November/December 2019

Resolved: The United States ought to eliminate subsidies for fossil fuels.

Definitions:

United States: It is worth noting that the wording committee chose to use "United States" and not "USFG" for this topic. This wording opens the debate up to include the actions of local and state governments as well as the federal government.

Ought: According to Merriam Webster, ought indicates a duty or obligation. In the context of this resolution, ought should signal that both sides are tasked with defining and defending whether eliminating subsidies is an option or an obligation for the United States.

Eliminate: This definition should be fairly straight forward. Most interpretations define the affirmative ground as defending the blanket elimination of fossil fuel subsidies.

If you are going with the former interpretation, I would make sure to do a deep dive into the current initiatives that have been introduced into Congress that have included repealing some subsidies such as the Close Big Oil Tax Loophole Act, the FAIR Energy Policy Act or the American Energy Innovation Act. Understanding what worked—and what didn't—about eliminating certain subsidies can help debaters develop their arguments for whether or not a full stop to these subsidies would be effective.

Subsidies: To fully unpack this topic, it is important to wrap our heads around what subsidies are and how they function within our economy. Cambridge University breaks this down really comprehensively and gives a more recent history of fossil fuel subsidies in this chapter. While a fairly deep understanding of how these subsidies work will give you the most versatility when debating, there are two areas that are important to highlight.

First, there are different ways in which subsidies could potentially be implemented; however, the majority of fossil fuel subsidies come in the form of tax credits. In these cases, the US tax code allows for oil companies to write off a variety of costs, including equipment, depreciation and a whole host of other things, earning them back up to billions of dollars each year. A more specific description of how these work can be found here.

Second, subsidies exist both on the production and consumption side of the financial transactions. On the consumer side, subsidies come in the form of programs like LIHEAP, which grants assistance to low income families who have difficulty affording the energy needed to heat or cool their homes. It is important to note that these programs are not exclusively for fossil fuels but rather cover the cost of whatever these individuals use as their primary energy source. You can read more about this program here.

Affirmative Arguments:

When setting the stage for Aff, it may be helpful to take into account the historical context of subsidies. Both the US and the international community has been shifting away from fossil fuel subsidies (or at least agreeing that they should shift away from them) for a decade. In 2009, the G20 met and agreed that fossil fuel subsidies encouraged more wasteful energy consumption and that we would need to start phasing them out in order to move towards more sustainable forms of energy and curb climate change.

While there is some literature that points towards efforts that have been made to this end, the IMF notes in the study below that coal and petroleum accounts for 85% of the world subsides. The Aff needs to very clearly explain why now is the time to make the shift. This 2019 IMF Study is cited by a large portion of the recent literature and gives a lot of solid concrete data that can help to inform each of the arguments outlined below.

Addressing Climate Change:

One of the more intuitive arguments for the affirmative team to make is that ending fossil fuel subsidies will lead to decreased use of fossil fuels, which is necessary in order to address climate change. There are a number of different frameworks that this type of argument would work with, from utilitarianism to environmental ethics.

The general thesis of this argument is that as long as there is still a profit to be made from fossil fuels, they will continue to be a major part of our energy economy and, as a result, climate change will continue to increase at an alarming rate. By eliminating fossil fuel subsidies, the government disincentivizes the use of environmentally devastating fuel options and can build a more fertile environment for cleaner options. It is important to note that there is evidence out there that says that removing subsidies is not enough to solve back for climate change; however, it is a step in the right direction and moves the world closer to meeting its sustainability goals.

Debaters may find it beneficial to stress the ways in which climate change disproportionately harms people who are in low income areas. This paper helps to contextualize how these

inequalities function. It will also be important to be able to establish the scalar nature of climate change. This will help preempt some of the negative arguments attacking solvency.

Oil Companies Ponder Climate Change, but Profits Still Rule
The Climate Accountability Scorecard

Incentivizing the Switch to Green Tech or Cleaner Energy:
Another intuitive argument for the affirmative is that, if subsidies are eliminated for fossil fuel companies both companies and consumers will be incentivized to invest in greener/cleaner technology. Over the past decade, there has been a spike in the interest that people have in green technology; however, fossil fuels have continued to dominate the industry for a variety of reasons.

Many people run the IRENA card that states renewable energy will be cheaper than fossil fuel by 2020 as a way to address the cost-based hesitations that many have expressed for why they are reluctant to make the switch to clean. As a note: depending on which card you are running, the information in that study is somewhat dated so it is helpful to make sure you have more recent data to be able to defend that the 2017 assertions are still on track.

Given that the cost of green tech is decreasing and the popularity of green tech is increasing in the status quo, debaters running this argument need to establish a clear link to why eliminating subsidies will help to accelerate the growth in this sector or will push people to make the switch. This OECD paper, which details some of the positive economic impacts that spillover into the economy as a result of switching to greentech may be helpful for teams running this as an argument. In addition, there are some arguments rooted in the importance of US Hegemony that can be made in connection to green tech. Right now, China is poised to be the world's leader in renewable energy. Pivoting the US economy away from fossil fuels and towards green energy has the potential to have some important geopolitical implications.

On a more individual level, eliminating fossil fuel subsidies for consumers can have a positive impact on the switch to greener energy alternatives. For example, when looking at programs such as LIHEAP, eliminating the subsidies that exist for oil/gas heating would still leave low income families with the option of accessing subsidized heating using cleaner alternatives, such as electric.

Renewable Energy Rewrites Rules of Global Geopolitics As Influence Of Fossil Fuel Producers Falls
The Geopolitics of Renewable Energy

Renewable Energy to Have Far Reaching Geopolitical Effect

Curbing Corruption:

The impact of Big Oil on our political system is not a particularly new one. Campaigns from both the Republican and Democratic side of the aisle have been accepted funds from big oil companies. In return, oil companies benefit from billions of dollars of subsidies. There is an argument to be made that eliminating subsidies would cut into the amount of lobbying that these oil companies would be able to do, resulting in less corruption.

Another way to look at it is that this argument is instead looking at the ethical implications of allowing subsidies to be given to companies who have invested in these campaigns. Debaters running this argument should be wary that solvency may become a little bit nebulous, as it may be difficult to clearly link how much corruption will go down through the removal of subsidies; however, this article from the Washington Post goes further into how the Big Oil and the American government have been intertwined throughout the years.

Why big oil has so much power in Washington as it fights climate change activists

Negative Arguments:

As this topic has evolved, most debaters on the negative have focused on the impacts on the individual consumer. While most arguments are not "Big Oil Good", it can be strategically advantageous to show how even subsidies that exist for big oil companies have the potential to impact consumers based on the price increases that would ripple through the economy.

Though the numbers may have changed somewhat from the time that it was written, this article from Forbes does an excellent job of outlining why, even with the goal of going green, eliminating subsidies has not been politically palatable. Ultimately, while big companies undoubtedly profit off of subsidies, removing them would adversely impact farmers, small businesses and consumers in a multitude of ways.

Overall Economic Impact:

To fully understand the impact of eliminating subsidies, it is important to understand that fossil fuel consumption is embedded into most transactions of our economy. The EIA estimated that in 2018, the United States consumed an average of about 20.5 million barrels of petroleum per day. By definition, eliminating subsidies would cause spikes in fuel prices and would make it more difficult for low income families to afford oil. Farmers that use oil when producing food and companies that use oil when shipping products would experience increase an increase of production costs, which would inevitably lead to price increases.

Though there is evidence that green technology is getting cheaper, without an infrastructure that would support a complete transition to green technology, these shocks to the economy would likely cause a significant amount of harm, particularly to the most vulnerable members of the US population.

These impacts have manifested in some countries that have tried to eliminate fossil fuel subsidies, such as Ecuador and the end result was days of violent protests and the reinstatement of the subsidies. While the Ecuadorian economy is vastly different that the US economy, there are populations within the US that world likely feel the impacts of increased prices almost immediately. With some conflicting research about the true impact that cutting fossil fuel subsidies will have on prevent CO2 emissions, debaters on the negative may argue that the tradeoffs are not worth the harms.

When determining strategy, it has been advantageous for debaters on the negative side to spend time thinking about their burden and what threshold they need to meet in order to prove that the US ought not to eliminate subsidies. With environmental impacts being a major

argument on the affirmative side, writing a negative case that is able to preemptively respond to this clash may be helpful.

Energy Poverty:

One argument to explore on the negative side is the way in which shifting to green technology runs the risk of increasing inequality and energy poverty. According to the International Energy Agency, Energy Poverty occurs when people do not have access to basic modern energy services. The EIA did a study in 2015 that showed that nearly 1 and 3 households had difficulty paying their energy bills. Removing the subsidies that these individuals rely on in order to heat their homes could be devastating and would disproportionately harm people in low income tax brackets.

Though a common Aff response to this would be that these individuals could still receive assistance by switching to renewable energy, this article from Science Daily highlights a key flaw with this argument. It goes on to explain that, while developing countries have been able to use green technology to alleviate energy poverty, because the infrastructure that most of these households currently have is geared towards oil and gas, the transition to green technology in the United States would enlarge the gap between high income and low income families and could lead to even more energy poverty.

31 Percent Of U.S. Households Have Trouble Paying Energy Bills

Reform over Eliminating

Another argument that the negative can focus on is that eliminating all fossil fuel subsidies is too extreme of a measure to take and is therefore not justified. This type of argument is most effective when it is set up within the framework and definitions at the top of the speech. Essentially, the thesis of the argument is that, if the United State's primary obligation is to its people and eliminating subsidies would cause economic distress with minimal unique positive impacts, the United States ought not to eliminate them.

This article gives a little context for why a more differentiated discussion regarding subsidies may be needed instead of an all out ban. It also cites the study below, which gives a comprehensive look at the impact cutting fossil fuel subsidies may have on a global scale.

Limited emission reductions from fuel subsidy removal except in energy-exporting regions

Further Reading:

BP Statistical Review of World Energy 2019

EU countries have 'no concrete plans' to phase out fossil fuel subsidies: report

The new science fossil fuel companies fear

The missing money problem: Incorporation of increased resources from wind in a representative US power market

Jobs & Economy Fact Sheet: Fossil Fuel Subsidies: A Closer Look at Tax Breaks and Societal Costs

Renewable Energy Is The Future. So Why Are We Still Stuck In The Past?

Vast subsidies keeping the fossil fuel industry afloat should be put to better use

Not all fossil fuel subsidies are created equal, all are bad for the planet

Energy Poverty: An Overview

Energy poverty policies and measures in 5 EU countries: A comparative study

The impact of phasing out fossil fuel subsidies on the low-carbon transition

Fossil Fuel Subsidies And Impact Greenwashing Are Stalling The Energy Transition

The World Oil Market and U.S. Policy: Background and Select Issues for Congress