports and cooperation on global trade issues to ensure North American products receive fair treatment around the world. Whether in the Trans-Pacific Partnership (TPP), a trade agreement being negotiated by 11 Pacific Rim countries, or other initiatives, the United States, Canada and Mexico could improve their chances of successfully completing mutually beneficial trade deals by negotiating and working to implement them as a bloc, recognizing that each country shares in the advantages of a competitive North America. Though the TPP is the next step, it should be understood in the context of a broader strategy to drive progress on the global trade agenda. If the current parties successfully negotiate a comprehensive, 21st Century trade agreement linking the world’s largest economic region (North America) to its most dynamic (Asia-Pacific), China may decide it has more to gain by joining in than by sitting out, which would in turn create a strong incentive for long-stalled progress at the World Trade Organization, strengthening the competitiveness of regional exports. A similarly continental approach might also be considered as the U.S. gets ready to begin negotiating a trade agreement with the European Union.

#### China’s participation in the TPP strengthens its IP protections and locks them into US-dominated economic order

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China's enormous success in pushing forward a series of domestic reforms in order to join the World Trade Organization offers valuable experience on how to promote interaction between reforms and opening-up.

The country revised a total of 2,300 laws and regulations at the central level and more than 19,000 local ones to facilitate its bid for WTO membership, according to data released by the Ministry of Commerce. On the fifth anniversary of its accession to the WTO in 2006, China had opened more than 100 of its 160 service areas to the outside world in accordance with its WTO membership commitments, an opening-up degree that is tantamount to that fulfilled by some developed countries. In particular, China fully kept its commitments and kept its hands away from the pricing of almost all commodities and services except for the implementation of guidance prices for grains, finished oil and postal services. It is this commitment to giving the market a decisive role in the pricing of goods and services that has helped China to further push forward market reforms and successfully make the transition from a planned economy to a market economy. This transformation has forcibly driven China's economic development and further narrowed the gap with developed countries.

Many of the measures taken by China to introduce a market mechanism and deepen reforms over the past decade have been related to its efforts to deal with outside challenges that have resulted from its WTO membership. However, over the past decade its comprehensive national strength and international influence and the competitiveness of its companies have grown to their highest level in history.

China's efforts for expanded opening-up since 1992 have helped inject a huge vitality into its economy and the dividends from reform are far from being over. The experiences of China's WTO membership indicate that opening to the outside world can become an important propulsive force for further domestic reforms.

Pushing for opening-up in the spirit of reforms and promoting reforms and development through deepening opening-up has been an important experience for China over the past 30-plus years, as Vice-Premier Zhang Gaoli highlighted in March at a high-level Beijing forum on China's development. More efforts are needed than at any other time for China to continue the interaction between reforms and opening up, he added. In March, during his first inspection tour of the Yangtze River Delta after he took office, Premier Li Keqiang said that China still has a lot of room to use opening-up to promote a new round of reforms to release "systematic dividends" and expand domestic demand.

The active opening-up strategy the government has vowed to adopt, as mapped out in the report delivered to the 18th Congress of the Communist Party of China in November, means that the country should be more active in pursuing new opening-up targets.

China should hold an active attitude toward the Trans-Pacific Partnership that the United States is vigorously pushing. Given that the TPP sets higher requirements for membership, in terms of financial institutions, management of enterprises and their competitiveness, more active involvement in free trade talks with the US and the European Union would offer China a new and bigger driving force for a better domestic environment and strengthen its protection of Intellectual Property rights. At a time when no substantial progress has been made in the WTO-led Doha Round of negotiations, China, as the world's second-largest economy, should not turn a blind eye to the TPP, a wide-ranging economic cooperation arrangement that has drawn worldwide attention.

Compared with other free trade or economic cooperation agreements, what the TPP advocates is complete demolition of tariffs among member states, and it will not recognize "exceptionalism" in principle. If joined by Japan, it will account for 40 percent of the world's economic aggregates and become a new stage for the making of international economic and trade rules.

There is no denying that the TPP will help rejuvenate the US economy, facilitate Washington's bid to return to the Asia-Pacific region and share the region's economic prosperity, and that it will boost its global competitiveness, influence and dominance. China's active involvement in the TPP process would bring it many challenges, but also opportunities. Excessive resistance to the TPP will be detrimental to China and mean it will possibly let slip chances to take advantage of the TPP to push for deeper economic institutional reforms and promote the better and faster development of its economy. TPP membership would bring increased pressure on China to protect Intellectual Property rights and make greater efforts to conserve energy and reduce emissions. It would help China promote domestic innovations and sharpen its global competitiveness to adapt to new international trade and investment rules. At the same time, participation in TPP talks at an early date would help China avoid marginalization and gain a say in the making of its rules.

#### Failure makes a US-China war inevitable. We must reverse China’s belief that economic cooperation with the US is optional

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E ach week adds a new item to the growing list of grievances between the United States and China. The value of China’s currency, arms to Taiwan, human rights in Tibet, carbon emissions, military spending, sanctions on Iran, cyber attacks, and, of course, North Korea have all made headlines in the past few months. But there are far more profound problems that tend to get covered up by this landslide of daily disagreement, problems that raise the specter of a new kind of cold war. The most fundamental is Beijing’s newfound belief that there has been a substantial shift in the balance of power within its relationship with America, and that the United States is no longer indispensable to China’s development. Added to that is China’s deepening commitment to a state-driven form of capitalism that increasingly pits the two counties in a zero-sum competition for resources and wealth.

There is still considerable mutual dependence in U.S.-Chinese relations, grounded mainly in the complex commercial ties of the two nations. But there are also risks that are more dangerous for Washington than anything produced by the long U.S.-Soviet stalemate. The Berlin Wall separated East and West, but it also acted as a kind of shock absorber, ensuring that economic bankruptcy on the Communist side had little impact on the freer world. There is no such buffer between China and the United States. The financial crisis of the past twenty months has produced significant aftershocks in China. And in the coming decade, economic developments inside China will have profound implications for America’s financial well-being—and, therefore, its security.

The risk of an intensifying cycle of recrimination between the two sides is increasing; such a cycle could take on a life of its own, growing beyond the ability of the two governments to contain it. To manage this risk, U.S. policymakers should find every available means over the next decade to ensure that American economic and military power remains indispensable to China’s rise, a strategy that will require considerable patience, political maturity, and more than a little good luck. But they must also enlist friends and allies to ensure that where U.S. and Chinese interests diverge, it is the latter, not the former, that ends up isolated.

F or three decades, Washington and Beijing have defied predictions of an inevitable conflict, mainly because American power has helped support China’s rise by providing customers for its exports, predictability in East Asian security, and protection for international sea-lanes—and because China’s success has created lucrative long-term opportunities for American companies and provided low-cost products for U.S. consumers. In the late 1970s, the Chinese leadership began to experiment with capitalism and to slowly open the country to trade and investment. The massacre in Tiananmen Square in June 1989 put plans for expanded commercial ties on hold, and, as European Communism began to implode later that year and the Soviet empire collapsed in 1991, China’s hard-liners, fearing a similar loss of political control, slowed the drive for market liberalization. But in 1992, an increasingly frail Deng Xiaoping put market reform back on track with his “southern tour” of China’s special economic zones, the enclaves of managed capitalism his government had opened to foreign investment years before. In the 1990s, Jiang Zemin used the momentum Deng had created to accelerate China’s development as an export powerhouse and a magnet for Western investment.

Champions of market reform within the Chinese leadership used the collapse of European Communism as a different sort of cautionary tale by making the case that only by delivering on the promise of an ever-rising standard of living could Beijing succeed where Moscow had failed, allowing the leadership to maintain its monopoly on domestic political power. Mikhail Gorbachev had tried to invigorate the Soviet economy by reforming Soviet politics. China’s leaders attacked the problem from the other side, reforming the economy to ensure long-term political stability. China’s own experience had proven that no state can simply mandate growth. The creation of jobs meant empowering manufacturers to sell products to those who could afford to buy them by winning access to consumers in the world’s largest markets—America, Europe, and Japan. It meant welcoming foreign companies and investors on an unprecedented scale. It meant an irreversible drive toward capitalism that has only intensified in the years since this strategy was put in place.

The 1990s marked an important shift in China’s relations with America. As a candidate for president, Bill Clinton had denounced China’s leaders as “butchers” in the aftermath of Tiananmen Square. Once in office, he acknowledged the unique power of trade with China to fuel U.S. growth. American manufacturers won access to low-cost Chinese labor and the world’s most promising new market, and the flood of Chinese imports provided Americans with newly affordable consumer products that helped keep inflation in check. In March 2000, Clinton signed legislation that granted China “permanent normal trade relations.” The U.S.-Chinese trade relationship had become too big to fail.

To fuel the next phase of China’s growth, the party committed in the late 1990s to a policy known as “Go Out,” a concerted state push to send Chinese companies abroad to establish new trade ties and to lock up long-term supplies of the energy and other commodities on which future economic growth would depend. In 2001, China formalized its commercial ambitions by joining the World Trade Organization, a commitment that gave Beijing all the more reason to value American power and Washington’s willingness to use it. Developing trade and investment relationships with potentially volatile emerging states in Africa, the Middle East, Southeast Asia, and Latin America—and depending more than ever on sending tanker traffic through troubled waters—exposed China to unprecedented levels of foreign political risk. America’s role as global policeman helped open and maintain trade routes and sea-lanes for Chinese companies. Expanded access to American purchasing power helped China’s economy create millions of jobs. In short, by protecting China’s hard-won gains and allowing it to build a capitalist future on a solid foundation, American power—hard and soft—proved indispensable for China’s expansion, and China’s growth kept America’s good times rolling.

China’s commitment to foreign trade and investment has generated an astounding three decades of double-digit growth, a trend impressive enough to inspire some to believe that it just might last forever. Western firms, large and small, are now banking on the promise of steady long-term profits as China develops what is expected to become the largest middle class in history. This investment boom has also lifted a fast-growing number of Chinese companies onto the commercial playing field, inside China and around the world.  
Y et over the past several years, China’s leadership has also been forced to embrace the natural volatility and often toxic side effects that come with decades of hypertrophied growth in a developing country. Rapid industrialization has done enormous environmental damage, displaced huge numbers of people, and widened wealth gaps between increasingly affluent coastal cities and the slower-to-develop interior. Among the results has been an annual spike in the number of large-scale public protests across the country. To engineer a more “harmonious” economic expansion, President Hu Jintao and Prime Minister Wen Jiabao have crafted a more direct state role in managing capitalist growth, one that allows the political bureaucracy much greater control over how and where jobs are created, to whom and how much banks lend money, and which companies dominate strategically important economic sectors. In other words, certain that command economies are doomed to fail but fearful that truly free markets will spin out of control, the leadership has invented something new: state capitalism with Chinese characteristics.

Beijing continues to rely on a wide variety of state-owned companies in several economic sectors to secure long-term access to the resources China will need to feed future growth, to develop China’s technological prowess, and to create jobs in decades to come. China’s finance ministry has reported that state companies produced $3.3 trillion in sales in 2009, about seventy percent of the country’s GDP.

The bureaucracy uses select privately owned companies to dominate key industries. They use sovereign wealth funds, created from the country’s enormous reserves of foreign currency, to direct huge flows of capital. In sum, China’s political leaders are using markets to create wealth that can be used to maximize state control of the next phase of the country’s development—and their own chances of political survival. This is a form of capitalism in which the state uses markets primarily for political gain. It is a model that has so far proven strikingly successful.

The financial crisis and global recession have given that model a new sheen—and shifted the balance of power in U.S.-Chinese relations. The international market meltdown hit China only indirectly, but had a dramatic impact nonetheless. Its banks were not exposed to the contagion as much as Western financial institutions were, but a loss of purchasing power in America, Europe, and Japan sharply reduced demand for Chinese products, led to enormous overproduction in China, and temporarily cost millions of Chinese their jobs. Beijing moved quickly to stop the bleeding with a massive stimulus package, directing hundreds of billions of dollars through state-controlled lenders to state-owned companies for use on large-scale, job-creating infrastructure products. The robust recovery that followed has further persuaded the leadership that state capitalism heals the wounds inflicted by under-regulated free markets.

Put bluntly, China’s leaders no longer believe that American power is indispensable for their country’s prosperity—or their own long-term political survival. The financial crisis has underlined the risk that China has accepted in relying on exports to developed states for economic growth. This has increased the urgency with which the leadership works to build domestic demand for Chinese products. Chinese officials have made news in recent months with the occasional call for the establishment of a new reserve currency to replace the dollar. That cannot happen overnight, but as China reduces its dependence on market conditions in the West, the need to purchase dollars will gradually ease, and much of the reserves will flow toward the purchase of commodities. This is a long-term project and one that will have to be undertaken carefully to ensure that the creative destruction that accompanies this transition does not force so many people out of work at one time that widespread social unrest reaches critical mass.

In addition, now that a growing number of Chinese firms have developed the management, marketing, and technical expertise needed to compete, they increasingly see foreign companies and investors as commercial rivals for local market share. As China’s need for foreign investment wanes, so will the influence of foreign companies, and in a growing number of cases, Chinese companies are already using their new leverage within the political bureaucracy to win advantages and protections that force their competitors onto a less-than-level playing field. In 2009, Coca-Cola was hoping its lead role as a sponsor of the Beijing Olympics the year before would warm official attitudes toward its $2.4 billion bid for the Chinese juice maker Huiyuan. During the negotiation process, Huiyuan owner Zhu Xinli stoked popular anger over the proposal, even as he courted the bid in case the state approved it. The Chinese government ruled that the proposal violated antitrust legislation, and Coke came away empty-handed.

In July 2009, the New York Times published a surprising account of the public backlash inside China against foreign players in the country’s professional basketball league. Just a year earlier, league officials had moved to generate more excitement for Chinese fans by attracting larger numbers of high-talent foreign players, mainly Americans. The league eased restrictions on the amount of money that players could earn and eliminated limits on their playing time. Within one season, the game won a wider audience throughout China. Now the fans want to see Chinese power forwards and shooting guards on the court.

This patriotic pressure has also become a growing problem for foreign companies and investors trying to make a name for themselves within China’s state-dominated system. The state itself now faces unprecedented pressure to satisfy public demand for all kinds of things. Ironically, it is one of globalization’s primary engines, the Internet, that makes this possible. According to a recent report from McKinsey & Company, an international management consultancy, there are now more than three hundred and eighty-four million Chinese online, an increase of fifty percent from 2008. Like Web surfers everywhere, the vast majority of Chinese users appear to spend the vast majority of their time discussing popular culture, their personal lives, and local issues. But in the past two years, the Chinese leadership has repeatedly found itself reacting to waves of angry popular sentiment pushing through Chinese cyberspace. Far from swelling popular demand for pluralist government and better relations with foreign governments, the Internet has on many occasions become an incubator of wounded national pride and demand for a government that better defends China’s interests in the face of Western criticism. This helps explain why, though economic decoupling will take years to accomplish, a process of political decoupling is already well underway.

A growing number of U.S. companies have begun to complain both publicly and privately about the Chinese government’s plan to support homegrown intellectual property via its promotion of “indigenous innovation.” Beyond claims of espionage, high-tech firms in the United States and Europe now charge that China’s policy of favoring products made with domestically created intellectual property in government procurement proves that Beijing has lost interest in even pretending that it will observe international intellectual property rules and maintain a level playing field for foreign firms throughout the next several years.

American media continue to cover the recent story of the hacking of Google as if the crux of the conflict is a dispute over cyber attacks, censorship, and state persecution of dissidents. All those issues are important, but Google’s battle with China is also about the market dominance of Baidu, Google’s primary Chinese rival. Baidu already holds larger Chinese market share than Google. If the American firm leaves or is forced out, Baidu will be the beneficiary. In fact, Baidu represents all the Chinese companies that have developed the skills and market muscle to compete with foreign rivals. These firms have become points of pride in China for the government as well as the public, both of which appear pleased to see the home team whip the foreign competition.

The new nationalism was apparent in China’s reaction to the recent announcement by Washington that the United States would sell Taiwan $6.4 billion in new weaponry. There is nothing new about U.S. arms sales to Taiwan, or angry public responses from the mainland. But this time, Beijing punctuated its frustration with an extraordinary threat: the imposition of sanctions on U.S. aircraft manufacturer Boeing, which has dominated China’s airline market and expects to do $400 billion in business with China in the next twenty years. Taken together, the Google and Boeing stories illustrate how a perceived shift in the balance of power within U.S.-Chinese relations—not to mention the increasingly obvious incompatibility of the American and Chinese brands of capitalism—are pushing Washington and Beijing toward conflict.

# TPP - AT: WTO Turn

#### WTO is dying. TPP will encourage more open trade

**Wagner 13** - CEO of Country Risk Solutions, a cross-border risk advisory firm [Daniel Wagner, “Is the Trans-Pacific Partnership the Solution to Latin America's Fractured Trade Regime?,” The Huffington Post, Posted: 05/16/2013 9:32 am, pg. http://www.huffingtonpost.com/daniel-wagner/is-the-transpacific-partn\_b\_3284797.html

The announcement that the Obama administration will be sending Joe Biden to Brazil, Colombia, and Trinidad and Tobago later this month in what the Vice President called "the most active stretch of high-level engagement on Latin America in a long, long time" suggests that Mr. Obama would like part of his legacy to be a closer relationship with Latin America. To do so would at the same time require finding a way to reduce the appeal of 21st century socialism in a variety of countries in Latin America - something that seems improbable during his tenure.

The most likely near-term outcome is that the U.S. will take a leadership role in pushing for additional Latin American countries to join the TPP, starting with Colombia, Costa Rica, and Panama. All three countries have undertaken significant commitments toward liberalizing trade, have shifted the focus of their trade policies to Asia, and have expressed interest in joining the TPP. Colombia is the best fit, as it already has agreements with five TPP members, is finalizing agreements with Japan and South Korea, and sends nearly half its exports to the TPP-12. While such a development may reinforce the emerging split between Mercosur and the Pacific Alliance, it may also eventually help encourage the adoption of more open trade policies that can counter the protectionist tendencies that have arisen.

Greater Latin American participation in the TPP will surely serve to strengthen the Partnership and the region. If the negotiations are able to successfully address the two biggest problems facing the TPP in Latin America -- synchronizing the dozens of bilateral agreements that exist between members and non-members, and bringing other countries into the TPP -- then the agreement will serve to reinforce integration into the global supply chain and effectively sidestep sclerotic multilateral trade talks at the WTO. Failure to reach agreement may mean that rather than encouraging mutual prosperity through deeper economic ties, the level of political and economic discord surrounding trade in Latin America will rise.

Given the stakes involved, all countries participating in the negotiations need to recognize what is in their mutual long-term interests, step up to the plate, and do what is needed to make the TPP a reality. However, given the track record of lengthy and ultimately unsuccessful multilateral trade negotiations in recent history, it is more likely that any agreement will take much more time to be concluded. In the meantime, the spaghetti bowl of bilateral trade agreements will continue to undermine efforts to achieve multilateral solutions to the region's trade challenges.

#### WTO is unraveling now. Dispute settlement process will not protect members

**Dee 13** – Professor of trade policy @ Australian National University [Philippa Dee, “What can the G20 do about the WTO?,” East Asia Forum, February 24th, 2013, pg. http://www.eastasiaforum.org/2013/02/24/what-can-the-g20-do-about-the-wto/

The G20’s role in trade reform is to deal with systemic issues that are not well handled by the WTO under a ‘business as usual’ approach. So the forum must deal with the current danger: if the WTO is allowed to muddle through, the existing trade rules that have underpinned globalisation and growth for decades could unravel.

If that happens, then even the WTO dispute settlement process will no longer provide protection to members — because there will be no rules to protect.

The specific danger at this stage is the complete abandonment of the most-favoured nation (MFN) principle. It is violated [as a matter of course](http://www.businessandeconomics.mq.edu.au/our_departments/accounting_and_corporate_governance/docs/publications/past_editions/volume_5/02Trost.pdf) in FTAs. Multilaterally, the majority opinion is that the single-undertaking approach is dead, so post-Doha WTO agreements are likely to be single-issue. In all likelihood, they will also be plurilateral. The key question is whether they will also be preferential. There is already one such WTO agreement — on government procurement — and in discussions taking place on a WTO plurilateral agreement on services there is [strong pressure for it](https://groups.google.com/forum/" \l "%21msg/canada-eu-ceta/LlOJighVRCM/dkZ9mZM4RbsJ" \t "_blank) too to be preferential. The writing is on the wall.

Is the MFN principle worth preserving in a post-Doha world, when the biggest trade barriers are [behind the border](http://www.eastasiaforum.org/2011/12/01/apec-facing-up-to-tariff-reforms/)? The principle is valuable when treating different trading partners unequally would lead to allocative efficiency losses. Some barriers create deadweight costs, and removing these is always beneficial, even preferentially. But entry barriers can also create rents, and here unequal treatment causes problems. When reform is preferential, it is partial; when it is partial there is scope for rents to remain.

# T-TIP – Coop solves

#### Cooperation stabilizes the Black Sea region – It’s a conduit for instability throughout Eurasia

**Garber 08** - Deputy Assistant Secretary of State [Judy Garber, “Transatlantic Perspectives on Black Sea Region: U.S. seeks to promote cooperation among countries in the region,” Keynote Address at the Woodrow Wilson Center Conference, 10 June 2008, pg. http://www.america.gov/st/texttrans-english/2008/June/20080612162948eaifas0.3606836.html#ixzz1S5cj0Z00]

The Black Sea lies at a **strategic crossroads** of geography and culture, where Russia intersects with the European Union, where energy producers of Eurasia connect to energy consumers of central and Western Europe, where Islamic traditions meet Christian traditions, and where Europe and the Middle East meet.

The Black Sea region is of considerable strategic importance to the United States. We now have three NATO Allies bordering the Black Sea: Turkey, Romania, and Bulgaria. Two European Union members are Black Sea littoral states. The Black Sea region is a crossroads in high level policy debates over energy security, with planned routes to bring central Asian gas to Europe. We have also become increasingly concerned about the region as a conduit for smugglers, whether contraband, trafficking in persons, drugs, or worse, Weapons of Mass Destruction.

U.S. interests in the Black Sea are focused on advancing democratic and market reforms; on strengthening economic ties, energy diversity and a cleaner, more sustainable environment to preserve the Black Sea’s natural beauty and resources; and improving security throughout the region. At its foundation, it follows from the same goals we have worked so hard to achieve in Europe for the past fifty years: peace, democracy, and prosperity.

Our approach seeks to promotecooperation among countries in the region. We are heartened that a regional identity has begun to develop with organizations such as the Organization of the Black Sea Economic Cooperation (BSEC), and we hope to see this cooperation strengthened. The European Union also increasingly recognizes the importance of the Black Sea with its policy called Black Sea Synergy.

Both the U.S. and the EU agree that a **coordinated policy** effort in the region **is essential** in addressing some of the more pressing issues of the decade: issues such as Iran, **prolif**eration of weapons of mass destruction, counter**terrorism**, **and energy security**. Reaching out to countries of the Black Sea region to promote democracy, economic growth consistent with a sustainable environment, and regional security, is the **natural next step in the transatlantic vision** of a Europe whole and free. By focusing on cooperation in these areas, we envision the Black Sea region as a nexus of security, energy diversification and trade, and political and economic freedom linking Europe with the Caspian basin, Central Asia, and the broader Middle East.

#### Transatlantic cooperation is key to Black Sea democratic consolidation – It serves as a dispute resolution mechanism

**Gordon 11** - Assistant Secretary of the Bureau of European and Eurasian Affairs @ State Department [Philip H. Gordon, “Administration Priorities for Europe in the 112th Congress,” Statement before the Subcommittee on European Affairs of the Senate Foreign Relations Committee, May 18, 2011, pg. http://www.uspolicy.be/headline/state%E2%80%99s-gordon-senate-hearing-us-priorities-europe]

Beyond Libya, the U.S. and Europe work together on an extraordinarily wide range of issues, from Afghanistan to Iran to the tumultuous events in North Africa and the Middle East. On both sides of the Atlantic we are working hard to recover from the worst financial crisis since The Great Depression. Because our economies are intertwined, and we are working together so closely on problems around the globe, policy decisions taken in Europe to address the Eurozone crisis will have an impact here in the United States. There is a common thread that runs through all our engagement with Europe: U.S.-European cooperation is and **remains essential** to achieving our strategic objectives.

Our engagement with Europe begins with the idea that the United States faces a daunting international agenda and that our ability to deal with it is immeasurably increased by working with strong allies and partners. In meeting these challenges, we have no better partner than Europe, where we work with democratic, prosperous, militarily-capable allies who share our values and share our interests. In the words of President Obama, Europe is “the cornerstone of our engagement with the world.”

To help you understand the breadth and depth of that engagement, I’ll describe the strategic objectives that drive our approach toward Europe. Then, I’d like to offer you an assessment of our record over the past two years on these objectives. When I think about this administration’s priorities in Europe, there are three basic objectives that stand out in our engagement with the continent:

1. First, we work with Europe as a partner in meeting global challenges. On every issue of global importance, Europe’s contributions are crucial to solving major international challenges. No matter what the issue is – from the war in Afghanistan, to the Iranian nuclear challenge, to the new operation in Libya – **Europe is indispensable**. We are vastly stronger – in terms of legitimacy, resources, and ideas – when we join forces with Europe on the global agenda.

2. Second, we are still working with Europe on Europe, that is to say working to complete the historic project of helping to extend stability, security, prosperity and democracy to the entire continent. The extraordinary success that the United States and Europe have had together in promoting European integration, in **consolidating** and supporting the new **democracies** in Central and Eastern Europe and integrating them into Euro-Atlantic institutions demonstrates the promise of this enterprise. But our work is not done. And so the effort continues in the Balkans, in Europe’s east, and in the Caucasus.

3. Finally, we have sought to set relations with Russia on a more constructive course. President Obama recognized that he had inherited a relationship that was in a difficult place and that this situation did not serve the interests of the United States. Therefore, our goal has been to cooperate with Russia where we have common interests, but not at the expense of our principles or our friends. As such, where we have concerns, such as on Russia’s human rights record, or on Georgia, we will continue to raise concerns with government and foster connections with civil society.

Looking back on the past two years, we can point to significant progress in each area:

First, we have worked together as never before with our European partners on global issues, including Afghanistan, Iran, missile defense, and the momentous developments in North Africa and the Middle East. Specifically:

• In Afghanistan, following the President’s West Point speech in November 2009, Europe contributed about 7,000 additional troops, over 100 training teams for the Afghan army and police, and nearly $300 million for the Afghan National Army trust fund. European nations now have almost 40,000 troops in Afghanistan and the total European contribution to Afghanistan since 2001 comes to over $14 billion.

• On Iran, we maintained unity in our efforts to engage, and we have at the same time seen the strongest-ever set of sanctions adopted by the UN Security Council and an even more robust set of follow-on sanctions adopted by the European Union. These additional measures taken by the EU cover a variety of areas critical to the regime including trade, finance, banking and insurance, transport, and the gas and oil sectors, in addition to new visa bans and asset freezes. These steps have raised the price of Iran’s failure to meet its obligations and we hope will serve to bring them back to the negotiating table.

• On Missile Defense, NATO allies recognized at the Lisbon Summit in November 2010 that the defense of Europe can no longer be achieved just by tanks or bombers. Now, we need defenses against a new and grave set of threats, in particular ballistic missiles in the hands of dangerous regimes. Our aim as an alliance is to develop a missile defense capability that will provide full coverage and protection from ballistic missile threats for all NATO European territory, populations, and forces. This capability will be a tangible expression of NATO’s core mission of collective defense. At the summit, allies also welcomed the U.S. missile defense system in Europe, known as the European Phased Adaptive Approach, as a valuable national contribution to the overall effort, and we hope to see additional voluntary contributions from other allies. We are now exploring further ways to cooperate with Russia on missile defense, without in any way prejudicing NATO’s ability to independently defend its territory from missile threats.

• In Libya, we consulted and cooperated closely with our European allies to pass UNSCRs 1970 and 1973, which levied sanctions against the Qadhafi regime, established a no-fly zone over Libya, and gave us the authority to protect Libyan civilians from the regime’s attacks. NATO took over enforcement of UNSCR 1973 on March 31 and now has over 7,000 personnel in Operation Unified Protector, over 200 aircraft and 20 ships. OUP has maintained a consistently high operational tempo across a vast country. NATO has flown over 6,000 sorties - almost half of them strike sorties – and hit hundreds of critical targets. And this is primarily a European operation. Over 60 percent of the aircraft come from our allies and our partners, including from the region. All 20 naval ships are contributed by Canada and European allies.

In the second area, extending the European zone of peace, prosperity, and democracy, we have had some important successes, but equally important challenges remain. As I said at the outset, the work of “completing” Europe is not finished. What I think is most notable about our current efforts under the Obama Administration is how closely – as part of a deliberate strategy – we are working together with Europe to achieve this goal.

Take, for instance, Ukraine, Belarus, Moldova, Georgia, Azerbaijan, and Armenia. These are the countries of the EU’s Eastern Partnership, an initiative that the United States strongly supports and works with to advance democracy, stability, and security in this part of the world. We share with our European counterparts a similar approach to these countries because of our common goals. As the situation has deteriorated in Belarus, including with the conviction of former Presidential candidate Sannikov, we have coordinated very closely with the EU including on possible additional sanctions.

The same can be said of the Balkans: the U.S. and European view is that Europe will not be complete until all of the countries of the Western Balkans are full EU members. On the dialogue between Serbia and Kosovo, on the future of Bosnia, on Croatia’s path to the EU, we have consulted closely with Europe. We also welcomed Albania and Croatia into NATO, extended Membership Action Plans to Bosnia and Montenegro, and Macedonia will join once the dispute over its name is resolved. This degree of accord on the Balkans is the foundation of our success—we work together every step of the way. The intensive joint diplomacy of recent months has shown how closely our visions are aligned, something which is essential for progress in the region.

**U.S. and European unity is** particularly **critical** in Bosnia, where nationalist politicians are irresponsibly challenging the very core of the Dayton Accords and threatening the functioning and integrity of the Bosnian state. Bosnian leaders are often privileging their own interests above their populations. Bosnia cannot take its rightful place in Europe unless it has a state functional enough to meet NATO and EU accession requirements. We are, together with our European allies, committed to helping Bosnia meet those requirements.

Another example of the decisive impact that U.S.-European cooperation can have in the region is our joint response to events in Belarus. The Government of Belarus’s crackdown on civil society and the opposition following the flawed election in December has been sharply condemned on both sides of the Atlantic. We have made very clear that our relationship with Belarus cannot improve in the context of continued repression of civil society, the opposition, and independent media. The U.S. and the EU have called for the immediate and unconditional release of all detainees and an end to the continue human rights violations against critics of the government. We consider the five presidential candidates and other democratic activists who are being tried after being arrested in conjunction with the December 19 presidential election to be political prisoners; the latest convictions and ongoing trials are clearly politically motivated. Both we and Europe have targeted measures against those officials responsible for the crackdown even as we and Europe support the aspirations of the people of Belarus for a modern open society. To that end, the United States is providing an additional $4 million in democracy-related assistance to help Belarusians create space for the free expression of political views, the development of a civil society, freedom of the media, and empowerment of independent entrepreneurs. Both we and Europe want a better, more productive relationship with Belarus; unfortunately, the country’s leadership is following a policy that will only further isolate Belarus and its people.

Turning to the **Caucasu**s, our joint efforts with the European Union and other international partners in the region have **resulted in progress**, but disputes over territory and a need for further meaningful political and economic reforms remain serious obstacles to greater stability. In Georgia, our steadfast engagement and generous assistance have aided in transforming Georgia into an aspiring democracy and important partner to NATO in Afghanistan. Together with our European partners, we will maintain our support for Georgia’s territorial integrity and sovereignty within its internationally recognized borders and will continue to support international efforts to find a peaceful resolution to the dispute over **Abkhazia** and **South Ossetia**. Elsewhere in the region, we will continue to press for democratic reforms and an opening of the political space such that human rights and fundamental freedoms are fully respected, to encourage normalization between Turkey and Armenia, and to increase our engagement through the Minsk Group with Russia and France to help Armenia and Azerbaijan find a peaceful settlement to the **Nagorno-Karabakh** conflict. In that regard, we strongly believe that the time has come to finalize and endorse the Basic Principles and move to the drafting of a peace agreement. We believe that the United States and Europe **must work together** to avoid further conflict in Europe and help the countries in the region move towards democracy, peace, and greater prosperity.

# T-TIP – Black Sea Impact

#### Black Sea is a tinderbox and democratic backsliding will start the fire. Transatlantic coop is key to solve

**Hamilton & Burwell 10** – Research Professor of International Studies @ Johns Hopkins University & Vice President and Director of Transatlantic Relations and Studies @ Atlantic Council [Daniel S. Hamilton (Founding Director of the Center for Transatlantic Relations. Director of the American Consortium on EU Studies) & Frances G. Burwell (Former executive director of the Center for International and Security Studies @ University of Maryland) “Forging a Strategic U.S.-EU Partnership,” Shoulder to Shoulder: Forging a Strategic U.S.–EU Partnership, Edited By Daniel S. Hamilton, 2010]

Twenty years after the European revolutions of 1989, dictatorships have become democracies. Economies have been integrated into European markets and the global economy. Nations from the **Baltic to the Black Sea** have joined the European space where war simply does not happen. It’s a marvel. But Europe is not yet whole, free or at peace. Throughout the unsettled spaces of wider Europe other walls remain - historical animosities, ethnic hatreds, unresolved borders, struggles for power and control. Festering tensions can explode, as we discovered in the Balkans and again in 2008 when Russia clashed with Georgia. Overall, this region is significantly less democratic, less secure, and less aligned with the West than it was at the beginning of this decade. The EU and the U.S. and its European allies must avoid **democratic backsliding** in countries that experienced promising initial breakthroughs, but have since bogged down or regressed. Successful reforms in wider Europe beyond the EU and NATO could resonate significantly across the post- Soviet space and into the broader Middle East. Failures risk **destabilizing competition and confrontation**. And whenever we have ignored the twilight zones of Europe, we have always paid a higher price later.1

While much depends on the people of the region, much also depends on the nations of the West. Further deterioration of democracy in wider Europe could severely damage Europe’s stability, its close alignment with the U.S., and its ability to act as an effective partner on the global stage. **It would be a serious mistake to dismiss democratic regression** and unresolved tensions in this region as issues of lower- order strategic import. These are core issues facing European security, stability, and unity today—and the U.S. has a strong interest in the outcome. These trends can and should be reversed, drawing upon the lessons of the last twenty years of postcommunist transition experience. To restore lost momentum, however, the EU and the U.S. must give higher priority to this region, both in terms of high- level attention and in the quantity and quality of resources devoted to supporting democracy and addressing conflicts.2 pg. 51 //overview

#### Backsliding in the Black Sea will destabilize Europe, Central Asia and the Mideast

**Kempe & Klotzle 06** – Senior research fellow @ Center for Applied Policy Research & Co-ordinator of EU Programmes @ Heinrich Böll Foundation [Iris Kempe & Kurt Klotzle, “The Balkans and the Black Sea Region: Problems, Potentials, and Policy Options,” C·A·P Policy Analysis · No. 2 · April 2006]

While this (absence of) strategy may ultimately produce reasonable results, it also contains considerable risks. First, if the EU’s internal quandaries lead to an indefinite, drawn-out process of enlargement toward the Balkans, it is entirely possible that democratic reformers in this region will lose traction and legitimacy, as frustrated citizens respond increasingly to the populist arguments of undemocratic, nationalistic political actors. The EU simply cannot afford the security risks that would emanate from a black hole of poverty and instability – containing the distinct potential for renewed violent conflict – in the **heart of Europe**. Second, the lack of a coherent and credible policy toward the Black Sea region could contribute to the perpetuation of **destabilising** frozen **conflicts, the backsliding of democratic transformations** that lack sufficient internal and external support, **economic underdevelopment** and concomitant social unrest, and increasing energy insecurity. These risks are unsustainable in a region so close to the **Mid**dle **East and Central Asia**, in a globalising world where security **threats easily cross borders**. Third, the lack of a decisive and constructive Western policy toward Russia would give rise to a similar set of risks, with the added problem of tensions that are likely to result from competing “spheres of influence.”As a result, the disadvantages inherent in “business as usual” make it imperative to examine other strategic options. Pg. 14

#### The Black Sea’s geopolitical significance can’t be overstated – It will destabilize Central Asia and the Mideast

**Kempe & Klotzle 06** – Senior research fellow @ Center for Applied Policy Research & Co-ordinator of EU Programmes @ Heinrich Böll Foundation [Iris Kempe & Kurt Klotzle, “The Balkans and the Black Sea Region: Problems, Potentials, and Policy Options,” C·A·P Policy Analysis · No. 2 · April 2006]

The Balkans and the Black Sea region occupy a geographic area that is not only the immediate neighbourhood of the European Union, NATO, and Russia, but also embodies a bridge to the critical regions of Central Asia and the Middle East. As a result, the geopolitical significance of the Balkans and the Black Sea region **can hardly be overestimated**. In an age when economies, security risks, and ideological and political movements are increasingly transnational in nature, achieving stability in these regions is essential for the maintenance of **international security**. While both regions have made important progress in recent years, they still confront a number of common risks and challenges, including state reconstruction and/or consolidation, conflict resolution, democratization, economic underdevelopment, and energy security. Each of these challenges not only affects domestic and regional stability but also has important international ramifications. p. 6

#### Black Sea instability destabilizes Central Asia and the Middle East

**Kempe & Klotzle 06** – Senior research fellow @ Center for Applied Policy Research & Co-ordinator of EU Programmes @ Heinrich Böll Foundation [Iris Kempe & Kurt Klotzle, “The Balkans and the Black Sea Region: Problems, Potentials, and Policy Options,” C·A·P Policy Analysis · No. 2 · April 2006]

In the decade and a half since Western leaders began to sketch out their vision of a Europe whole and free, the European Union and NATO have succeeded in extending a zone of security and stability across much of the continent. However, two key regions – the Balkans and the Black Sea – are not yet fully incorporated into this vision, and the lack of coherent strategies addressing these regions threatens to prevent Europe from achieving its full potential.The Balkans and the Black Sea region are characterised by numerous common risks and challenges, including fragile statehood, a shared h istory of violent conflict, unconsolidated democratisation and economic underdevelopment. Given the crucial geopolitical position of both regions as (a) direct neighbours to the EU, NATO, and Russia, (b) a bridge to the Middle East and Central Asia, and (c) an increasingly important energy transport route, instability in either region can have significant ramifications for domestic, regional, and international security. Pg. 4

# T-TIP - Black Sea=Russia war

#### These “frozen conflicts” risks Russian war

**Grotzky & Isic 08** - Research Fellows @ Center for Applied Policy Research (C·A·P)[Daniel Grotzky & Mirela Isic, “The Black Sea Region: Clashing Identities and Risks to European Stability,” CAP Policy Analysis, No. 4 · Oct 2008]

One of the major Black Sea regional challenges is the well functioning of state sovereignty. Georgia, Moldova, Armenia, Azerbaijan and Russia are all parties to “frozen conflicts” that date back to the collapse of the Soviet Union and have created pocket of unrecognized republics around the Black Sea area. The conflicts over Moldova’s breakaway separatist region of Transnistria and South Ossetia and Abkhazia in Georgia are further complicated by the presence of Russian so called “peacekeeping” troops and Moscow’s continued interest in keeping the separatist situation unresolved in order to retain a pressure instrument towards its “near abroad” neighbours. The recent military encounter between Georgia and Russia has clearly demonstrated the risk that such “frozen conflicts” pose.

Pg. 8-9

#### Russia will exploit their domestic instability

**Huterer 10** – Political Counselor @ Embassy of the Federal Republic of Germany [Manfred Huterer (Visiting Fellow @ Center on the United States and Europe), “The Russia Factor in Transatlantic Relations and New Opportunities for U.S.-EU-Russia Cooperation,” Foreign Policy at BROOKINGS, WORKING PAPER Number 4, May 2010]

Further Russian muscle-flexing and continued political fixation on upholding its international status enables the political elite to conceal its weakness and preserve its power. For the foreseeable future, Russia will try to talk up its remaining advantages (nuclear weapons, energy, UNSC permanent membership) as a reaction to its less prominent role in the G-20 process. Russia will also continue its efforts to capitalize on the vulnerabilities of its weaker neighbors exploiting, for example, domestic instability in Ukraine. Pg. 9

#### Russia’s willing to go to war – Georgia proves

**Huterer 10** – Political Counselor @ Embassy of the Federal Republic of Germany [Manfred Huterer (Visiting Fellow @ Center on the United States and Europe), “The Russia Factor in Transatlantic Relations and New Opportunities for U.S.-EU-Russia Cooperation,” Foreign Policy at BROOKINGS, WORKING PAPER Number 4, May 2010]

First, although the Russian-Georgian war in August 2008, as Robert Kagan prematurely depicted, was not “a turning point no less significant than November 9, 1989,”5 it was an important development. Russia’s invasion of Georgia in response to Georgia’s attack on South Ossetia and Russia’s consequent recognition of Abkhazia and South Ossetia have considerably damaged relations between the West and Russia. The war demonstrated Russia’s willingness to apply military means in a disproportionate manner when it feels its vital security interests in its immediate neighborhood are threatened, even at the risk of self-isolation. As the Independent International Fact-Finding Mission on the Conflict in Georgia, led by Ambassador Heidi Tagliavini, concluded in 2009, if Georgia fired the first shot by attacking South Ossetia, then Russia created and exploited the conditions that led to war.6 pg. 4

# T-TIP - Coop solves global economy

#### Cooperation key to prevent the collapse of global markets

**Kelley 11** – School of International Service @ American University [John Robert Kelley, “Keep calm and carry on: appraising the transatlantic relationship from iraq to Obama,” European Political Science: 10 2011]

The trouble with this logic is one part overestimation and one part underestimation. It overstates the supposed permanence of the transformations affecting both sides while mistaking such transformations as an irreversible paradigm shift, demonstrated by the qualification of there being ‘something new’ to behold. It invests in the notion that the end of the Cold War removed a fundamental binding force and therefore eliminated the primary source of the alliance’s raison d’etre. And here is where the alarmists are guilty of underestimation: America and Europe enjoy not only a security relationship (with some degree of multilateralism now restored), but an economic one as well (Pollack and Shaffer, 2006; Wallace, 2008). The predominance of the liberal economic model in the world today requires above all else continued cooperation across the Atlantic. A fractured relationship would severely undercut prospects for the system’s long-term survival and impair coordination required to keep **world markets** humming. To put the centrality of this coordination in perspective, let us not forget that Europe remains America’s largest trading partner by a wide margin, and in the aggregate the alliance commands nearly half of the world’s gross domestic product. When the fortunes of one actor are so enmeshed in those of another, that is binding on an unparalleled order of magnitude. Pg. 22-23

# T-TIP - Coop solves US heg

#### EU support is key to US hegemony – Their support is critical enabler

**Kelley 11** – School of International Service @ American University [John Robert Kelley, “Keep calm and carry on: appraising the transatlantic relationship from iraq to Obama,” European Political Science: 10 2011]

Without a reliable measure of what constitutes an exceedingly good or bad period in the relationship, talk of tipping points or soaring confidence, or any narrative that tells us we have ventured into the extreme seems inconclusive. I choose instead a more moderate perspective that rests on a few simple understandings. First, it is evident to me that the set of issues-areas in the contemporary international system dictate the necessity of the transatlantic partnership. Though they may order their priorities differently, it is by now quite clear that Europe and America share the same international agenda (de Vasconcelos, 2009). More than anyplace else, America’s standing relies on Europe. For even in an age of non-Western assertiveness in high politics, it is Europe that still enables America’s grand strategy to go global. America cannot pursue its goals in Afghanistan or keep Iran in check without European support. Pg. 25

# T-TIP - Coop solves Mideast

#### European support is key to solve the case

**Ash 11** – Professor of European Studies @ Oxford University. [Timothy Garton Ash, “Obama can now define the third great project of Euro-Atlantic partnership,” guardian.co.uk, Wednesday 18 May 2011 20.30 BST, pg. http://www.guardian.co.uk/commentisfree/2011/may/18/obama-define-great-euro-atlantic-project]

From what I can gather, the two speeches are not yet conceived as a strategic pair. They should be. There is no project on which strategic partnership between Europe and the United States is more urgently needed than that of responding to the most important single political development of the early 21st century: the Arab spring.

I do not say this for the sake of finding something that the two halves of the now-vanished cold war "west" can do together; I say it because it is simply a fact that neither side of the Atlantic can do this on its own. Only the US can (just possibly, even with so many Israeli settlers the wrong side of the line) persuade Israel to embrace a two-state solution; only the Europeans can provide the aid, know-how, trade and investment to enable the building of a viable Palestinian state. Only the US has sufficient clout with the Egyptian military to prevent them strangling their country's new democracy at birth. That fledgling democracy cannot, however, grow without access to European markets, education and support across the Mediterranean. And so it goes on, in every case from Morocco to Pakistan – if we include Pakistan in a generous definition of the wider Middle East.

So Euro-Atlantic partnership is not an end in itself, it is the necessary means to a shared end. Our shared purpose must be to help the Arab spring become a lasting freedom summer for the whole of the Islamic world. This should be the third great project of transatlantic partnership since the second world war.

First, there was the reconstruction of western Europe after 1945, symbolised by the Marshall Plan, the founding of Nato, the Council of Europe and the institutions that would eventually develop into today's EU. Here, the US was by far the strongest partner.

Second, there was the integration of central and eastern Europe into what central Europeans such as Vaclav Havel christened the "Euro-Atlantic structures". Here, the US and Europe were equal partners. The key symbolic moments were the eastward enlargement of Nato in 1999 and of the EU in 2004.

In this third project, the potential power of the EU to effect peaceful change is somewhat greater than that of the remote and relatively weakened US. North Africa and the Middle East are, after all, Europe's near-abroad. In responding to movements of self-liberation, the economic, social, legal, administrative and cultural dimensions of power – in which Europe is rich – are more relevant than the hard military ones, in which the United States remains supreme. Europe's potential power, I stress: for Europe is doing a terrible job of translating potential into actual power.

#### Transatlantic partnership solves - European involvement is key

**Nakhleh 10** – Former senior intelligence service officer and director of the Political Islam Strategic Analysis Program @ Central Intelligence Agency [Emile Nakhleh, U.S.–EU Partnership and the Muslim World: How Transatlantic Cooperation Will Enhance Engagement, Transatlantic Paper Series No. 2 October 2010

The paper argues that the challenge of empowering indigenous Muslim communities is global and therefore must be addressed through global partnerships. The focus at this stage is to expand U.S.–European cooperation and integrate a few thoughtfully selected Muslim countries in the process. Because of their experience and expertise, European NGOs and civil society institutions can potentially be strong partners with their American counterparts in engaging Muslim communities. The presence of politically and socially active Muslim minorities in European countries renders European involvement in the process both logical and necessary. At least three factors underpin the argument for a transatlantic partnership. First, Europe’s Muslim populations hail from different countries, regions, and cultures. Such cultural diversity should serve European Muslims and NGOs well in their contacts with Muslim communities around the world. Second, EU countries have a long-established civilian capacity across governments and civil society institutions, which helps legitimize their involvement in community projects in the eyes of their potential Muslim community partners. Third, European global NGOs do[es] not bear the brunt of negative perceptions that many Muslims have of U.S. foreign policy and military operations in Muslim lands. Involving Europe’s Muslims in global engagement would parallel the role of American Muslims, whose role in the process has continued to increase. The recent appointment of Rashad Hussain, an American Muslim attorney, as special envoy to the Organization of Islamic Conference (OIC) is but one example of American Muslims’ involvement in engaging Muslim communities abroad. Pg. 2

# T-TIP - Coop solves Iran

#### Transatlantic cooperation stabilizes the Mideast – It prevents Iranian prolif

**Hamilton & Burwell 10** – Research Professor of International Studies @ Johns Hopkins University & Vice President and Director of Transatlantic Relations and Studies @ Atlantic Council [Daniel S. Hamilton (Founding Director of the Center for Transatlantic Relations. Director of the American Consortium on EU Studies) & Frances G. Burwell (Former executive director of the Center for International and Security Studies @ University of Maryland) “The Setting: The United States and Europe in a G20 World,” Shoulder to Shoulder: Forging a Strategic U.S.–EU Partnership, Edited By Daniel S. Hamilton, 2010]

Fourth, we must address conflicts more effectively. For too long, we viewed many conflicts as distant and irrelevant, but their consequences— regional instability, terrorism, migration, poverty, environmental degradation, proliferation, etc.—have reached our shores. Today, transatlantic security is defended at the Hindu Kush, not the Fulda Gap. Europeans and Americans are directly threatened by turmoil and terrorism in Afghanistan and the tribal areas of Pakistan. More effective transatlantic cooperation is essential militarily and in the civilian stabilization and reconstruction effort.9 Closer transatlantic cooperation is also essential if **Iran** is to be dissuaded from developing nuclear weapons. Should Iran succeed in developing nuclear weapons, a strong transatlantic partnership will be essential in constructing an extended deterrence regime in the Persian Gulf and Middle East. The **Israeli- Palestinian conflict**, along with continuing instability in **Lebanon**, has long been at the forefront of the transatlantic agenda. While solutions will depend first and foremost on the people of the region, U.S.-European cooperation is vital in outlining a new roadmap for peace, keeping the process on track, providing essential assistance and humanitarian support, and facilitating new forms of regional diplomacy. The United States and Europe will find their own security enhanced if they help Algeria, Morocco, Tunisia, and others in their efforts to reform and contain radical Islamists, and work to prevent Somalia nor Yemen from becoming staging areas for al-Qaeda.10 pg. 9

# T-TIP - Coop solves Terror

#### US-EU partnership is key to solve terrorism

**Nakhleh 10** – Former senior intelligence service officer and director of the Political Islam Strategic Analysis Program @ Central Intelligence Agency [Emile Nakhleh, U.S.–EU Partnership and the Muslim World: How Transatlantic Cooperation Will Enhance Engagement, Transatlantic Paper Series No. 2 October 2010

A U.S.–EU partnership to engage Muslim communities is a logical step after Obama’s speech in Cairo. European and American national interests dictate that 1.4 billion Muslims, living in over one hundred Muslim-majority and Muslim-minority countries, cannot be ignored. Over 50 million Muslims live in Western countries alone. The abhorrent use of religion to justify acts of terrorism has affected many in both the West and the Muslim world. Therefore, confronting the radical minority of Muslims and engaging the mainstream majority of Muslims requires international cooperation, particularly between the United States and the EU. Time is propitious for such partnership because more and more Muslims are espousing ideas of tolerance, inclusion, and participation, and are rejecting al Qaeda’s paradigm of wanton violence and killing in the name of Islam. Al Qaeda seems to be losing the moral argument among Muslims, and the emergence of a few franchise terrorist organizations—including al Qaeda in the Arabian Peninsula, al Shabab in Somalia, and al Qaeda in the Islamic Maghreb—does not mask the waning influence of al Qaeda and its growing isolation among Muslims. While al Qaeda continues to target Western countries and recruit potential “jihadists” from those countries, the most effective way to face down such a threat and ultimately defeat it is by reaching out to the vast majorities of Muslims across the globe. Obama’s speech in Cairo in June 2009 and his recent appointment of a distinguished American Muslim as a special envoy to the OIC reflect his belief that terrorism cannot be defeated by the force of arms alone. Helping Muslim communities attain their potential and empowering them to serve their societies through tangible initiatives promises to be a strong defense against hate and a promoter of domestic stability and good governance. Pg. 10-11

# T-TIP - Coop solves Paki

#### US-EU coop prevents Paki instability

**Korski 10** - Senior policy fellow @ European Council on Foreign Relations [Daniel Korski, “Preventing Crises and Managing Conflicts:

U.S.-EU Cooperation,” Shoulder to Shoulder: Forging a Strategic U.S.–EU Partnership, Edited By Daniel S. Hamilton, 2010]

Second, in a number of unstable regions close U.S.-EU cooperation could bring benefits that similar cooperation inside NATO will not. Few analysts can envisage a broader role for NATO in Pakistan or even in the Maghreb. But the EU could probably play a role in close partnership with the large U.S. engagement. Finally, U.S.-EU cooperation holds out the promise of bringing the full range of governmental— even societal— resources to the task of conflict prevention. The EU will not be a high- end military operator for decades, but it has advantages that NATO can never enjoy, such as the potential to blend civilian and military assets.2 In short, there are numerous reasons why it serves both U.S. and European interests to advance cooperation on crisis management and conflict prevention issues. Pg. 277

#### US-EU cooperation stabilizes Pakistan and the Maghreb

**Korski et al 09** - Senior policy fellow @ European Council on Foreign Relations [Daniel Korski, Daniel Serwer (Vice president for Centers of Peacebuilding Innovation) & Megan Chabalowski (Research assistant @ United States Institute of Peace), “A New Agenda for US-EU Security Cooperation,” FRIDE Working Paper 92, November 2009]

To date, US and EU capacities for conflict prevention and what are termed ‘comprehensive’ stabilisation and reconstruction missions have developed independently of each other. The US experience has been driven by the Iraq War and its aftermath while the EU has been working on building civil-military capabilities since the Balkan Wars. Yet at the same time there has been a growing desire for practical transatlantic collaboration not only within NATO, but between the US and the EU.

Such cooperation makes sense. In a number of unstable regions, close US-EU cooperation could bring benefits that similar cooperation inside NATO or bilateral links alone will not. Few analysts can envisage a broader role for NATO in Pakistan or even in the Maghreb. It is similarly hard to image US-UK cooperation, for example, making a substantive impact. But the EU could probably play a role in such regions through close partnership with the large US engagement. Second, US-EU cooperation holds the promise of bringing the full range of governmental – even societal – resources to the task of conflict prevention. The EU will not be a high-end military operator for decades, but it has advantages that NATO can never fully enjoy, such as civilian institution-building capacity and the potential to blend civilian and military assets. Pg. 1

# T-TIP - Coop solves Biosecurity

#### Transatlantic coop is key to biosecurity

**Hamilton & Burwell 10** – Research Professor of International Studies @ Johns Hopkins University & Vice President and Director of Transatlantic Relations and Studies @ Atlantic Council [Daniel S. Hamilton (Founding Director of the Center for Transatlantic Relations. Director of the American Consortium on EU Studies) & Frances G. Burwell (Former executive director of the Center for International and Security Studies @ University of Maryland) “The Setting: The United States and Europe in a G20 World,” Shoulder to Shoulder: Forging a Strategic U.S.–EU Partnership, Edited By Daniel S. Hamilton, 2010]

Second, we must build societal resilience, beginning at home, but with an awareness that in an age of potentially catastrophic terrorism and networked threats, no nation is home alone. If the lives and freedoms of Europeans and Americans are to be secure at home, individual national efforts must be coupled with more effective **transatlantic cooperation**. Some promising first steps have been taken, but they have been ad hoc, low- priority achievements rather than integrated elements of a comprehensive approach.

Biosecurity is perhaps the most dramatic example of the changing challenges we face. A grand opportunity of our century is to eliminate massively lethal epidemics of infectious disease by ensuring that biodefense— humankind’s ageless struggle to prevent and defeat disease— is far more potent than attempts to create and deploy bio agents of mass lethality. Yet we struggle to deal with pandemics caused by Mother Nature, and neither our health nor our security systems are prepared for **intentional attacks of infectious disease**. Homeland security approaches that focus on guards, gates and guns have little relevance. A bioterrorist attack in Europe or North America is more likely and could be as consequential as a nuclear attack, but requires a different set of national and international responses. Unless we forge new health alliances and take other measures, an attack of mass lethality is not a matter of whether, but when.6 pg. 7

#### Transatlantic cooperation is key to global biosecurity

**Hamilton & Burwell 10** – Research Professor of International Studies @ Johns Hopkins University & Vice President and Director of Transatlantic Relations and Studies @ Atlantic Council [Daniel S. Hamilton (Founding Director of the Center for Transatlantic Relations. Director of the American Consortium on EU Studies) & Frances G. Burwell (Former executive director of the Center for International and Security Studies @ University of Maryland) “The Setting: The United States and Europe in a G20 World,” Shoulder to Shoulder: Forging a Strategic U.S.–EU Partnership, Edited By Daniel S. Hamilton, 2010]

Biosecurity only underscores the urgent need for the U.S. and its Canadian and European partners to pursue a multilevel strategy of societal resilience that goes beyond traditional conceptions of “homeland” security to incorporate new forms of diplomatic, intelligence, economic, and law enforcement cooperation; customs, air, and seaport security; data protection and information exchange; bio- resilience and critical infrastructure protection. The transatlantic community must take the lead, not only because European societies are so inextricably intertwined, but because no two continents are as deeply connected as the two sides of the North Atlantic. Our ultimate goal should be a resilient Euro- Atlantic area of justice, freedom, and security that balances mobility and civil liberties with societal resilience.7

Such efforts, in turn, can serve as the core of more effective global measures. Europeans and Americans share a keen interest in building the societal resilience of other nations, since strong efforts in one country may mean little if neighboring systems are weak. The 20th century concept of “forward defense” should now be supplemented by the broader notion of “forward resilience.” Pg. 8

# Rlx - Peña Nieto wants infrastructure

#### President Peña Nieto has high hopes for US-Mexican economic integration. He perceives border infrastructure as vital to that effort

**Peña Nieto 13** – 57th president of Mexico [Enrique Peña Nieto, “North America as world’s most competitive region,” Dallas Morning News, Published: 09 May 2013 08:42 PM, pg. http://tinyurl.com/lhxz2nf

I had the honor of welcoming President Barack Obama to Mexico last week to discuss a wide range of bilateral issues. This was our second meeting since I assumed office in December and Obama began his second term in January, marking an important opportunity to deepen the ties that bind our two countries together.

More specifically, we were able to advance the bilateral agenda and reaffirm our commitment to competitiveness and economic integration; cultural understanding; regional and global leadership: Mexico and the United States as trading partners, allies for peace and together in prosperity.

As Obama said during his visit, “Let’s do more to expand trade and commerce that creates good jobs for our people.” As he acknowledged, the U.S. already buys more Mexican exports than any other country and sells more of its exports to Mexico than it does to Brazil, Russia, India and China combined. By increasing economic growth in Mexico, we create jobs in the U.S.

For example, Texas’ exports to Mexico are valued at $86.6 billion, creating more than 463,000 jobs, and Mexico is the second-largest export destination for Illinois, worth $5.7 billion, creating 253,000 jobs. Moreover, 40 percent of the value of Mexican exports to the U.S. contains U.S.-made components.

In this context, I have undertaken a comprehensive reform agenda to transform the education, telecommunications, energy and financial sectors as well as the tax system. We will continue to work closely with the main political forces in our country to modernize Mexico and increase its economic growth along with that of the U.S. to create a more prosperous North America.

Against this backdrop, we have decided to establish a high-level economic dialogue with the United States to promote competitiveness, productivity and connectivity. We have the opportunity to strengthen the North American Free Trade Agreement, along with our Canadian partners, and to make the Trans-Pacific Economic Partnership a reality in order to build a 21st-century workforce.

Education and innovation are key factors that will allow us to advance our common goals. For this reason, we will establish a Bilateral Forum on Higher Education, Innovation and Research to develop a shared vision on educational cooperation. We want more American students to study in Mexico and more Mexican students to attend American colleges.

Our vision for the future is clear: We are committed to supporting cross-border initiatives to upgrade vital infrastructure to ensure that our bilateral relationship is a gateway to prosperity and security. We can work together in the fields of transport, logistics and security to streamline the flow of goods and services between our countries. As neighbors, we are committed to enhancing law enforcement and bilateral cooperation along the border.

#### Economic cooperation is key to get Peña Nieto to sell the US agenda to Latin America

**Reyes 13** - Attorney and member of the USA Today Board of Contributors [Raul A. Reyes (Graduate of Harvard University and Columbia School of Law), “Opinion: President Obama has the chance to improve US/Mexico relations,” NBC Latino, 5:00 am on 04/29/2013, pg. http://nbclatino.com/2013/04/29/opinion-president-obama-has-the-chance-to-improve-usmexico-relations/

The U.S. and Mexico are as tightly bound as siblings, and often just as dysfunctional.  While both governments are concerned with immigration and drug violence, President Obama must forge a more positive, productive partnership.  Mexico is enjoying remarkable economic growth, and Obama neglects our southern neighbor at his own peril.

Obama will arrive in Mexico with good and bad news.  On the positive side, he can highlight the progress his administration has made towards overhauling our immigration system.  The border is more secure than ever, and the Senate has unveiled a proposal that creates new pathways for legal immigration.  On the negative side, Obama bears responsibility for his failure to reform U.S. gun laws.  [ThinkProgress reports that the expiration of the assault weapons ban](http://thinkprogress.org/justice/2012/12/17/1344391/study-allowing-the-assault-rifle-ban-to-expire-led-to-hundreds-of-mexican-deaths-as-well/" \t "_blank) has resulted in the deaths of hundreds of Mexicans in cartel violence.  Even worse, America’s [demand for illegal drugs fuels the growth of these cartels.](http://www.usatoday.com/story/news/nation/2012/10/11/mexico-cartels-meth/1626383/" \t "_blank)

However, Obama would be wise to recognize that relations with Mexico should not center on these issues alone.  As president-elect, Peña Nieto [wrote in The Washington Post that](http://articles.washingtonpost.com/2012-11-23/opinions/35511831_1_energy-independence-renewable-energy-energy-resources" \t "_blank), “It is a mistake to limit our bilateral relationship to drugs and security concerns.  Our mutual interests are too vast and complex to be restricted in this short-sighted way.”  He wants a deeper relationship, one that is defined by shared economic goals.

That’s the smart way forward.  Since 2008, Mexico has seen steady economic growth, which has been a net benefit to the U.S.  The U.S. exports more to Mexico [than to China and Japan combined](http://www.census.gov/foreign-trade/statistics/highlights/top/top1302yr.html" \l "exports" \t "_blank), and U.S./Mexico trade [hit almost $500 billion in 2012](http://iipdigital.usembassy.gov/st/english/article/2013/04/20130419146169.html" \l "axzz2RcUYcgDF" \t "_blank).  Obama should build on these ties to create greater economic integration.  If he and Peña Nieto were to collaborate on ways of matching Mexico’s young labor force with American technology and training, it would be a recipe for a regional economic boom.  Greater U.S. investment in Mexico will make the country safer, as the cartels [generally leave multinational operations alone](http://www.globalpost.com/dispatch/news/regions/americas/mexico/120822/mexican-economy-juarez-exports-outsourcing-multinationals-business" \t "_blank).

Politically, Obama cannot afford to take Mexico for granted.  Consider that Mexico has been fully engaged with Cuba since the revolution in 1959 (which was launched from Mexico).  And although the U.S. has not recognized Venezuela’s Nicolas Maduro as successor to Hugo Chavez, Mexico [recognized his election on April 19](http://www.miamiherald.com/2013/04/22/3358645/obama-to-find-new-foreign-policy.html" \t "_blank).  So Mexico is not an ally that automatically falls in lockstep with American interests.  Perhaps with more attention from the Obama administration, Peña Nieto could be persuaded to be more supportive of U.S. policies for the region.

True, there are legitimate reasons why Mexico has been viewed warily by past administrations. Mexico has historically been [the largest source of our undocumented population](http://www.dhs.gov/xlibrary/assets/statistics/publications/ois_ill_pe_2011.pdf" \t "_blank).  Border towns have long feared spillover violence from the drug cartels.  But [illegal immigration is at net zero](http://www.pewhispanic.org/2012/04/23/net-migration-from-mexico-falls-to-zero-and-perhaps-less/" \t "_blank), and the fears of violence on the U.S. side of the border [have proved largely unfounded](http://www.nytimes.com/2009/01/23/us/23elpaso.html?pagewanted=all&_r=0" \t "_blank).  Obama should take the lead in encouraging more communication and cooperation with Mexico.  Already, Peña Nieto favors opening Mexico’s energy sector to private investment, and [he may even allow foreign investment](http://articles.latimes.com/2013/mar/04/business/la-fi-mexico-oil-20130305" \t "_blank) in its state oil company.

President Obama has the chance to turn a page in U.S./Mexico relations, and he should not miss it. It’s time for a foreign policy with Mexico based on its potential, not on its problems.

#### Now is a key time. Infrastructure investments will bolster inter-hemispheric ties

**Nieto 12** – 57th president of Mexico [Enrique Peña Nieto, “U.S., Mexico should build on their economic ties,” Washington Post, November 23, 2012, Pg. http://articles.washingtonpost.com/2012-11-23/opinions/35511831\_1\_energy-independence-renewable-energy-energy-resources

Both Mexico and the United States held presidential races this year, and the results offer an opportunity to redirect our countries’ bilateral relationship. The U.S. election demonstrated the growing demographic bonds that connect our countries’ futures. The [election in Mexico](http://www.washingtonpost.com/world/the_americas/mexico-presidential-election-underway/2012/07/01/gJQAyd96FW_story.html) heralded a new era of change and reform, as much as a new style of governing, based on pragmatism and results.

To build a more prosperous future for our two countries, we must continue strengthening and expanding our deep economic, social and cultural ties. It is a mistake to limit our bilateral relationship to drugs and security concerns. Our mutual interests are too vast and complex to be restricted in this short-sighted way. When I meet with President Obama on Tuesday — just days before my inauguration — I want to discuss the best way to rearrange our common priorities. After all, our agenda affects millions of citizens in both countries.

Perhaps the most important issue is finding new ways to bolster our economic and trade relationship to attain common prosperity in our nations. The United States is already Mexico’s largest trading partner. As a result of the North American Free Trade Agreement (NAFTA), our economic ties have grown to an unprecedented degree. NAFTA links 441 million people producing [trillions of dollars in goods and services](http://www.ustr.gov/trade-agreements/free-trade-agreements/north-american-free-trade-agreement-nafta) annually, making it the largest trading bloc in the world. Consequently, in NAFTA we have a solid foundation to further integrate our economies through greater investments in finance, infrastructure, manufacturing and energy**.** Together, we must build a more competitive and productive region.

# Rlx – NADBank improves hemispheric ties

#### NADBank’s infrastructure project are the lynchpin for North American integration

**Rodriguez 09** – Chair of the Board of Advisors for the North American Center for Transborder Studies @ Arizona State University [Raul Rodriguez (Chair and professor in Banking and Finance @ University of the Incarnate Word and the President of RMI, an investment and trade consulting firm in Mexico. He served as CEO and Managing Director of the North American Development Bank (NADBank) until October 2005. Prior to joining the NADBank, he was Executive Director of the Mexican Foreign Trade Bank; the Bank’s Director for Asia; Mexico’s Trade Commissioner in Canada during the NAFTA negotiation; and Secretary of Economic Development for the Mexican border State of Tamaulipas), “The Future of the North American Development Bank” The Wilson Center Mexico Institute and El Colegio de la Frontera Norte, Policy Brief, June 2009, pg. http://wilsoncenter.org/sites/default/files/RODRIGUEZ%20NADBANK.pdf

J. Give BECC and NADB a role in crafting a regional development plan and strategy to expedite and coordinate infrastructure development:

BECC and NADB are participating in efforts for greater coordination among U.S. and Mexican agencies involved in environmental matters, in order to develop border projects as efficiently as possible. The two institutions coordinate the development and financing of water and wastewater projects with EPA, CONAGUA, and both sections of the International Border and Water Commission (IBWC). BECC and NADB also coordinate with state and local authorities. The expansion and strengthening of these coordination efforts are essential for the successful development of future projects.

There are many examples of productive border collaboration around the world. The compromise achieved between sovereignty and arbitration issues with an ecosystem approach at the Canada-U.S. International Joint Commission (IJC) along the Great Lakes and the St. Lawrence River system, however limited, is worth exploring. The experience of regional utility districts for water, sewage, garbage, power, gas, transportation, telecommunications and other services in the U.S. should also be examined in order to foster joint binational management schemes. An initiative has been studied by the U.S. Congress to establish a regional economic authority for the border to address critical infrastructure development issues, creating synergies and avoiding duplication (see S. 458, February 2003; H.R. 2068, April 2007).

With 15 years of experience, BECC and NADB can become hubs in designing a blueprint for the border’s future, identifying success stories and best practices and testing them in the U.S.-Mexico border context. How to foster joint management of services and resources; how to facilitate border crossings while improving security; how to implement the perimeter and pre-clearance notion; how to create synergies between a powerful, aging society and a younger, developing one; how to build constituencies for a better interrelated and more competitive North American region.

Addressing the financing needs for border infrastructure would create the foundations for productivity and self-sustained growth in a way that would benefit the whole North American region. Each sub-region needs to identify the major deficiencies that limit competitiveness and development and the best ways to resolve them. This should be fostered and coordinated under the stewardship of the ten border state governments.

As the U.S. and Mexico enter a new era of collaboration, the Border Governors Conference could establish a permanent task force to provide input and support to BECC-NADB as they continue to evolve. This would help multiply their contribution to the border’s development, as a lynchpin of a new 21st century agenda for North America.

# Rlx – Mexico key

#### Mexico is key. It’s a regional leader with growing international clout

**Wilson 13** - Associate with the Mexico Institute @ the Woodrow Wilson International Center for Scholars [Christopher E. Wilson (Former Mexico Analyst for the U.S. Military and Researcher @ American University’s Center for North American Studies), “Policy Options for the Next Stage in U.S.-Mexico Relations,” Woodrow Wilson Center’s Mexico Institute, May 2013

Similar to other large middle-income countries, Mexico has reason to be increasingly active in responding to regional and global issues. As Mexico’s economy grows, so will its weight on the global stage. Since Mexico is a key partner for the United States on global issues and the two countries have many shared interests, this represents an opportunity for the United States. Mexico, too, has much to gain from working in partnership with the United States. Despite recent successes in its role in hosting the G-20 and the United Nations Climate Change Conference, Mexico has punched below its weight on foreign policy for several years. To increase international clout, Mexico must become even more active in international institutions—perhaps UN peacekeeping operations—and could become a regional leader in supporting Central American countries as several face public security crises caused by organized crime and gangs.

The presence of so many opportunities in bilateral relations does not mean that the path ahead is obstacle-free. In fact, due to the intense blend of domestic politics and international affairs that makes up the U.S.-Mexico relationship, without a determined effort on the part of both governments to keep the bilateral relationship positive and productive, it can easily be pulled off track by scandals and disagreements. Some policy areas are particularly sensitive. On security cooperation, for example, some joint efforts implemented with the previous Mexican administration may be considered too risky by the new team; officials will have to take care to move forward with an overall approach based on collaboration and shared responsibility even as the details of cooperation are renegotiated. On the issue of energy, any discussion of cooperation in the area of oil still requires sensitivity on the part of the United States, particularly at this time of potential change in the legislative framework in Mexico. Similarly, the ability of Mexico to push for progress on a U.S. immigration reform is limited, and Mexican officials will have to choose their strategy carefully.

The purpose of this report, therefore, is to identify areas in the bilateral relationship where mutually beneficial cooperation can be pursued. In a way that has not been the case for at least a decade, the context in which the new U.S. and Mexican administrations meet is one of tremendous opportunity. Taking full advantage of this opportunity-laden moment will not be easy, but the potential in deepening the U.S.-Mexico strategic partnership justifies an investment from both sides in terms of resources, time and political will. Pg. 3

# China Bashing – Impact

**Modernization sets the stage for WWII replay – Coop prevents spiraling mistrust**

**Lin 08** - Former Director for China affairs in policy planning @ U.S. Department of Defense [Dr. Christina Y. Lin (PhD and MSc from the London School of Economics, an MA from the Johns Hopkins University School of Advanced International Studies), “Militarisation of China's Energy Security Policy: Defence Cooperation and WMD Proliferation Along its String of Pearls in the Indian Ocean,” [Institut für Strategie- Politik- Sicherheits- und Wirtschaftsberatung (ISPSW)](http://www.isn.ethz.ch/isn/Digital-Library/IR-Directory/Detail/?ord538=grp1&ots591=eb06339b-2726-928e-0216-1b3f15392dd8&lng=en&id=20460), 18 June 2008

In a recent article by Neha Kumar from Jawaharlal Nehru University, India is alarmed by **China’s aggressive naval modernization**, especially nuclear submarines at Sanya on Hainan Islands that would affect three access points of the Indian Ocean/ China Sea region via the Straits of Singapore, Malacca, Sunda and Lombok, through which India has direct economic and strategic interests.37 As such, Kumar echoes Shinzo Abe’s call for “an Asian arc of freedom” and for the U.S. and India to develop strong alliances with Japan, South Korea and Australia.38

However, China seemed to be threatened by this development and viewing “The Quad” as an “Asian NATO”, demarched all four countries in the run-up to the joint military exercise. It did not succeed in changing Australia’s mind under the Howard government, but nonetheless was able to cajole the incoming Rudd government to pull out of “The Quad” in February 2008 as well as reversed the Howard Government’s policy of selling uranium to India. 39 All this has fueled the underlying tension in Sino-Indian relations, as over the past few years India has repeatedly found herself pitted against China over issues in international organisation: China’s worldwide campaign against India (and Japan) bids for permanent membership in the UNSC; disagreement over Iran’s nuclear program in the IAEA; China’s opposition to the July 2005 Indo-U.S. nuclear energy agreement and Indian membership in the Nuclear Supplier Group; Beijing’s moves to confine India to periphery of the future East Asia community at the first East Asia Summit in Kuala Lumpur in mid December 2005; and emergence of proChina axis with Pakistan, Nepal, Bangladesh at 13th SAARC (South Asian Association for Regional Cooperation) summit at Dhaka.40

Combined with Beijing employing economic and military means to draw India’s surrounding nations into its orbit—Bhutan, Bangladesh, Nepal, Maldives, Sri Lanka, and now seemingly Australia41--these tensions, coupled with India and China’s rise as economic power houses in Asia, growing energy consumption, naval competition for preeminence in the Indian Ocean pose risks for a potential **military conflict**.

Conclusion

Despite the simultaneous rise of China and India in Asia, rather than being a challenge, this could provide a great opportunity for the West to cooperate and integrate both countries into a system of effective multilateralism.42 It is important to mitigate tensions between Indo-China relations and integrate both countries into the international community. As two of the largest oil consumers, they need to be brought into international organisations such as the IEA, G8, OECD, as well as integrate them into a multi-lateral Asian regional security architecture. Constructive steps could include integrating China into global arrangements for collective oil stocks and reserve management with IEA, or even an Asian IEA as Japan has proposed. The U.S., E.U. and Asian countries could develop regional energy institutions to promote multilateral energy projects, and regional cooperation with APEC, SCO, ASEAN+3, ASEM, ARF—all of which could provide platform for a useful dialogue on energy.43

Without constructive engagement and dialogue, China may perceive a “**containment**” policy by the U.S. and others and thus use its growing energy influence to undermine Western foreign and security policies.44 This would entail China’s intensification to develop blue water capabilities in order to **challenge U.S.** control of energy SLOCs, expanding area of **WMD proliferation**, and additional **acquisition of “pearls”**.

As Dr. Heinrich Kreft observes, this move would greatly concern Asian powers such as Japan, South Korea, ASEAN countries, India, and may propel them to an arms race and increased WMD proliferation/clash in the Asia region.45 It is thus imperative that the international community engages in constructive cooperation to address energy issues to realise a peaceful rise of both India and China, and not regress into an environment of **mistrust, misperception, zero-sum** mentality and competitive “beggar-thy-neighbour” policies reminiscent of 1930s that **set the stage for World War II**. Pg. 8-10 //1ac

**Their takeouts will not account for competitive modernization or the lack of arms control regimes**

**Ball 11** – Professor of Strategic Studies @ Australian National University [Dr. Desmond Ball, “Asia’s Naval Arms Race: Myth or Reality?,” Paper prepared for the 25th Asia-Pacific Roundtable, Kuala Lumpur, Malaysia, 29 May-1 June 2011., pg. www.isis.org.my/files/25APR/paper\_cs\_2\_desmond\_ball.pdf

The prospects

Asia has now been involved in a sustained build-up of defence capabilities for two decades, hardly affected by economic tribulations. However, the character of the acquisition dynamics began to change around the end of the 1990s. Whereas the acquisitions in the first decade could be explained by and large in terms of modernisation, they have in some places in the past decade involved **substantial competitive elements**. This combination of increasing capabilities and action-reaction is the essence of arms-racing. It may still not be the dominant driver of the acquisitions throughout the region, but it is playing an increasingly significant role in some sub-regions, most especially with respect to **naval acquisitions** in Northeast Asia. Even in Southeast Asia, arms-racing behaviour has been manifest in a couple of areas (fighter aircraft and submarines) in Singaporean and Malaysian acquisitions.

It is likely that, over the next 1-2 decades, the role of arms-racing will continue to increase. Action-reaction generates its own momentum. Further, there are **no arms control regimes** whatsoever in Asia that might constrain or constrict acquisitions. Moreover, prospective regional security dynamics, including prospective arms racing, will be much more complex than those which obtained in the old bipolar Cold War situation. There are none of the distinctive categories, milestones and firebreaks which were carefully constructed during the Cold War to constrain escalatory processes and promote crisis stability. Now, there are also interactions between conventional weapons acquisition programs on the one hand and developments with **WMD and long-range delivery systems** on the other hand. South Korea and Japan have responded to the development of ballistic missiles by China and North Korea by greatly enhancing their airborne intelligence collection and early warning capabilities and their land- and sea-based theatre missile defence (TMD) capabilities. US nuclear strategy has moved to permit virtually commutual employment of nuclear forces, precision conventional capabilities and information operations (IO), and to permit the use of nuclear weapons in otherwise non-nuclear situations. In this environment, with many parties and many levels and directions of interactions, **the possibilities for calamity are high**. Pg. 15-16

**The situation could quickly spiral out of control and trigger a US-China nuclear war – Island disputes are the most likely scenario**

**Fisher 11** – Associate editor at The Atlantic, where he edits the International channel [Max Fisher, “5 Most Likely Ways the U.S. and China Could Spark Accidental Nuclear War,” The Atlantic, Oct 31 2011, 1:49 PM ET, pg. http://tinyurl.com/6nh9yjm]

Neither the U.S. nor China has any interest in any kind of war with one other, nuclear or non-nuclear. The greater risk is an accident. Here's how it would happen. First, an unforeseen event that sparks a small conflict or threat of conflict. Second, a rapid escalation that moves too fast for either side to defuse. And, third, a mutual misunderstanding of one another's intentions.   
This three-part process can move so quickly that the best way to avert a nuclear war is for both sides to have absoThlute confidence that they understand when the other will and will not use a nuclear weapon. Without this, U.S. and Chinese policy-makers would have to guess -- perhaps with only a few minutes -- if and when the other side would go nuclear. This is especially scary because both sides have good reason to **err on the side** of assuming nuclear war. If you think there's a 50-50 chance that someone is about to lob a nuclear bomb at you, your incentive is to launch a **preventative strike**, just to be safe. This is especially true because you know the other side is thinking the exact same thing. In fact, even if you think the other side probably won't launch an ICBM your way, they actually might if they fear that you're misreading their intentions or if they fear that you might over-react; this means they have a greater incentive to launch a preemptive strike, which means that you have a greater incentive to launch a **preemptive strike**, in turn raising their incentives, and on and on until one **tiny kernel of doubt can lead to a full-fledged war** that nobody wants.  
The U.S. and the Soviet Union faced similar problems, with one important difference: speed. During the first decades of the Cold War, nuclear bombs had to be delivered by sluggish bombers that could take hours to reach their targets and be recalled at any time. Escalation was much slower and the risks of it spiraling out of control were much lower. By the time that both countries developed the ICBMs that made global annihilation something that could happen within a matter of minutes, they'd also had a generation to sort out an extremely clear understanding of one another's nuclear policies. But the U.S. and China have no such luxury -- we inherited a world where total mutual destruction can happen as quickly as the time it takes to turn a key and push a button.  
The U.S. has the world's second-largest nuclear arsenal with around 5,000 warheads (first-ranked Russia has more warheads but less capability for flinging them around the globe); China has only about 200, so the danger of accidental war would seem to disproportionately threaten China. But the **greatest risk** is probably to the states on China's periphery. The borders of East Asia are still not entirely settled; there are a number of small, disputed territories, many of them bordering China. But the **biggest potential** conflict points are on water: disputed naval borders, disputed islands, disputed shipping lanes, and disputed underwater energy reserves. These regional disputes have already led to a handful of small-scale naval skirmishes and diplomatic stand-offs. It's not difficult to foresee one of them **spiraling out of control**. But what if the country squaring off with China happens to have a defense treaty with the U.S.?  
There's a near-infinite number of small-scale conflicts that could come up between the U.S. and China, and though none of them should escalate any higher than a few tough words between diplomats, it's the unpredictable events that are the **most dangerous**. In 1983 alone, the U.S. and Soviet Union almost went to war twice over bizarre and unforeseeable events. In September, the Soviet Union shot down a Korean airliner it mistook for a spy plane; first Soviet officials feared the U.S. had manufactured the incident as an excuse to start a war, then they refused to admit their error, nearly pushing the U.S. to actually start war. Two months later, Soviet spies misread an elaborate U.S. wargame (which the U.S. had unwisely kept secret) as preparations for an unannounced nuclear hit on Moscow, nearly leading them to launch a preemptive strike. In both cases, one of the things that ultimately diverted disaster was the fact that both sides clearly understood the others' red lines -- as long as they didn't cross them, they could remain confident there would be no nuclear war.   
But the U.S. and China have not yet clarified their red lines for nuclear strikes. The kinds of bizarre, freak accidents that the U.S. and Soviet Union barely survived in 1983 might well bring today's two Pacific powers into conflict -- unless, of course, they can clarify their rules. Of the many ways that the U.S. and China could stumble into the nightmare scenario that neither wants, here are five of the most likely. Any one of these appears to be extremely unlikely in today's world. But that -- like the Soviet mishaps of the 1980s -- is exactly what makes them so dangerous.

(1) China or the Philippines seize a disputed island. Many of these islands are resource rich, important to controlling the South China Sea (one of the world's most important shipping lanes), or both. It's also not clear who owns which. The U.S. has worked hard to create dispute-resolution mechanisms so that the Pacific rim nations can peacefully resolve conflicts over disputed islands. But it's always possible that confusion, greed, or domestic politics could drive one of these three countries to act rashly. There's an off chance that could lead to a naval skirmish, then maybe even a troop deployment. China, which has one of the world's largest militaries, might be tempted to use overwhelming force to quickly and decisively end such a dispute. This might lead the Philippines to act disproportionately aggressive. If the two countries escalate rapidly and unpredictably, the Philippines could remind the U.S. about their mutual defense treaty. And that's how the threat of a Sino-Filipino war could become the threat of a **Sino-American war**. Photo: Philippine marines watch as U.S. Marines storm a beach with Philippine counterpart during a joint military exercise.

China-watchers may have noticed something missing from this list: a Chinese invasion of Taiwan. It's possible though unlikely this could happen, and just as possible (though even less likely) that it could happen and it could escalate to the point of drawing in U.S. involvement. But this probably poses the least risk of escalating into nuclear conflict precisely because the U.S. and China have spent so much time discussing it and have achieved such mutual clarity on the matter. The U.S. knows exactly where China and Taiwan stands; China knows exactly where Taiwan and the U.S. stand. Even if a Chinese invasion ever does happen, there's enough mutual understanding that both sides will have a good idea how to avoid unwanted escalation. And that's exactly what the U.S. and China need more of if they want to prevent nuclear war: clarity, understanding, and if not trust in each other, then at least **trust in each other's incentives and intentions**. In the coming decades, one of the above five incidents may very well happen. Where it leads will depend a great deal on what kind of **groundwork** the U.S. and China can lay now.

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# ECPA – Privilege sustainability

#### The potential for collapse necessitates a decision that privileges sustainability. The burden of proof is on them

**Guth 08** – Legal Director of the Science & Environmental Health Network [Dr. Joseph H. Guth (PhD in Biochemistry from University Of Wisconsin and JD from NYU), “Cumulative Impacts: Death-Knell For Cost-Benefit Analysis in Environmental Decisions,” Barry Law Review Fall, 2008

Legal writers have long called for the law to recognize ecological limits and to be reoriented so as to address environmental problems from an ecological perspective. [n80](http://www.lexisnexis.com.proxy.library.emory.edu/lnacui2api/frame.do?reloadEntirePage=true&rand=1362629263683&returnToKey=20_T16857855007&parent=docview&target=results_DocumentContent&tokenKey=rsh-20.605371.8180824491#n80) For the law to do this, it will have to adopt a new decision-making structure that reflects a new set of goals and assumptions. It will have to envision and shape not an economy that pursues endless growth in net benefits, but one that will continue to develop while accommodating rather than undermining the ecological systems our welfare ultimately depends upon. [n81](http://www.lexisnexis.com.proxy.library.emory.edu/lnacui2api/frame.do?reloadEntirePage=true&rand=1362629263683&returnToKey=20_T16857855007&parent=docview&target=results_DocumentContent&tokenKey=rsh-20.605371.8180824491#n81) Environmental law should be built on the assumptions that human welfare is critically dependent upon on an ecologically functioning biosphere and that we must constrain our cumulative environmental damage to an ecologically sustainable scale.

The essential first step is for the legal system to adopt as an overarching objective the maintenance of the ecological integrity of the biosphere. Under such a governing principle, the law would not evaluate each increment of damage through a particularized cost-benefit analysis. Instead the law would recognize a standard of ecological integrity that it would protect from invasion by environmental impacts large and small.

Our legal system already harbors examples of decision-making structures that establish a principle or standard of environmental quality or human health and do not rely on cost-benefit balancing. These examples, which will be discussed in some detail below, show that such legal principles or standards can enable the legal system to contain the growth of cumulative impacts.

The suggestion to adopt an overarching legal principle or standard of ecological integrity can be discerned in the cost-benefit literature discussed earlier in this article. Ackerman and Heinzerling as well as McGarity et al., scholars who are deeply troubled by the cost-benefit analysis, have called for alternative methods of decision-making, and recommend what they call a precautionary approach that focuses on avoidance of harm and places the burden of proof on industrial interests to show they are not causing undue harm. [n82](http://www.lexisnexis.com.proxy.library.emory.edu/lnacui2api/frame.do?reloadEntirePage=true&rand=1362629263683&returnToKey=20_T16857855007&parent=docview&target=results_DocumentContent&tokenKey=rsh-20.605371.8180824491#n82) Similarly, Professor Sunstein has written that cost-benefit analysis may not be appropriate where a particular law seeks to prevent "irreversible" and "catastrophic" damage, such as species loss under the Endangered Species Act, because in such cases lawmakers have decided that the losses protected against are too important to warrant economic balancing; in such cases a precautionary approach, or what Sunstein calls a "rights-based" approach, may be more appropriate. [n83](http://www.lexisnexis.com.proxy.library.emory.edu/lnacui2api/frame.do?reloadEntirePage=true&rand=1362629263683&returnToKey=20_T16857855007&parent=docview&target=results_DocumentContent&tokenKey=rsh-20.605371.8180824491#n83) And Revesz and Livermore have expressed discomfort  [\*43]  with the use of cost-benefit tools, particularly discounting, to value harm that extends to future generations, suggesting that in such cases society should develop an alternative decision-making structure grounded in a conception of sustainable development. [n84](http://www.lexisnexis.com.proxy.library.emory.edu/lnacui2api/frame.do?reloadEntirePage=true&rand=1362629263683&returnToKey=20_T16857855007&parent=docview&target=results_DocumentContent&tokenKey=rsh-20.605371.8180824491#n84)

We must recognize, however, that the ecological degradation we now face cannot reasonably be characterized as comprising just a few isolated problems that threaten "irreversible" or "catastrophic" effects or impacts on future generations. It results from the cumulative effect of all our myriad impacts on the Earth. We cannot solve this problem by exempting a few discrete impacts from cost-benefit balancing. We must subject all our actions to a new decision-making structure designed to defend and maintain the ecological integrity of the Earth.

# ECPA – Collapse coming

#### A recent study by 22 scientists improves on previous models and concludes that we can cause rapid and irreversible critical transitions

**Barnosky et al 12** - Professor of Integrative Biology @ UC Berkeley [Dr. Anthony D. Barnosky (Professor of Paleontology @ UC Berkeley), Dr. Elizabeth A. Hadly (Professor of Biology @ Stanford University, Jordi Bascompte (Integrative Ecology Group @ Estación Biológica de Doñana) Eric L. Berlow (TRU NORTH Labs), James H. Brown (Professor of Biology @ The University of New Mexico), Mikael Fortelius (Professor of Geosciences and Geography @ University of Helsinki), Wayne M. Getz (Professor of Environmental Science@ UC Berkeley), John Harte (Professor of Environmental Science@ UC Berkeley) Alan Hastings (Professor of Environmental Science@ UC Davis) Pablo A. Marquet (Departamento de Ecología, Facultad de Ciencias Biológicas, Pontificia Universidad Católica de Chile) Neo D. Martinez (Pacific Ecoinformatics and Computational Ecology Lab) Arne Mooers (Professor of Biological Sciences @ Simon Fraser University, Peter Roopnarine (California Academy of Sciences), Geerat Vermeij (Professor of Geology @ UC Davis) John W. Williams (Professor of Geography @ University of Wisconsin), Rosemary Gillespie (Professor of Environmental Science@ UC Berkeley) Justin Kitzes (Professor of Environmental Science@ UC Berkeley), Charles Marshall (Department of Integrative Biology, UC Berkeley), Nicholas Matzke(Department of Integrative Biology, UC Berkeley), David P. Mindell (Department of Biophysics and Biochemistry @ UC San Francisco), Eloy Revilla (Department of Conservation Biology, Estación Biológica de Doñana) & Adam B. Smith (Center for Conservation and Sustainable Development, Missouri Botanical Garden) “Approaching a state shift in Earth’s biosphere,” Nature 486, (07 June 2012) pg. 52–58

Humans now dominate Earth, changing it in ways that threaten its ability to sustain us and other species[1](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref1), [2](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref2), [3](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref3). This realization has led to a growing interest in forecasting biological responses on all scales from local to global[4](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref4), [5](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref5), [6](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref6), [7](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref7).

However, most biological forecasting now depends on projecting recent trends into the future assuming various environmental pressures[5](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref5), or on using species distribution models to predict how climatic changes may alter presently observed geographic ranges[8](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref8), [9](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref9). Present work recognizes that relying solely on such approaches will be insufficient to characterize fully the range of likely biological changes in the future, especially because complex interactions, feedbacks and their hard-to-predict effects are not taken into account[6](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref6), [8](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref8), [9](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref9), [10](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref10), [11](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref11).

Particularly important are recent demonstrations that ‘critical transitions’ caused by threshold effects are likely[12](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref12). Critical transitions lead to state shifts, which abruptly override trends and produce unanticipated biotic effects. Although most previous work on threshold-induced state shifts has been theoretical or concerned with critical transitions in localized ecological systems over short time spans[12](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref12), [13](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref13), [14](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref14), planetary-scale critical transitions that operate over centuries or millennia have also been postulated[3](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref3), [12](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref12), [15](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref15), [16](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref16), [17](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref17), [18](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref18). Here we summarize evidence that such planetary-scale critical transitions have occurred previously in the biosphere, albeit rarely, and that humans are now forcing another such transition, with the potential to transform Earth rapidly and irreversibly into a state unknown in human experience.

Two conclusions emerge. First, to minimize biological surprises that would adversely impact humanity, it is essential to improve biological forecasting by anticipating critical transitions that can emerge on a planetary scale and understanding how such global forcings cause local changes. Second, as was also concluded in previous work, to prevent a global-scale state shift, or at least to guide it as best we can, it will be necessary to address the root causes of human-driven global change and to improve our management of biodiversity and ecosystem services[3](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref3), [15](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref15), [16](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref16), [17](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref17), [19](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref19).

It is now well documented that biological systems on many scales can shift rapidly from an existing state to a radically different state[12](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref12). Biological ‘states’ are neither steady nor in equilibrium; rather, they are characterized by a defined range of deviations from a mean condition over a prescribed period of time. The shift from one state to another can be caused by either a ‘threshold’ or ‘sledgehammer’ effect. State shifts resulting from threshold effects can be difficult to anticipate, because the critical threshold is reached as incremental changes accumulate and the threshold value generally is not known in advance. By contrast, a state shift caused by a sledgehammer effect—for example the clearing of a forest using a bulldozer—comes as no surprise. In both cases, the state shift is relatively abrupt and leads to new mean conditions outside the range of fluctuation evident in the previous state.

Threshold-induced state shifts, or critical transitions, can result from ‘fold bifurcations’ and can show hysteresis[12](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref12). The net effect is that once a critical transition occurs, it is extremely difficult or even impossible for the system to return to its previous state. Critical transitions can also result from more complex bifurcations, which have a different character from fold bifurcations but which also lead to irreversible changes[20](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref20).

Recent theoretical work suggests that state shifts due to fold bifurcations are probably preceded by general phenomena that can be characterized mathematically: a deceleration in recovery from perturbations (‘critical slowing down’), an increase in variance in the pattern of within-state fluctuations, an increase in autocorrelation between fluctuations, an increase in asymmetry of fluctuations and rapid back-and-forth shifts (‘flickering’) between states[12](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref12), [14](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref14), [18](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref18). These phenomena can theoretically be assessed within any temporally and spatially bounded system. Although such assessment is not yet straightforward[12](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref12), [18](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref18), [20](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref20), critical transitions and in some cases their warning signs have become evident in diverse biological investigations[21](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref21), for example in assessing the dynamics of disease outbreaks[22](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref22), [23](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref23), populations[14](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref14) and lake ecosystems[12](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref12), [13](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref13). Impending state shifts can also sometimes be determined by parameterizing relatively simple models[20](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref20), [21](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref21).

In the context of forecasting biological change, the realization that critical transitions and state shifts can occur on the global scale[3](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref3), [12](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref12), [15](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref15), [16](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref16), [17](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref17), [18](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref18), as well as on smaller scales, is of great importance. One key question is how to recognize a global-scale state shift. Another is whether global-scale state shifts are the cumulative result of many smaller-scale events that originate in local systems or instead require global-level forcings that emerge on the planetary scale and then percolate downwards to cause changes in local systems. Examining past global-scale state shifts provides useful insights into both of these issues.

Earth’s biosphere has undergone state shifts in the past, over various (usually very long) timescales, and therefore can do so in the future ([Box 1](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#bx1)). One of the fastest planetary state shifts, and the most recent, was the transition from the last glacial into the present interglacial condition[12](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref12), [18](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref18), which occurred over millennia[24](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref24). Glacial conditions had prevailed for ~100,000 yr. Then, within ~3,300 yr, punctuated by episodes of abrupt, decadal-scale climatic oscillations, full interglacial conditions were attained. Most of the biotic change—which included extinctions, altered diversity patterns and new community compositions—occurred within a period of 1,600 yr beginning ~12,900 yr ago. The ensuing interglacial state that we live in now has prevailed for the past ~11,000 yr.

Occurring on longer timescales are events such as at least four of the ‘Big Five’ mass extinctions[25](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref25), each of which represents a critical transition that spanned several tens of thousands to 2,000,000 yr and changed the course of life’s evolution with respect to what had been normal for the previous tens of millions of years. Planetary state shifts can also substantially increase biodiversity, as occurred for example at the ‘Cambrian explosion’[26](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref26), but such transitions require tens of millions of years, timescales that are not meaningful for forecasting biological changes that may occur over the next few human generations ([Box 1](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#bx1)).

Despite their different timescales, past critical transitions occur very quickly relative to their bracketing states: for the examples discussed here, the transitions took less than ~5% of the time the previous state had lasted ([Box 1](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#bx1)). The biotic hallmark for each state change was, during the critical transition, pronounced change in global, regional and local assemblages of species. Previously dominant species diminished or went extinct, new consumers became important both locally and globally, formerly rare organisms proliferated, food webs were modified, geographic ranges reconfigured and resulted in new biological communities, and evolution was initiated in new directions. For example, at the Cambrian explosion large, mobile predators became part of the food chain for the first time. Following the K/T extinction, mammalian herbivores replaced large archosaur herbivores. And at the last glacial–interglacial transition, megafaunal biomass switched from being dominated by many species to being dominated by Homo sapiens and our domesticated species[27](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref27).

All of the global-scale state shifts noted above coincided with global-scale forcings that modified the atmosphere, oceans and climate ([Box 1](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#bx1)). These examples suggest that past global-scale state shifts required global-scale forcings, which in turn initiated lower-level state changes that local controls do not override. Thus, critical aspects of biological forecasting are to understand whether present global forcings are of a magnitude sufficient to trigger a global-scale critical transition, and to ascertain the extent of lower-level state changes that these global forcings have already caused or are likely to cause.

Global-scale forcing mechanisms today are human population growth with attendant resource consumption[3](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref3), habitat transformation and fragmentation[3](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref3), energy production and consumption[28](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref28), [29](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref29), and climate change[3](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref3), [18](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref18). All of these far exceed, in both rate and magnitude, the forcings evident at the most recent global-scale state shift, the last glacial–interglacial transition ([Box 1](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#bx1)), which is a particularly relevant benchmark for comparison given that the two global-scale forcings at that time—climate change and human population growth[27](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref27), [30](http://www.nature.com.proxy.library.emory.edu/nature/journal/v486/n7401/full/nature11018.html#ref30)—are also primary forcings today. During the last glacial–interglacial transition, however, these were probably separate, yet coincidental, forcings. Today conditions are very different because global-scale forcings including (but not limited to) climate change have emerged as a direct result of human activities.

# ECPA – Rainforest

#### ECPA prevents Amazon rainforest destruction

**O’Keefe 10** – Professor of International Relations and Earth Systems Programs @ Stanford University [Thomas Andrew O’Keefe (Graduate of Columbia University and the Villanova University School of Law, and has an M. Phil. in Latin American Studies (History and Economics) from the University of Oxford), “While the United States Slept, South America Walked,” MCLAS: Latin American Essays, 31st Annual Conference of the Middle Atlantic Council of Latin American Studies held at the Johns Hopkins University, Maryland, March 26-27, 2010, pg. http://www.maclas.org/wp-content/uploads/MACLASJournalvol24-Nov-2011.pdf#page=43

An important pillar of the Energy and Climate Partnership of the Americas should be the establishment of a Clean Development Mechanism (CDM) limited to the Western Hemisphere. Under the current UN administered CDM, credits can be issued to a developed country and its companies for financing projects in the developing world (e.g., building a more expensive thermal plant fueled by natural gas or a hydro dam to generate electricity instead of a cheaper coal powered generator) that reduces global greenhouse gas emissions and would not have been built but for the funding emanating from the rich country donor. The credits received through the CDM can then be used to offset mandated emission reduction targets at home.

Unlike the multilateral CDM established by the Kyoto Protocol, a hemispheric version would be less susceptible to the type of fraud that plagues the current UN administered system.17 This is not only because of the smaller number of countries involved, but also because of the plethora of potential institutions in the Western Hemisphere that can more effectively administer a hemispheric cap-and-trade program. For example, the Andean Development Corporation (CAF) already oversees a Latin American carbon market through the registration and issuance of certified reductions in the transportation sector. The CAF has also signed contracts for carbon emission sales with public and private agencies (including Spain’s Ibero-American Carbon Initiative) and investment funds resulting in new energy generation facilities using renewable resources, forestry related activities, and an expansion of biofuel production.

A CDM limited to the Western Hemisphere provides a way to move the Caribbean and Central America away from their traditional heavy reliance on fossil fuels. It also provides a means for sharply diminishing Brazil’s role as a top source of global carbon emissions. In contrast to the situation in China or the developed world, the bulk of Brazil’s greenhouse gas emissions come from the burning of its tropical rain forests. The continued burning of trees in Brazil, home to the 65 percent of the Amazon rain forest, also exacerbates global climate change given the important role the Amazon plays in naturally sequestering greenhouse gases and its impact on regional rainfall patterns. While forest conservation or reforestation projects can be used to obtain carbon offsets under the current multilateral CDM, Brazil---citing sovereignty concerns---has so far refused to permit any type of Amazonian conservation or sustainable use initiative to generate carbon credits. Brazil would be less likely to resist an effort to utilize projects in the Amazon to gain carbon offsets under a CDM limited to the Western Hemisphere, particularly if as part of a grand bargain, the United States agreed to eliminate its current arsenal of tariffs, hefty surcharges, quota restrictions, and subsidies that effectively keep out Brazilian sugar-based ethanol. In light of the previously discussed difficulty in getting the U.S. Congress to get rid of its ruinous corn-based ethanol program or pass a climate change bill, however, a hemispheric CDM seems unlikely at this point. Pg. 46

# Solv – Increase Infrastructure

#### Clarification of NADBank’s rules paves the way for a decade of border infrastructure projects

**Negroponte 12** - Senior fellow with the [Latin America Initiative](http://www.brookings.edu/about/projects/latin-america) @ Brookings Institution [Diana Negroponte ([Trade](http://en.wikipedia.org/wiki/Trade) [lawyer](http://en.wikipedia.org/wiki/Lawyer) and [Professor](http://en.wikipedia.org/wiki/Adjunct_professor) of [law](http://en.wikipedia.org/wiki/Law) @ [Fordham University](http://en.wikipedia.org/wiki/Fordham_University)) “What Should the Top Priority Be for U.S.-Mexican Relations?,” Americas Society/Council of the Americas, December 03, 2012, pg. http://www.as-coa.org/articles/viewpoints-what-should-top-priority-be-us-mexican-relations

Deepening the trade relationship and facilitating the shipment of component parts between Mexico and the United States requires the creation of access roads some eight miles ahead of the principal border crossings. With electronic submission of customs/immigration documentation and with electronic seals on transnational containers, trucks filled with bilaterally manufactured products can more rapidly pass across the border. Currently, the trucks are delayed principally for lack of access roads leading up to the border, especially on the Mexican side.

In order to construct these roads, private-public partnerships are needed.  The NADBANK, established 20 years ago to support environmental projects, is the best placed to mobilize these partnerships. The bank's bylaws permit this. However, the environmental impact needs to be interpreted broadly. The Environmental Protection Agency (EPA) could recognize that new roads relieve the congestion and high levels of air pollutants at the border crossing itself. Use of access roads may spread pollution further inland, but the levels of pollutants will be significantly lower than those currently suffered each side of the Rio Grande.

NADBANK’s initiative and the White House leadership to facilitate EPA approval could lead to the development of access roads and decongestion at the actual border. Mexican presidential encouragement to NADBANK's directors to seek PPPs and U.S. presidential urging to the EPA for a broad interpretation of its mandate could result in a decade's work of new infrastructure projects. This will facilitate the anticipated tripling of cross-border trade as both countries negotiate a Trans-Pacific Partnership and Mexico negotiates a Pacific Trade Alliance with its South American partners.

Presidential decisions to advance on instructing NADBANK to move forward with PPPs for these infrastructure projects are relatively easy. Their consequences will enhance the trade and prosperity of both nations.

# Solv – Effective mechanism

#### NADBank is an efficient and effective funding mechanism

**Rodriguez 09** – Chair of the Board of Advisors for the North American Center for Transborder Studies @ Arizona State University [Raul Rodriguez (Chair and professor in Banking and Finance @ University of the Incarnate Word and the President of RMI, an investment and trade consulting firm in Mexico. He served as CEO and Managing Director of the North American Development Bank (NADBank) until October 2005. Prior to joining the NADBank, he was Executive Director of the Mexican Foreign Trade Bank; the Bank’s Director for Asia; Mexico’s Trade Commissioner in Canada during the NAFTA negotiation; and Secretary of Economic Development for the Mexican border State of Tamaulipas), “The Future of the North American Development Bank” The Wilson Center Mexico Institute and El Colegio de la Frontera Norte, Policy Brief, June 2009, pg. http://wilsoncenter.org/sites/default/files/RODRIGUEZ%20NADBANK.pdf

C. Increase the channeling of federal and state funds through NADB, starting with a refurbished Border Environment Infrastructure Fund (BEIF):

There are socially critical areas of infrastructure that provide sound foundations for economic competitiveness but will not be profitable anytime soon and will continue to require strong government intervention. Governments should apply ¶ more strict “additionality” criteria to their limited investment: concentrate on what others cannot and focus on making a difference.

Subsidy allocation needs to be greatly improved to make sure it reaches the poorest segments of the population and achieves better capital-to-output quotients. There are benchmarks available that suggest the maximum amount that poor households should spend out of their median income on public services, which can serve as a guideline for affordability analyses and tailored subsidies. Revolving funds should be the vehicle for making better use of scarce grant funds, and U.S. experience in that regard is relevant.

The Bank has been successful in administering EPA funds, particularly serving as an efficient mechanism for applying them in Mexico to issues of priority to the U.S. government. Based on that experience, the Bank could be a conduit for other government funds, i.e. potential General Services Administration (GSA) resources for port of entry infrastructure on the Mexican side or other EPA funds, such as energy-related grants.

The BEIF (see Appendix) is a significant cooperation precedent that should be preserved and expanded. It has funded over US$533 million in water and wastewater infrastructure relevant to both sides of the border, making projects affordable for communities by allowing NADB to combine grant funds with loans. Every EPA grant dollar has leveraged approximately two dollars from other sources. In Mexico it is applied pari passu with Mexican funds and has led the ¶ Mexican National Water Commission (CONAGUA) to triple its investment in the border in the past three years. Every project, whether located in the U.S. or Mexico, has provided an environmental and human health benefit for the U.S. Adequate oversight and transparency in the procurement and funding processes have been key to building bilateral trust in this program throughout the years.