## 1AC Flow

### First Is Inherency

#### THA needs to pass before moratorium lifting on January 2014 which makes impacts inevitable

**Dlouhy 10-13-13**(Jennifer A. Dlouhy covers energy policy, politics and other issues for The Houston Chronicle and other Hearst Newspapers from Washington, D.C. Previously, she reported on legal affairs for Congressional Quarterly. She also has worked at The Beaumont Enterprise, The San Antonio Express-News and other newspapers, Fuel Fix, “Senate passes bill to enact US-Mexico oil treaty”, http://fuelfix.com/blog/2013/10/13/senate-passes-bill-to-enact-us-mexico-oil-treaty/).

But the House and Senate are at odds over whether to include an unrelated provision to exempt publicly traded companies from abiding by a congressional mandate that they disclose what they pay other countries to harvest oil and natural gas. A House-passed bill to enact the treaty includes language to exempt oil and gas companies from complying with a Securities and Exchange Commission payment reporting rule. But the Senate measure, which passed by unanimous consent, without debate, on Saturday, does not have the SEC waiver language. Alaska Sen. Lisa Murkowski, the top Republican on the Energy and Natural Resources Committee, who cosponsored the bill, said the measure “establishes important ground rules for developing the oil and gas reservoirs along our shared maritime border with Mexico.” “In addition to opening up nearly 1.5 million acres of the outer continental shelf, it also ensures that any exploration along our maritime border adheres to the highest degree of safety and environmental standards,” Murkowski added. “I consider that a win-win for both countries.” It now is up to House Republican leaders whether to take up the stripped-down Senate version and pass it, sending it to President Barack Obama for enactment. The House also could effectively insist on the version with the SEC language, or force a conference where members of both chambers meet to hammer out a compromise version. Sen. Ron Wyden, D-Ore., the energy committee chairman and the lead sponsor of the bill, has previously said that insisting on the SEC language could sink the whole measure. The risk, he said, is that Congress will “get bogged down in matters that are simply not relevant to the agreement.” It was unclear how House leaders respond. “We’re hopeful that a solution will be worked out between the House and Senate versions of the bill to expand energy development in the Gulf of Mexico that will create new American jobs, lower energy prices, and generate tens of millions of dollars in new revenue,” said Michael Tadeo, a press secretary for the House Natural Resources Committee. Oil industry leaders have so far been successful in fighting the foreign payments disclosure requirement in court. After a federal district judge ruled against an SEC rule mandating the payment reporting, it was sent back to the commission to redo. The Dodd-Frank financial bill required the payment disclosure but left it up to the Securities and Exchange Commission to write the details. A moratorium on drilling and production in the boundary area is set to expire in January 2014. After that, Mexico’s Pemex can begin developing oil and gas resources along the boundary area, without the framework established by the U.S.-Mexico hydrocarbon agreement. The Bureau of Ocean Energy Management has said the areas covered by the treaty could contain 172 million barrels of oil and 304 billion cubic feet of natural gas

#### THA won’t pass now - gridlock

Dan Roberts 12-3-13. Dan Roberts is the Guardian's Washington Bureau chief, covering politics and US national affairs. Previously, he worked as the national editor in London and was head of business. “Gridlocked Congress on track for least productive year in history” *The Guardian* http://www.theguardian.com/world/2013/dec/03/congress-least-productive-year-partisan-tensions

**Paralysis in Congress led to a new source of tension** between Republicans and Democrats on **Wednesday** as both sides traded blows over who was to blame for what looks likely to prove the least productive legislative year in US history. **With ten days to go before the House of Representatives adjourns for 2013,** speaker John Boehner sought to counter growing criticism of Republican intransigence by blaming the Democrat-controlled Senate for the record [dearth of new legislation](http://www.washingtonpost.com/politics/113th-congress-going-down-in-history-for-its-inaction-has-a-critical-december-to-do-list/2013/12/01/cf2b4808-57a0-11e3-8304-caf30787c0a9_story_1.html). “If you look at the number of bills passed by the House and the paltry number of bills passed by the Senate, you can see where the problem is,” he told reporters outside his party's weekly strategy meeting. “Under our system of government, both the House and Senate have to do their job. The House continues to do its job; it's time for the Senate to get serious about its.” But **while the House spent its final few days voting on a flurry on minor laws such as legislation governing loose change collected at airports** **and** the threat of **guns made with 3-D printers**, **Boehner hinted that committee talks over the two largest remaining legislative challenges – a farm bill and next year's federal budget** – **still faced big hurdles.** “I want the farm bill conference to be completed; chairman [Frank] Lucas has made a number of good faith efforts, but Senate Democrats have a problem saying yes,” added Boehner. “We have the same problem when it comes to the budget conference. Chairman [Paul] Ryan has done a very good job of outlining very serious offers but we can't get Senate Democrats to say yes.” Democratic leaders also sounded a negative note on Tuesday about progress on the crucial budget negotiations, which are aimed at avoiding another government shutdown when current spending authority is exhausted on January 15th. “They are preventing a big deal by taking so many things off the table,” said Xavier Becerra, chairman of the House Democratic caucus, who called his own news conference to discuss "The Do-Nothing Republican Congress." Senate budget committee chairman Patty Murray is flying back from Washington state on Tuesday to continue talks with Republican negotiator Ryan throughout the rest of this week and both sides are hopeful of striking a limited deal that would set spending levels and reduce the impact of blanket sequester cuts, but avoid lasting agreement on fiscal priorities. “It is fair to say they are in the final stretch,” one aide close to the talks told The Guardian on Tuesday. The emerging budget deal would split the difference between Democrat and Republican spending demands, and set spending at around $1tn for 2014, [according to a Politico analysis](http://www.politico.com/story/2013/12/paul-ryan-patty-murray-budget-deal-100559.html) which sources said was broadly accurate. The deal, which may fix spending for two years, would also relieve some areas such as defence spending from the worst effects of the so-called sequester, which demanded blanket cuts without giving the administration discretion to move funds around. However, broader Republican aims, such as cutting welfare, or entitlement, programmes appear to have been blocked by left-leaning Democrats who rejected a proposed compromise from the White House.

### Plan

Plan: The United States federal government should implement sections of H.R. 1613 that constitute economic engagement with Mexico.

### Advantage 1 is pemex

#### First- now is key. In January US companies will crowd out Mexico. Western gap cooperative development is critical.

Rathbone 11-7-13 John Paul Rathbone is the Financial Times Latin American editor, having previously edited the Lex column. He is the author of "The Sugar King of Havana: the rise and fall of Julio Lobo, Cuba's last tycoon" (The Penguin Press, 2010). “Peña Nieto gets serious on Mexico’s energy reform “ http://www.ft.com/intl/cms/s/0/dd14d0e8-477d-11e3-9398-00144feabdc0.html#axzz2l8Oo1JfU

But the fiscal and keystone energy reforms have strained cross-party support in the Pact In addition, **shale gas opportunities in the US are crowding out other energy opportunities in the Americas**, making “it a buyers market right now” **and further increasing the need for a radical overhaul**. Under the talks, which could still break down, the government would first pass a constitutional reform with the PAN’s support that allows for private sector investment in the sector. Secondary legislation, which would follow early next year, would then spell out the contractual terms, which would vary by geology. Low risk projects, such as shallow-water production, which Pemex already excels at, may follow profit-sharing arrangements (PSAs) where all production goes to the state. Higher risk projects, such as **shale gas and deepwater production in the Gulf of Mexico, could be production-sharing concessions that allow companies to book reserves and have greater operational control**. Coincidentally, Brazil has a similar dual system that requires PSAs for “strategic areas”, such as deep water pre-salt fields, but allows concessions for everything else. Last month’s auction of Brazil’s pre-salt Libra field, in which only one consortium participated, “shows the limited attractions of PSAs,” said Mr Padilla. A more liberal framework could also encourage Mexican investors to participate in shale prospects, so bolstering national industrial development. **The energy reform comes at a crucial moment for** Mr Peña **Nieto** who during his first months of office passed a range of education, telecoms and competition reforms.

#### THA solves Mexico’s economy and PEMEX failure –tech and investment from the plan is key

Rampton ’13

Roberta Rampton, Reuters, Apr 29, 2013, “UPDATE 1-U.S.-Mexico deal on expanded Gulf oil drilling still in limbo,” <http://uk.reuters.com/article/2013/04/29/usa-mexico-oil-idUKL2N0DG1MR20130429>

WASHINGTON, April 29 (Reuters) - More than a year after the United States and [Mexico](http://uk.reuters.com/places/mexico?lc=int_mb_1001) signed a much-lauded deal that would remove obstacles to expanding deepwater drilling for oil in the Gulf of Mexico, **the agreement has still not been finalized by the U**nited **S**tates.¶ The delay, for which people close to the administration blame Congress while Republicans in Congress blame the administration, is certain to be discussed when President Barack Obama visits Mexican President Enrique Pena Nieto in Mexico City on Thursday.¶ Mexico immediately ratified the pact in April 2012, but the United States has so far been unable to pass a simply worded, one-page law to put the agreement into force.¶ The deal, formally known as **the T**ransboundary **H**ydrocarbons **A**greement, provides legal guidelines for deepwater drilling in the 1.5 million acres (600,000 hectares) of the Gulf that straddle the U.S.-Mexico boundary.¶ It **is** seen as **the key to opening a new era of cooperation on oil production** between the two countries. Mexico's state-owned oil company **Pemex needs** [**technology**](http://uk.reuters.com/article/2013/04/29/usa-mexico-oil-idUKL2N0DG1MR20130429) **and investment to boost its stagnant production**, **and U.S. companies are eager to help**.¶ "**The U.S. has a real opportunity now to put energy back on the agenda with Mexico** **in a way** **that** it really **hasn't been able to** be on the agenda **for** the last several **years**," said Neil Brown, who worked on the issue during the last Congress as lead Republican international energy aide in the Senate.¶ But **the final step of implementing the deal has languished**.¶ "**I'm not aware of strong opposition to it. I think it's been** a little more **inertia**," said Jason Bordoff, a top energy official at the White House until January who now runs Columbia University's Center on Global Energy Policy.¶ In the past several weeks, there have been some signs that the implementing legislation may move forward, but there also could be new complications related to disclosure requirements.¶ DEAL COULD OPEN THE DOOR¶ **Oil is critical for the Mexican** [**economy**](http://uk.reuters.com/finance/economy?lc=int_mb_1001)**, paying for a third of the government's budget. But production peaked in 2004** at 3.4 million barrels per day **and has slipped** below 2.6 million bpd. **PEMEX says it can revive production with deepwater wells** in the Gulf, **but needs technical and financial help.¶ The cross-border agreement** would be the first step toward joint projects for reservoirs that cross the boundary, **providing a way for PEMEX and other oil companies to share production and creating a framework to solve disputes** that could arise.¶ "**Without the agreement, it creates a barrier to investment**," said Erik Melito, a director at the American Petroleum Institute, the oil industry's lobby group.¶ **The agreement** could help **calm** Mexico's fears about what is termed **the** "popote" or **drinking-straw effect - fears that U.S. oil companies are going to drain reservoirs** that extend into Mexico's side of the border, robbing Mexico of its share, said David Goldwyn, a former State Department official who helped launch negotiations.¶ "This has been an urban myth in Mexico for decades," said Goldwyn, now president of Goldwyn Global Strategies, a consulting firm.¶ Pena **Nieto is working toward reforms for PEMEX that would allow for more production and cooperation in projects generally** - a delicate issue in a country where PEMEX and oil are symbols of national pride.¶ **"If they can see some success here (with the transboundary deal), that's going to change the political conversation in Mexico**," Goldwyn said.¶ **Failing to implement the deal**, though, **would be a major setback for U.S.-Mexico energy relations**, former U.S. Senator Richard **Lugar warned** in December, in one of his final reports **as the top Republican** on the Senate Foreign Relations Committee before he left Congress.

#### Drilling along the border is inevitable but cooperative engagement is critical to Mexican development

**Urdaneta ’10 –** associate at Grau Garcia Hernandez & Monaco (Law Firm)

(Karla, “TRANSBOUNDARY PETROLEUM RESERVOIRS: A RECOMMENDED APPROACH FOR THE UNITED STATES AND MEXICO IN THE DEEPWATERS OF THE GULF OF MEXICO”, Houston Journal of International Law, Volume 32, Number 2, Spring 2010)

In view of this, **Mexico is primarily concerned with reservoirs located outside the Western Gap, and more specifically, those located in the Perdido fold belt**. Nonetheless, **it is only a matter of time until the Western Gap is made available for exploitation and production by both countries, which will create the same issues for the Western Gap faced by other areas of the GOM**. The principal challenges that Pemex faces with regard to deep-water production include: (i) human resources; (ii) exploration; (iii) exploitation; (iv) technology; and (v) financing. (85) These challenges will have to be assumed in the short term because Mexico's oil production is decreasing, and Pemex has estimated that fifty-five percent of the country's 54 billion barrels of equivalent oil from prospective resources (86) is located in deep-waters. (87) Currently, **Mexico cannot compete with the United States with regard to the development of the resources in the GOM, for it has not yet progressed beyond the stage of exploration.** In order to strengthen Pemex's financial and technical capacities and provide it with more flexibility for the performance of its functions, Mexico began reforming its energy legislation. (88) This process ended in November 2008. However, the last legislative reform does not endow Pemex with the capital and technology necessary to undertake the activities of exploration and production of deep-waters in the GOM. (89) **The issue of transboundary reservoirs has attracted the attention of Mexican lawmakers, politicians, and economists, among others**. (90) **Most of them advise taking prompt action to protect Mexico's rights to its resources.** (91) Moreover, **the exploitation of the resources located in the GOM will be a way for Mexico to increase its levels of petroleum production.** To summarize, in the GOM (i) there are formations, like the Perdido fold belt, that cross the maritime boundary of Mexico and the United States, and that will enable production as early as 2010, (ii) **substantial exploration activity has already been conducted by the United States, (iii) large areas have been leased by the United States for exploitation, while others are currently being exploited, (iv) Mexico has not achieved the levels of resource development that the United States has achieved**, and (v) both countries need to take advantage of the production of their hydrocarbons in the short term. (92) **In light of these circumstances, with the aim of protecting the rights of both countries and optimizing the use of resources, it would be appropriate for Mexico and the United States to cooperate in the development of their transboundary reservoirs. This cooperation will maximize economic benefits, avoid physical waste, increase energy security, and avoid international disputes likely to arise if the United States initiates production of the transboundary reservoirs. Cooperation has led to beneficial results among other countries that have faced similar dilemmas.**

#### Production along the Western Gap is key to PEMEX

Iliff ’12

(Laurence, “Pemex Makes Its First Big Oil Find in Deep Gulf”, The Wall Street Journal, 8-29-2012, <http://online.wsj.com/article/SB10000872396390444914904577619712736497598.html>)

**Mexican state-owned oil firm Petroleos Mexicanos, or Pemex, has made its first big crude-oil discovery in the deep waters of the Gulf of Mexico, near the Mexico-U.S. maritime boundary**, President Felipe Calderon said Wednesday. Mr. Calderon said **the initial estimate of a deposit in the Perdido area on Mexico's side of the Gulf was between 250 million and 400 million barrels of light crude, using the industry's broadest measurement of "proven, probable and possible," or 3P, reserves**. The exploratory well was drilled in 2,500 meters (8,250 feet) of water. "We estimate **that this deposit could belong to one of the most important regions of the deep-water Gulf,**" he said. **The larger "petroleum system" of additional fields, Mr**. Calderon added, "**could have from four billion to 10 billion barrels of crude, which bolsters our reserves and will allow Mexico to maintain and increase petroleum production in the medium- and long-term." The new well, dubbed "Trion I," was drilled 39 kilometers (24 miles) south of the U.S.-Mexico maritime border**, and 180 kilometers east of Gulf state of Tamaulipas, which also borders the U.S. On the U.S. side of the Gulf, Royal Dutch Shell RDSB.LN -0.11% PLC operates its Perdido oil-and-gas platform in the region. The platform has a peak production capacity of 100,000 barrels per day, according to Shell's website. Prior to Pemex's discovery of crude oil at Trion, the oil monopoly had found only natural gas during the recent increase of its deep-water exploratory efforts. Carlos Morales, head of Pemex's exploration-and-production division, said in a radio interview that Trion I could be among the top 10 crude-oil discoveries on either side of the Gulf. He said typically a deposit of its type would take seven years to get to the production phase, but that Pemex is going to try to do that in five years. Mr. Morales said Pemex began committing more resources to Gulf oil exploration in 2007 with the construction of special drilling platforms and said he foresees a Tamaulipas oil port to service Pemex's future operations in the Gulf. Mr. Morales said **pushing aggressively into deep waters could raise Pemex's crude-oil production to four million barrels a day from the current 2.55 million barrels a day. The deep waters of the Gulf are seen by analysts as one of Pemex's best bets to have another surge of oil production after eight years of steady declines**. Pemex has traditionally drilled in the shallow waters of the southern Gulf, where the discovery of the supergiant Cantarell complex in the late 1970s launched Mexico as an oil power. Cantarell's output peaked at more than two million barrels of oil per day in 2004 and is now around 400,000 barrels a day. Mr. Calderon, who held up a sample of crude oil taken from the well, said half of Pemex's petroleum reserves could be in the deep waters of the Gulf. Pemex reported proven hydrocarbon reserves of 13.8 billion **barrels of oil equivalent as of Jan. 1. Its 3P reserves were 43.8 billion barrels of oil equivalent. Under current law, Mexico doesn't allow foreign companies to drill in its territory except under contract to Pemex**, with strict rules that ban the sharing of risk or of oil. Oil majors have expressed interest in drilling with Pemex on the Mexican side of the Gulf, but only under shared-risk contracts.

#### PEMEX is critical to the Mexican economy ---- THA reforms key to solve

Samples and Vittor ’12 – associate and partners at Hogan Lovells US LLP (Tim R. and Jose Luis, “Energy Reform and the Future of Mexico’s Oil Industry: The Pemex Bidding Rounds and Integrated Service Contracts”, Texas Journal of Oil, Gas, and Energy Law, 6-21-2012, <http://tjogel.org/wp-content/uploads/2012/07/Samples-Formatted_Final_June13.pdf>)

In recent years, **Latin America has seen an uptick in interest as a destination for companies seeking new opportunities in the exploration and production of oil and gas.** 1 From the discovery of massive pre-salt oil fields off the coast of Brazil to unconventional plays in Argentina and Colombia, **the region is generating renewed interest for the international energy industry. Four countries in particular—Brazil, Colombia, Mexico, and Peru—are moving forward with bidding rounds for significant exploration and production contracts** with hopes of attracting technology, expertise, and capital from the private sector. **The case of Petróleos Mexicanos (Pemex) and Mexico is especially compelling. As a state-controlled monopoly, Pemex is the sole producer of crude oil, natural gas, and refined products in Mexico**. 2 **Pemex, the most important company in Mexico, is simultaneously referred to as the “cash cow” and a “sacred cow” of Mexico**. 3 As Mexico’s cash cow, Pemex provides over a third of the federal government’s revenues. 4 **As Mexico’s sacred cow, Pemex has immense and symbolic national importance, which is deeply rooted in Mexico’s sense of sovereignty and independence**. 5 Increasingly, **these two roles are in tension as Pemex struggles to remain a cash cow while subject to the legal and political constraints of a sacred national treasure.** 6 For most of the 20 th century, Mexico figured among the world’s largest oil producers and has been a major exporter for much of that time. 7 Currently, however, **Mexico is facing the prospect of becoming a net importer of petroleum within a decade**. 8 **Pemex has recently undergone transformations in response to declining production, but reversing the tide will require a dramatic departure from the norm. 9 Politically sensitive reforms to the energy sector and a major shift in the traditional Pemex paradigm are needed**. 10 Together, **Mexico and Pemex are entering unfamiliar territory**. 11 **While a restrictive legal framework has barred competition within Mexico’s borders, Pemex is subject to rigid constraints under Mexican law with respect to finance and budgeting, contracting, procurement, and corporate governance. 12 The collective weight of these restrictions has limited Pemex’s ability to address lagging production.** 13 In response, under the administration of President Felipe Calderón, legislation designed to modernize Pemex and allow greater private participation in the Mexican oil industry was passed in November 2008 (the Energy Reforms). 14\

#### **THA spills over to PEMEX reform**

Wood ‘12

Duncan Wood ¶ Professor, Instituto Tecnológico Autónomo de México ¶ Senior Adviser, Mexico Institute, Renewable Energy Initiative¶ March 2012¶ US-Mexico Cross Border Energy Cooperation: ¶ a new era in the Gulf of Mexico

The Transboundary Agreement is a major step forward for energy relations ¶ between the two countries, providing a major boost to Pemex as it tries to ¶ improve its reserve position and its production outlook. The prospect of ¶ significant oil discoveries in the border region, and the possibility of working ¶ alongside the private sector, is intriguing and controversial, to say the least. What ¶ is certain is that the Treaty sets a new framework for cooperation between the ¶ two countries that will produce new ways of thinking about oil production in ¶ Mexico, an issue that will surely be of importance in the looming debate over ¶ energy reform.

#### Mexican collapse tanks the global economy

Moran 9

Michael Moran, vice president and executive editor of Roubini Global Economics and RGE's senior expert on geostrategic and political risk. From 2005-2009, Michael served as executive editor of CFR.org,. “Six Crises, 2009: A Half-Dozen Ways Geopolitics Could Upset Global Recovery”. Roubini Global Economics Monitor. July 31, 2009. <http://fbkfinanzwirtschaft.wordpress.com/2009/08/07/six-crises-2009-a-half-dozen-ways-geopolitics-could-upset-global-recovery/>

A story receiving more attention in the American media than Iraq these days is the horrific **drug-related violence across the northern states of Mexico**, where Felipe Calderon has deployed the national army to combat two thriving drug cartels, which have compromised the national police beyond redemption. The tales of carnage are horrific, to be sure: 30 people were killed in a 48 hour period last week in Cuidad Juarez alone, a city located directly across the Rio Grande from El Paso, Texas. So far, the impact on the United States and beyond has been minimal. But there also isn’t much sign that the army is winning, either, and that raises a disturbing question: What if Calderon loses? **The CIA’s worst nightmare during the Cold War** (outside of an administration which forced transparency on it, of course) **was the radicalization or collapse of Mexico. The template then was communism, but narco-capitalism doesn’t look much better**. The prospect of a wholesale collapse that sent millions upon millions of Mexican refugees fleeing across the northern border so far seems remote. But Mexico’s army has its own problems with corruption, and a sizeable number of Mexicans regard Calderon’s razor-thin 2006 electoral victory over a leftist rival as illegitimate. With Mexico’s economy reeling and the traditional safety valve of illegal immigration to America dwindling, **the potential for serious trouble exists**. Meanwhile, **Mexico ranks with Saudi Arabia and Canada as the three suppliers of oil the U**nited **S**tates **could not do without. Should things come unglued there and Pemex production shut down even temporarily, the shock on oil markets could be profound**, again, **sending its waves throughout the global economy**. Long-term, PEMEX production has been sliding anyway, thanks to oil fields well-beyond their peak and restrictions on foreign investment.

#### Econ collapse causes Nuclear instability and preemptive attacks

Harris and Burrows 9 - \*PhD in Euro History, \*\*member of the NIC’s Long Range Analysis Unit Mathew, PhD European History @ Cambridge, counselor in the National Intelligence Council (NIC) and Jennifer is a member of the NIC’s Long Range Analysis Unit “Revisiting the Future: Geopolitical Effects of the Financial Crisis” <http://www.ciaonet.org/journals/twq/v32i2/f_0016178_13952.pdf>

Increased Potential for Global Conflict Of course, the report encompasses more than economics and indeed believes the future is likely to be the result of a number of intersecting and interlocking forces. With so many possible permutations of outcomes, each with ample Revisiting the Future opportunity for unintended consequences, there is a growing sense of insecurity. Even so, **history may be more instructive than ever**. While we continue to believe that **the Great Depression** is not likely to be repeated, the **lessons** to be drawn from that period **include the harmful effects on fledgling democracies and multiethnic societies** (think Central Europe in 1920s and 1930s) **and** on the **sustainability of multilateral institutions** (think League of Nations in the same period). **There is no reason to think that this would not be true in the twenty-first as much as in the twentieth century.** For that reason, the ways in which **the potential for greater conflict could grow** would seem to be even more apt **in a constantly volatile economic environment** as they would be if change would be steadier. In surveying those risks, the report stressed the likelihood that terrorism and nonproliferation will remain priorities even as resource issues move up on the international agenda. **Terrorism’s appeal will decline if economic growth continues in the Middle East and youth unemployment is reduced.** For those terrorist groups that remain active in 2025, however, the diffusion of technologies and scientific knowledge will place some of the world’s most dangerous capabilities within their reach. **Terrorist groups** in 2025 **will** likely be a combination of descendants of long established groups\_inheriting organizational structures, command and control processes, and training procedures necessary to conduct sophisticated attacks\_and newly emergent collections of the angry and disenfranchised that **become self-radicalized, particularly in the absence of economic outlets that would become narrower in an economic downturn. The most dangerous casualty of any** economically-induced drawdown of U.S**. military** presence would almost certainly **be the Middle East**. Although Iran’s acquisition of nuclear weapons is not inevitable, **worries** about a nuclear-armed Iran **could lead states in the region to develop new security arrangements with external powers, acquire additional weapons, and consider pursuing their own nuclear ambitions**. It is not clear that the type of stable deterrent relationship that existed between the great powers for most of the Cold War would emerge naturally in the Middle East with a nuclear Iran. Episodes of low intensity **conflict** and terrorism taking place under a nuclear umbrella **could lead to an unintended escalation and broader conflict** if clear red lines between those states involved are not well established. **The close proximity of potential nuclear rivals** combined with underdeveloped surveillance capabilities and mobile dual-capable Iranian missile systems also **will produce inherent difficulti es** in achieving reliable indications and warning of an impending nuclear attack. The lack of strategic depth in neighboring states like Israel, **short warning and missile flight times, and uncertainty** of Iranian intentions **may place more focus on preemption** rather than defense, potentially **leading to escalating crises.** 36 Types of **conflict** that the world continues to experience, such as **over resources, could reemerge**, particularly if **protectionism grows and there is a resort to neo-mercantilist practices. Perceptions** of renewed energy scarcity will drive countries to take actions to assure their future access to energy supplies. In the worst case, this **could result in interstate conflicts if government leaders deem assured access to energy resources,** for example, to be **essential for** maintaining domestic stability and the **survival of their regime**. Even actions short of war, however, will have important geopolitical implications. Maritime security concerns are providing a rationale for naval buildups and modernization efforts, such as China’s and India’s development of blue water naval capabilities. **If** the **fiscal stimulus focus for** these **countries indeed turns inward, one of the most obvious funding targets may be military. Buildup of regional** naval **capabilities could lead to increased tensions, rivalries, and counterbalancing moves**, but it also will create opportunities for multinational cooperation in protecting critical sea lanes. **With water** also **becoming scarcer in Asia and the Middle East, cooperation to manage changing water resources is likely to be increasingly difficult both within and between states in a more dog-eat-dog world.**

#### PEMEX decline will trigger government instability throughout Mexico

Kohl 11-27-12 (Keith, “Crisis of Consumption,” <http://www.energyandcapital.com/articles/mexican-oil-crisis/2833>) JH

Of course, we all know the story behind **the Cantarell field's** downfall. Once production started to decline, Pemex began injecting nitrogen to boost output. But this strategy was short-lived, and **production** at the field **has been dropping sharply since — roughly 14% each year for the last six years.** **Cantarell's decline marked the beginning of the end for Mexican oil production. The country's new finds have also proven underwhelming.** The recent discovery by Pemex in Southern Mexico is a perfect example. According to Pemex, the new field holds up to 500 million barrels of crude oil, a trifle compared to the billions of barrels Cantarell once held. But **these days, Mexico will take whatever it can get... and pray it can hold off the decline.** Crisis of Consumption **Mexico's declining oil production means there's less oil available for export. Those 2.5 million barrels flowing from Pemex's wells daily are crucial to the country's stability. When almost 40% of your government budget is paid from oil revenue, exporting less oil is not an option** — but that's exactly what's happening (click charts to enlarge): During the first eight months of 2012, Mexican oil exports to the United States were slightly above one million barrels per day. Last May oil exports fell below one million barrels per day for the first time in 27 years. **Barring some miracle taking place in Mexico's oil industry, I believe the country will be a net oil importer within ten years.**

#### Mexican stability is critical to U.S. power

Kaplan ’12 – chief geopolitical analyst at Stratfor (Robert D., With the Focus on Syria, Mexico Burns, Stratfor, 3-28-2012, http://www.stratfor.com/weekly/focus-syria-mexico-burns)

While the foreign policy elite in Washington focuses on the 8,000 deaths in a conflict in Syria -- half a world away from the United States -- more than 47,000 people have died in drug-related violence since 2006 in Mexico. A deeply troubled state as well as a demographic and economic giant on the United States' southern border, **Mexico will affect America's destiny in coming decades more than any state or combination of states in the Middle East.** Indeed, **Mexico may constitute the world's seventh-largest economy in the near future.** Certainly, while the Mexican violence is largely criminal, Syria is a more clear-cut moral issue, enhanced by its own strategic consequences. A calcified authoritarian regime in Damascus is stamping out dissent with guns and artillery barrages. Moreover, regime change in Syria, which the rebels demand, could deliver a pivotal blow to Iranian influence in the Middle East, an event that would be the best news to U.S. interests in the region in years or even decades. Nevertheless, the Syrian rebels are divided and hold no territory, and the toppling of pro-Iranian dictator Bashar al Assad might conceivably bring to power an austere Sunni regime equally averse to U.S. interests -- if not lead to sectarian chaos. In other words, all military intervention scenarios in Syria are fraught with extreme risk. Precisely for that reason, that the U.S. foreign policy elite has continued for months to feverishly debate Syria, and in many cases advocate armed intervention, while utterly ignoring the vaster panorama of violence next door in Mexico, speaks volumes about Washington's own obsessions and interests, which are not always aligned with the country's geopolitical interests. Syria matters and matters momentously to U.S. interests, but **Mexico ultimately matters more, so one would think that there would be at least some degree of parity in the amount written on these subjects.** I am not demanding a switch in news coverage from one country to the other, just a bit more balance. Of course, it is easy for pundits to have a fervently interventionist view on Syria precisely because it is so far away, whereas **miscalculation in Mexico on America's part would carry far greater consequences**. For example, **what if** the **Mexican drug cartels took revenge on San Diego?** Thus, **one might even argue that the very** noise in the media about Syria, coupled with the relative **silence about Mexico, is proof that it is the latter issue that actually is too sensitive for loose talk**. It may also be that cartel-wracked Mexico -- at some rude subconscious level -- connotes for East Coast elites a south of the border, 7-Eleven store culture, reminiscent of the crime movie "Traffic," that holds no allure to people focused on ancient civilizations across the ocean. The concerns of Europe and the Middle East certainly seem closer to New York and Washington than does the southwestern United States. Indeed, Latin American bureaus and studies departments simply lack the cachet of Middle East and Asian ones in government and universities. Yet, **the fate of Mexico is the hinge on which the United States'** cultural and demographic **future rests. U.S. foreign policy emanates from the domestic condition of its society, and nothing will affect its society more than the dramatic movement of Latin history northward**. By 2050, as much as a third of the American population could be Hispanic. Mexico and Central America constitute a growing demographic and economic powerhouse with which the United States has an inextricable relationship. In recent years Mexico's economic growth has outpaced that of its northern neighbor. Mexico's population of 111 million plus Central America's of more than 40 million equates to half the population of the United States. Because of the North American Free Trade Agreement, 85 percent of Mexico's exports go to the United States, even as half of Central America's trade is with the United States. While the median age of Americans is nearly 37, demonstrating the aging tendency of the U.S. population, the median age in Mexico is 25, and in Central America it is much lower (20 in Guatemala and Honduras, for example). In part because of young workers moving northward, the destiny of the United States could be north-south, rather than the east-west, sea-to-shining-sea of continental and patriotic myth. (This will be amplified by the scheduled 2014 widening of the Panama Canal, which will open the Greater Caribbean Basin to megaships from East Asia, leading to the further development of Gulf of Mexico port cities in the United States, from Texas to Florida.) Since 1940, Mexico's population has increased more than five-fold. Between 1970 and 1995 it nearly doubled. Between 1985 and 2000 it rose by more than a third. Mexico's population is now more than a third that of the United States and growing at a faster rate. And it is northern Mexico that is crucial. That most of the drug-related homicides in this current wave of violence that so much dwarfs Syria's have occurred in only six of Mexico's 32 states, mostly in the north, is a key indicator of how northern Mexico is being distinguished from the rest of the country (though the violence in the city of Veracruz and the regions of Michoacan and Guerrero is also notable). **If the military-led offensive to crush the drug cartels** launched by conservative President Felipe Calderon **falters, as it seems to be doing, and Mexico City goes back to cutting deals with the cartels, then the capital may in a functional sense lose even further control of the north, with concrete implications for the southwestern United States. One might argue that with massive border controls, a functional and vibrantly nationalist United States can coexist with a dysfunctional and somewhat chaotic northern Mexico. But that is mainly true in the short run**. Looking deeper into the 21st century, as Arnold Toynbee notes in A Study of History (1946), **a border between a highly developed society and a less highly developed one will not attain an equilibrium but will advance in the more backward society's favor**. Thus, **helping to stabilize Mexico** -- as limited as the United States' options may be, given the complexity and sensitivity of the relationship -- **is a more urgent national interest than stabilizing societies in the Greater Middle East. If Mexico ever does reach coherent First World status, then it will become less of a threat, and the healthy melding of the two societies will quicken to the benefit of both**. Today, helping to thwart drug cartels in rugged and remote terrain in the vicinity of the Mexican frontier and reaching southward from Ciudad Juarez (across the border from El Paso, Texas) means a limited role for the U.S. military and other agencies -- working, of course, in full cooperation with the Mexican authorities. (Predator and Global Hawk drones fly deep over Mexico searching for drug production facilities.) But the legal framework for cooperation with Mexico remains problematic in some cases because of strict interpretation of 19th century posse comitatus laws on the U.S. side. While the United States has spent hundreds of billions of dollars to affect historical outcomes in Eurasia, its leaders and foreign policy mandarins are somewhat passive about what is happening to a country with which the United States shares a long land border, that verges on partial chaos in some of its northern sections, and whose population is close to double that of Iraq and Afghanistan combined. **Mexico,** in addition to the obvious challenge of China as a rising great power, **will help write the American story in the 21st century. Mexico will partly determine what kind of society America will become**, and what exactly will be its demographic and geographic character, especially in the Southwest. The U.S. relationship with China will matter more than any other individual bilateral relationship in terms of determining the United States' place in the world, especially in the economically crucial Pacific. **If policymakers in Washington calculate U.S. interests properly regarding those two critical countries, then the United States will have power to spare so that its elites can continue to focus on serious moral questions in places that matter less.**

#### Loss of hegemony causes global instability

Kagan 12, Senior Fellow at Brookings (Robert, 3/14/12 “America has made the world freer, safer and wealthier” CNN,[http://us.cnn.com/2012/03/14/opinion/kagan-world-america-made/index.html?hpt=hp\_c1](http://us.cnn.com/2012/03/14/opinion/kagan-world-america-made/index.html?hpt=hp_c1" \t "_blank))

We take a lot for granted about the way the world looks today -- the widespread freedom, the unprecedented global prosperity (even despite the current economic crisis), and the absence of war among great powers. In 1941 there were only a dozen democracies in the world. Today there are more than 100. For four centuries prior to 1950, global GDP rose by less than 1 percent a year. Since 1950 it has risen by an average of 4 percent a year, and billions of people have been lifted out of poverty. The first half of the 20th century saw the two most destructive wars in the history of mankind, and in prior centuries war among great powers was almost constant. But for the past 60 years no great powers have gone to war. This is the world America made when it assumed global leadership after World War II. Would this world order survive if America declined as a great power? Some American intellectuals insist that a "Post-American" world need not look very different from the American world and that all we need to do is "manage" American decline. But that is wishful thinking. If the balance of power shifts in the direction of other powers, the world order will inevitably change to suit their interests and preferences. Take the issue of democracy. For several decades, the balance of power in the world has favored democratic governments. In a genuinely post-American world, the balance would shift toward the great power autocracies. Both China and Russia already protect dictators like Syria's Bashar al-Assad. If they gain greater relative influence in the future, we will see fewer democratic transitions and more autocrats hanging on to power. What about the free market, free trade economic order? People assume China and other rising powers that have benefited so much from the present system would have a stake in preserving it. They wouldn't kill the goose that lays the golden eggs. But China's form of capitalism is heavily dominated by the state, with the ultimate goal being preservation of the ruling party. Although the Chinese have been beneficiaries of an open international economic order, they could end up undermining it simply because, as an autocratic society, their priority is to preserve the state's control of wealth and the power it brings. They might kill the goose because they can't figure out how to keep both it and themselves alive. Finally, what about the long peace that has held among the great powers for the better part of six decades? Many people imagine that American predominance will be replaced by some kind of multipolar harmony. But multipolar systems have historically been neither stable nor peaceful. War among the great powers was a common, if not constant, occurrence in the long periods of multipolarity in the 16th, 17th, and 18th centuries. The 19th century was notable for two stretches of great-power peace of roughly four decades each, punctuated, however, by major wars among great powers and culminating in World War I, the most destructive and deadly war mankind had known up to that point. The era of American predominance has shown that there is no better recipe for great-power peace than certainty about who holds the upper hand. Many people view the present international order as the inevitable result of human progress, a combination of advancing science and technology, an increasingly global economy, strengthening international institutions, evolving "norms" of international behavior, and the gradual but inevitable triumph of liberal democracy over other forms of government -- forces of change that transcend the actions of men and nations. But there was nothing inevitable about the world that was created after World War II. International order is not an evolution; it is an imposition. It is the domination of one vision over others -- in America's case, the domination of liberal free market principles of economics, democratic principles of politics, and a peaceful international system that supports these, over other visions that other nations and peoples may have. The present order will last only as long as those who favor it and benefit from it retain the will and capacity to defend it. If and when American power declines, the institutions and norms American power has supported will decline, too. Or they may collapse altogether as we transition into another kind of world order, or into disorder. We may discover then that the United States was essential to keeping the present world order together and that the alternative to American power was not peace and harmony but chaos and catastrophe -- which was what the world looked like right before the American order came into being.

#### Primacy has resulted in the lowest level of war in history – best statistics prove

Owen 11 [John Owen, Associate professor in the University of Virginia's Department of Politics, recipient of fellowships from the Olin Institute for Strategic Studies at Harvard, and the Center for International Security and Cooperation at Stanford, and the Center of International Studies at Princeton, PhD in international relations from Harvard, February 11, 2011, “Don’t Discount Hegemony, [www.cato-unbound.org/2011/02/11/john-owen/dont-discount-hegemony/](http://www.cato-unbound.org/2011/02/11/john-owen/dont-discount-hegemony/)]

Andrew Mack and his colleagues at the Human Security Report Project are to be congratulated. Not only do they present a study with a striking conclusion, driven by data, free of theoretical or ideological bias, but they also do something quite unfashionable: they bear good news. Social scientists really are not supposed to do that. Our job is, if not to be Malthusians, then at least to point out disturbing trends, looming catastrophes, and the imbecility and mendacity of policy makers. And then it is to say why, if people listen to us, things will get better. We do this as if our careers depended upon it, and perhaps they do; for if all is going to be well, what need then for us? Our colleagues at Simon Fraser University are brave indeed. That may sound like a setup, but it is not. I shall challenge neither the data nor the general conclusion that violent conflict around the world has been decreasing in fits and starts since the Second World War. When it comes to violent conflict among and within countries, things have been getting better. (The trends have not been linear—Figure 1.1 actually shows that the frequency of interstate wars peaked in the 1980s—but the 65-year movement is clear.) Instead I shall accept that Mack et al. are correct on the macro-trends, and focus on their explanations they advance for these remarkable trends. With apologies to any readers of this forum who recoil from academic debates, this might get mildly theoretical and even more mildly methodological. Concerning international wars, one version of the “nuclear-peace” theory is not in fact laid to rest by the data. It is certainly true that nuclear-armed states have been involved in many wars. They have even been attacked (think of Israel), which falsifies the simple claim of “assured destruction”—that any nuclear country A will deter any kind of attack by any country B because B fears a retaliatory nuclear strike from A. But the most important “nuclear-peace” claim has been about mutually assured destruction, which obtains between two robustly nuclear-armed states. The claim is that (1) rational states having second-strike capabilities—enough deliverable nuclear weaponry to survive a nuclear first strike by an enemy—will have an overwhelming incentive not to attack one another; and (2) we can safely assume that nuclear-armed states are rational. It follows that states with a second-strike capability will not fight one another. Their colossal atomic arsenals neither kept the United States at peace with North Vietnam during the Cold War nor the Soviet Union at peace with Afghanistan. But the argument remains strong that those arsenals did help keep the United States and Soviet Union at peace with each other. Why non-nuclear states are not deterred from fighting nuclear states is an important and open question. But in a time when calls to ban the Bomb are being heard from more and more quarters, we must be clear about precisely what the broad trends toward peace can and cannot tell us. They may tell us nothing about why we have had no World War III, and little about the wisdom of banning the Bomb now. Regarding the downward trend in international war, Professor Mack is friendlier to more palatable theories such as the “democratic peace” (democracies do not fight one another, and the proportion of democracies has increased, hence less war);the interdependence or “commercial peace” (states with extensive economic ties find it irrational to fight one another, and interdependence has increased, hence less war); and the notion that people around the world are more anti-war than their forebears were. Concerning the downward trend in civil wars, he favors theories of economic growth (where commerce is enriching enough people, violence is less appealing—a logic similar to that of the “commercial peace” thesis that applies among nations) and the end of the Cold War (which end reduced superpower support for rival rebel factions in so many Third-World countries). These are all plausible mechanisms for peace. What is more, none of them excludes any other; all could be working toward the same end. That would be somewhat puzzling, however. Is the world just lucky these days? How is it that an array of peace-inducing factors happens to be working coincidentally in our time, when such a magical array was absent in the past? The answer may be that one or more of these mechanisms reinforces some of the others, or perhaps some of them are mutually reinforcing. Some scholars, for example, have been focusing on whether economic growth might support democracy and vice versa, and whether both might support international cooperation, including to end civil wars. We would still need to explain how this charmed circle of causes got started, however. And here let me raise another factor, perhaps even less appealing than the “nuclear peace” thesis, at least outside of the United States. That factor is what international relations scholars call hegemony—specifically American hegemony. A theory that many regard as discredited, but that refuses to go away, is called hegemonic stability theory. The theory emerged in the 1970s in the realm of international political economy. It asserts that for the global economy to remain open—for countries to keep barriers to trade and investment low—one powerful country must take the lead. Depending on the theorist we consult, “taking the lead” entails paying for global public goods (keeping the sea lanes open, providing liquidity to the international economy), coercion (threatening to raise trade barriers or withdraw military protection from countries that cheat on the rules), or both. The theory is skeptical that international cooperation in economic matters can emerge or endure absent a hegemon. The distastefulness of such claims is self-evident: they imply that it is good for everyone the world over if one country has more wealth and power than others. More precisely, they imply that it has been good for the world that the United States has been so predominant. There is no obvious reason why hegemonic stability theory could not apply to other areas of international cooperation, including in security affairs, human rights, international law, peacekeeping (UN or otherwise), and so on. What I want to suggest here—suggest, not test—is that American hegemony might just be a deep cause of the steady decline of political deaths in the world. How could that be? After all, the report states that United States is the third most war-prone country since 1945. Many of the deaths depicted in Figure 10.4 were in wars that involved the United States (the Vietnam War being the leading one). Notwithstanding politicians’ claims to the contrary, a candid look at U.S. foreign policy reveals that the country is as ruthlessly self-interested as any other great power in history. The answer is that U.S. hegemony might just be a deeper cause of the proximate causes outlined by Professor Mack. Consider economic growth and openness to foreign trade and investment, which (so say some theories) render violence irrational. American power and policies may be responsible for these in two related ways. First, at least since the 1940s Washington has prodded other countries to embrace the market capitalism that entails economic openness and produces sustainable economic growth. The United States promotes capitalism for selfish reasons, of course: its own domestic system depends upon growth, which in turn depends upon the efficiency gains from economic interaction with foreign countries, and the more the better. During the Cold War most of its allies accepted some degree of market-driven growth. Second, the U.S.-led western victory in the Cold War damaged the credibility of alternative paths to development—communism and import-substituting industrialization being the two leading ones—and left market capitalism the best model. The end of the Cold War also involved an end to the billions of rubles in Soviet material support for regimes that tried to make these alternative models work. (It also, as Professor Mack notes, eliminated the superpowers’ incentives to feed civil violence in the Third World.) What we call globalization is caused in part by the emergence of the United States as the global hegemon.

### Advantage 2 is Spills

#### Deepwater oil accident inevitable in the Gulf of Mexico in the squo

Shields ’12 – independent energy consultant

(David, “Q&A: Is Mexico Prepared for Deepwater Drilling in the Gulf?”, Inter-American Dialogue’s Latin American Energy Advisor, 2/20/2012, http://repository.unm.edu/bitstream/handle/1928/20477/Is%20Mexico%20Prepared%20for%20Deepwater%20Drilling%20in%20the%20Gulf.pdf?sequence=1)

They say that if a country does not defend its borders, then others will not respect those borders. That is probably how we should understand Pemex's decision to drill the Maximino-1 well in 3,000 meters of water in the Perdido Fold Belt, right next to the shared maritime boundary with the United States. It is a decision that does not make sense in terms of competitiveness or production goals. It is about defending the final frontier of national sovereignty and sticking the Mexican flag on the floor of the Gulf of Mexico to advise U.S. companies that they have no right to drill for oil in the ultradeep waters on the Mexican side. The recently signed deepwater agreement obliges both countries to work together and share the spoils of the development of transboundary reservoirs, if they actually exist. For now, Pemex, in line with constitutional restrictions, is going alone on the Mexican side. Safety is a major concern as Pemex and its contractors have no experience in such harsh environments. In fact, Pemex has never produced oil commercially anywhere in deep water. It does not have an insurance policy for worst-case scenarios nor does it have emergency measures in place to deal with a major spill. It does not fully abide by existing Mexican regulation of its deepwater activity, which cannot be enforced. On the U.S. side, prohibition of ultradeepwater drilling, enacted after the Deepwater Horizon spill, has come and gone. The next disaster is just waiting to happen.

#### Gulf’s ecosystems on the brink—plan key to solve another accident

Craig ’11 – Attorneys’ Title Professor of Law and Associate Dean for Environmental Programs at Florida State University (Robin Kundis, “Legal Remedies for Deep Marine Oil Spills and Long-Term Ecological Resilience: A Match Made in Hell”, Brigham Young University Law Review, 2011, <http://lawreview.byu.edu/articles/1326405133_03craig.fin.pdf>)

These results suggest that we should be very concerned for the Gulf ecosystems affected by the Macondo well blowout. First, and as this Article has emphasized throughout, unlike the Exxon Valdez spill, **the Deepwater** Horizon oil **spill occurred at great depth**, and the oil behaved unusually compared to oil released on the surface. Second, considerably more toxic dispersants were used in connection with the Gulf oil spill than the Alaska oil spill. 164 Third, humans could intervene almost immediately to begin cleaning the rocky substrate in Prince William Sound, but **human intervention** for many of the important affected Gulf ecosystems, especially the deepwater ones (but even for shallower coral reefs), **remains impossible**. Finally, and perhaps most importantly, the Prince William Sound was and remains a far less stressed ecosystem than the Gulf of Mexico. In 2008, for example, NOAA stated that “[d]espite the remaining impacts of the [still then] largest oil spill in U.S. history, Prince William Sound remains a relatively pristine, productive and biologically rich ecosystem.” 165 To be sure, the Sound was not completely unstressed, and “[w]hen the Exxon Valdez spill occurred in March 1989, the Prince William Sound ecosystem was also responding to at least three notable events in its past: an unusually cold winter in 1988–89; growing populations of reintroduced sea otters; and a 1964 earthquake.” 166 Nevertheless, **the Gulf** of Mexico **is besieged by environmental stressors at another order of magnitude** (or two), **reducing its resilience** to disasters like the Deepwater Horizon oil spill. As the Deepwater Horizon Commission detailed at length, **the Gulf faces an array of long-term threats, from** the **loss of** protective and productive **wetlands** along the coast to hurricanes **to a growing “dead zone**” (hypoxic zone) to sediment starvation to sealevel rise to damaging channeling to continual (if smaller) oil releases from the thousands of drilling operations. 167 In the face of this plethora of stressors, even the Commission championed a kind of resilience thinking, recognizing that responding to the oil spill alone was not enough. It equated restoration of the Gulf to “restored resilience,” arguing that it “represents an effort to sustain these diverse, interdependent activities [fisheries, energy, and tourism] and the environment on which they depend for future generations.” 168 A number of commentators have catalogued the failure of the legal and regulatory systems governing the Deepwater Horizon platform and the Macondo well operations. 169 The Deepwater Horizon Commission similarly noted that the Deepwater Horizon’s “demise signals the conflicted evolution—and severe shortcomings— of federal regulation of offshore oil drilling in the United States.” 170 In its opinion, “[t]he Deepwater Horizon blowout, explosion, and oil spill did not have to happen.” 171 The Commission’s overall conclusion was two-fold. First, “[t]he **record shows that without effective government oversight, the** offshore oil and gas **industry will not adequately reduce the risk** of accidents, nor prepare effectively to respond in emergencies.” 172 Second, “government oversight, alone, cannot reduce those risks to the full extent possible. Government **oversigh**t . . . **must be accompanied by** the oil and gas industry’s internal reinvention: **sweeping reforms that accomplish** no less than **a fundamental transformation** of its safety culture.” 173

#### The plan solves ------ the THA leads to safety coordination between the U.S. and Mexico

Broder and Krauss ’12 – business correspondents at the New York Times (John M. and Clifford, “U.S. in Accord With Mexico on Drilling”, The New York Times, 2-20-2012, <http://www.nytimes.com/2012/02/21/world/americas/mexico-and-us-agree-on-oil-and-gas-development-in-gulf.html?_r=1&ref=americas>)

WASHINGTON — The United States and Mexico reached agreement on Monday on regulating oil and gas development along their maritime border in the Gulf of Mexico, ending years of negotiations and potentially opening more than a million acres to deepwater drilling. The agreement, if ratified by Mexican and American lawmakers, would for the first time provide for joint inspection of the two **countries’ rigs in the gulf.** **Until now, neither was authorized to oversee the environmental and safety practices of the other, even though oil spills do not respect international borders. “Each of the nations will maintain sovereignty and their own regulatory systems,”** Ken Salazar, the interior secretary, said from Los Cabos, Mexico, where **the agreement** was completed. “But **what this signifies, and what may be the most significant part of the agreement, is that we’re moving forward jointly with Mexico to ensure we have a common set of safety protocols.** “As the Mexicans move into deepwater development,” Mr. Salazar said, “**we want to make sure it’s done in a way that protects the environment and is as safe as possible.” T**he Transboundary Agreement, as it is called, will make up to 1.5 million acres of offshore territory claimed by the United States available for leasing as early as June, though the leases will not become active until a pact is ratified. The Interior Department estimates that the area contains as much as 172 million barrels of oil and 300 billion cubic feet of natural gas, relatively modest amounts by the oil-rich gulf’s standards. Mexico’s oil production has been a major source for the United States for more than 25 years, and it is the single most important revenue-raiser for the Mexican government. But its output has been in sharp decline in the last decade, as energy demand by its growing middle class has risen, forcing a decline in exports and raising the possibility that Mexico could become a net oil importer by the end of the decade. In response, Mexico’s national oil company, Petróleos Mexicanos, known as Pemex, has started a deepwater drilling program in recent years despite concerns that it is not sufficiently experienced for the task. Under the Mexican Constitution, Pemex cannot bring in a foreign partner like Royal Dutch Shell or Exxon Mobil to develop the gulf reserves, even though those companies have much more expertise in drilling in challenging waters. **Pemex has drilled more than a dozen exploratory deepwater wells since 2002, but the results have been mixed. It plans to drill six more wells this year, including two at depths of more than 6,000 feet, where well pressure is customarily high and the possibility of a blowout is greater than in shallower wells. The program has been controversial in Mexico**, especially after the BP accident two years ago. Juan Carlos Zepeda, Mexico’s chief oil regulator, has warned that **Pemex is not prepared to control a possible leak** from the two deepest wells it is planning this year **and** that **the National Hydrocarbons Commission**, the three-year-old agency Mr. Zepeda oversees, **may be overmatched when it comes to regulating deepwater drilling.** With a staff of 60, little logistical capability and a budget of only $7 million, it has had minimal say in how Pemex operates. In 1979, a blowout at one of Pemex’s shallow-water wells called Ixtoc I in the Bay of Campeche resulted in the largest oil spill ever in the gulf until the BP Deepwater Horizon disaster in 2010. The issue of sharing oil and gas reserves in gulf border waters dates from the 1970s. The two countries negotiated a treaty that would define their exploratory rights in border zones, but the United States Senate declined to ratify it in 1980. Presidents Obama and Felipe Calderón agreed to extend a drilling moratorium in the area until they could negotiate a final accord. The zones are near areas being drilled successfully, but they are in water depths reaching 10,000 feet and are considered vulnerable to hurricanes**. “Mexico doesn’t have the resources to combat a major oil spill, and the United States does,”** said Jorge Piñon, a former president of Amoco Oil Latin America and a current research fellow at the University of Texas. “**Coordination and sharing communications, training, personnel, equipment and technology are essential for safe and productive drilling.”** Gasoline prices are on the rise, and Republicans have blamed the administration for being slow to approve more domestic drilling. With the new agreement, coming at a time when the White House is moving closer to approving drilling in Alaskan Arctic waters, Mr. Obama was expected to argue that his policies have led to a surge in domestic production.

#### Joint inspection solves oversight --- key to safety even if there’s no Western Gap development

Padilla ’12 – managing director at IPD Latin America (John D. Padilla, “Q&A: Is Mexico Prepared for Deepwater Drilling in the Gulf?”, Inter-American Dialogue’s Latin American Energy Advisor, 2/20/2012, <http://repository.unm.edu/bitstream/handle/1928/20477/Is%20Mexico%20Prepared%20for%20Deepwater%20Drilling%20in%20the%20Gulf.pdf?sequence=1>)

"The plan at issue is Pemex's intent to drill in the Perdido Foldbelt area, which abuts the U.S.- Mexico maritime border. Although the bulk of Pemex's offshore infrastructure is located in the southern Gulf of Mexico (i.e. near Cantarell and Ku-Maloob-Zaap), Perdido represents the company's most promising near-term commercial crude oil prospect. The 18 other deepwater wells Pemex has drilled have either been principally natural gas or heavy oil; those that will be brought online still await commercialization. Complicating the equation, Pemex is saddled with four latest- generation semisubmersible rigs that cost $500,000 per day. Because the company has been unable to drill in Perdido's ultra-deepwater, the rigs have been relegated to drilling in shallower water—work that less sophisticated technology could accomplish**. Ongoing concerns over deepwater drilling in the wake of the Macondo incident, combined with memories of Pemex's less-than-aggressive response to its 1979 Ixtoc spill, have given authorities on both sides of the U.S.– Mexico border pause**. An archaic constitutional ban that prevents the company from providing the proper balance of risk-reward incentives, coupled with declining production, leave Pemex few large-scale, near-term alternatives—other than forging into Perdido on its own. **The accord signed by U.S. and Mexican authorities on Monday offers an elegant way to calm fears on both sides of the border. Whether joint ventures materialize or not, the accord would permit joint inspection teams the right to ensure compliance with safety and environmental laws.** Will Mexico's Senate approve the accord?"

#### Redundant inspection teams solve ---- US doesn’t need enviro regs

Baker ’12 – publisher of Mexico Energy Intelligence

(George, “Q&A: Is Mexico Prepared for Deepwater Drilling in the Gulf?”, Inter-American Dialogue’s Latin American Energy Advisor, 2/20/2012, <http://repository.unm.edu/bitstream/handle/1928/20477/Is%20Mexico%20Prepared%20for%20Deepwater%20Drilling%20in%20the%20Gulf.pdf?sequence=1>)

"**The serious issues of corporate governance and regulation in the shadow of the Macondo incident have not yet been addressed in the many post-accident studies that have been released**. On April 20, 2010, a joint BP-Transocean safety audit team boarded the Deepwater Horizon for an inspection of the safety practices of the crew and the condition of the facilities. **The nominal objective of the inspection was to identify issues and conditions that could result in damage to lives, facilities and the environment. Within hours after the safety audit team flew off by helicopter, the Macondo well blew out. How is it that this team of senior safety auditors missed all the evidence** that a catastrophe was unfolding beneath their feet? **This is a question on the level of seriousness as that of the integrity of the cement that failed. The facile answer to the question is that safety, as a discipline and a concern, is divided into two parts: occupational safety, dealing with the slips and falls of employees, and process, or industrial, safety, dealing with conditions that could put the entire crew and facilities at risk**. What happened on the Deepwater Horizon is that members of the safety audit team focused their attention on the feelgood issues of occupational safety, chit-chatting with crew members, while they ignored the fact that a cement bond log had not been run, and that proof of cement integrity was problematic at best. **One measure to avoid a repetition of his situation would be to order, as a matter of regulation, safety audits of industrial safety and occupational safety to be carried out separately, by different teams."**

#### Plan spills over past the border to environmental standardization in the entire Gulf of Mexico

Velarde ’12 – attorney and counselor-at-law (Rogelio Lopez, held various positions at Pemex during 1988-1993, including that of Financial Advisor to the Finance Department, In-House Counsel in Houston, Texas, In-House Counsel in New York, and Head of the International Legal Department of Pemex. He was honored with the “Most Distinguished Attorney Award” of Pemex for the period 1990-1991, former Chairman of the Energy Committee of the Mexican Bar Association, and currently he is the President for the Latin America Chapter of the Association of the International Petroleum Negotiators (AIPN), as Visiting Professor of Judicial Process on the Mexican Legal Studies Program at the University of Houston Law Center, and he is currently the director of the Energy Law Seminar organized between the Universidad Iberoamericana and the Mexican Bar Association. “US-Mexican treaty on Gulf of Mexico transboundary reservoirs”, International Law Office, 3-19-2012, <http://www.internationallawoffice.com/newsletters/Detail.aspx?g=b9326bf8-f27f-43ff-b45a-1b2b70ccb217&redir=1>)

**Pemex has indicated that it has no information to confirm the existence of a transboundary field.** However, **it is unlikely that both countries would take the step of concluding such a treaty without having geological information to suggest the existence of such a field. One of the covenants included in the treaty is particularly significant in this context. It requires the two federal governments to adopt common norms and standards concerning safety and environmental protection for the "activity contemplated under this agreement".** Effectively, **this means a harmonised system of offshore technical standards for exploration and production in the Gulf Of Mexico - it seems highly unlikely that the relevant authorities in the United States(1) and Mexico(2) would agree to harmonise applicable standards only in respect of transboundary reservoirs.**

#### Gulf ecosystems are Key to global bioD

Brenner ‘8 –

(Jorge Brenner, “Guarding the Gulf of Mexico’s valuable resources”, SciDevNet, 3-14-2008, <http://www.scidev.net/en/opinions/guarding-the-gulf-of-mexico-s-valuable-resources.html>)

**The Gulf Of Mexico is rich in biodiversity and unique habitats, and hosts the only known nesting beach of Kemp's Ridley, the world's most endangered sea turtle. The Gulf's circulation pattern gives it biological and socioeconomic importance: water from the Caribbean enters from the south through the Yucatan Channel between Cuba and Mexico and, after warming in the basin, leaves through the northern Florida Strait between the United States and Cuba to form the Gulf Stream in the North Atlantic that help**s **to regulate the climate of western Europe.**

#### Ocean biod loss causes Extinction

Craig 3 - Attorneys’ Title Professor of Law and Associate Dean for Environmental Programs at Florida State University (Robin Kundis Craig, “ARTICLE: Taking Steps Toward Marine Wilderness Protection? Fishing and Coral Reef Marine Reserves in Florida and Hawaii,” McGeorge Law Review, Winter 2003, 34 McGeorge L. Rev. 155)

Biodiversity and ecosystem function arguments for conserving marine ecosystems also exist, just as they do for terrestrial ecosystems, but these arguments have thus far rarely been raised in political debates. For example, besides significant tourism values - the most economically valuable ecosystem service coral reefs provide, worldwide - coral reefs protect against storms and dampen other environmental fluctuations, services worth more than ten times the reefs' value for food production. [n856](http://www.lexisnexis.com.proxy.library.emory.edu/lnacui2api/frame.do?reloadEntirePage=true&rand=1348077471187&returnToKey=20_T15565363878&parent=docview&target=results_DocumentContent&tokenKey=rsh-20.167770.63840861383) Waste treatment is another significant, non-extractive ecosystem function that intact coral reef ecosystems provide. [n857](http://www.lexisnexis.com.proxy.library.emory.edu/lnacui2api/frame.do?reloadEntirePage=true&rand=1348077471187&returnToKey=20_T15565363878&parent=docview&target=results_DocumentContent&tokenKey=rsh-20.167770.63840861383) More generally, "**ocean ecosystems** play a major role in the global geochemical cycling of all the elements that **represent the basic building blocks of** living **organisms,** carbon, nitrogen, oxygen, phosphorus, and sulfur, as well as other less abundant but necessary elements." [n858](http://www.lexisnexis.com.proxy.library.emory.edu/lnacui2api/frame.do?reloadEntirePage=true&rand=1348077471187&returnToKey=20_T15565363878&parent=docview&target=results_DocumentContent&tokenKey=rsh-20.167770.63840861383) In a very real and direct sense, therefore, human **degradation** of marine ecosystems **impairs the planet's ability to support life**. Maintaining biodiversity is often critical to maintaining the functions of marine ecosystems. Current **evidence shows that**, in general, **an ecosystem's ability to keep functioning** in the face of disturbance **is strongly dependent on its biodiversity**, "indicating that more diverse ecosystems are more stable." [n859](http://www.lexisnexis.com.proxy.library.emory.edu/lnacui2api/frame.do?reloadEntirePage=true&rand=1348077471187&returnToKey=20_T15565363878&parent=docview&target=results_DocumentContent&tokenKey=rsh-20.167770.63840861383) Coral reef ecosystems are particularly dependent on their biodiversity. [\*265] Most ecologists agree that the complexity of interactions and degree of interrelatedness among component species is higher on coral reefs than in any other marine environment. This implies that the ecosystem functioning that produces the most highly valued components is also complex and that many otherwise insignificant species have strong effects on sustaining the rest of the reef system. [n860](http://www.lexisnexis.com.proxy.library.emory.edu/lnacui2api/frame.do?reloadEntirePage=true&rand=1348077471187&returnToKey=20_T15565363878&parent=docview&target=results_DocumentContent&tokenKey=rsh-20.167770.63840861383) Thus, **maintaining and restoring** the biodiversity of **marine ecosystems is critical to** maintaining and restoring **the ecosystem services that they provide**. Non-use biodiversity values for marine ecosystems have been calculated in the wake of marine disasters, like the Exxon Valdez oil spill in Alaska. [n861](http://www.lexisnexis.com.proxy.library.emory.edu/lnacui2api/frame.do?reloadEntirePage=true&rand=1348077471187&returnToKey=20_T15565363878&parent=docview&target=results_DocumentContent&tokenKey=rsh-20.167770.63840861383) Similar calculations could derive preservation values for marine wilderness. However, economic value, or economic value equivalents, should not be "the sole or even primary justification for conservation of ocean ecosystems. Ethical arguments also have considerable force and merit." [n862](http://www.lexisnexis.com.proxy.library.emory.edu/lnacui2api/frame.do?reloadEntirePage=true&rand=1348077471187&returnToKey=20_T15565363878&parent=docview&target=results_DocumentContent&tokenKey=rsh-20.167770.63840861383) At the forefront of such arguments should be a recognition of how little we know about the sea - and about the actual effect of human activities on marine ecosystems. The United States has traditionally failed to protect marine ecosystems because it was difficult to detect anthropogenic harm to the oceans, but we now know that such harm is occurring - even though we are not completely sure about causation or about how to fix every problem. Ecosystems like the NWHI coral reef ecosystem should inspire lawmakers and policymakers to admit that most of the time we really do not know what we are doing to the sea and hence should be preserving marine wilderness whenever we can - **especially when the United States has** within its territory relatively **pristine marine ecosystems that may be unique in the world.**