

TIMELINE: IS VOLKSWAGEN'S 'BUG' AN EU FEATURE? [UPDATED]



[photo: macwagen via Flickr]

Reports this last week that Volkswagen deployed “defeat devices” – software designed to cheat diesel passenger vehicle emissions controls tests – revealed more than an automobile manufacturing group run amok. One might suspect European Union’s emissions governance after looking at a timeline of events.

NOTE: This timeline is in progress and is subject to updating as new items are identified. [Update 7:00 pm EDT – note added about translation, and note added to citation [4]]

– 1970 –

February 1970 – The Council of the European Communities issued the *Council Directive 70/156/EEC*, which established a mutual baseline for technical specifications of vehicles sold across the member states. This included 3.2.20. *Measures taken against air pollution.*

– 1992 –

July 1992 – The first standard for passenger vehicle emissions, Euro 1 through 6, is implemented. Level Euro 1 for new diesel-fueled vehicles limited emissions of carbon monoxide

(CO) to 2.72 grams per kilometer, with no initial limit on nitrous oxides (NOx) alone, but a combined limit of hydrocarbon+nitrous oxides (HC+NOx) at 0.97 g/km.

– 2004 – 2009 –

Dates Vary – Vehicle manufacturers phased in the remaining Euro 4 through 6 emissions standards.

19 October 2004 – European Environment Agency published a press release, Poor European test standards understate air pollution from cars, which summarized the problem:

Inadequate test standards are underestimating emissions of harmful air pollutants from new cars and evidence indicates that many diesel car owners are making things worse by modifying their engines to increase power, the European Environment Agency warned today.

No specific orders or directions were offered to resolve the problem with emissions test standards.

– 2007 –

(*Month TBD*) – Volkswagen subsidiary Audi launched its “Truth in Engineering” ad campaign. This tagline remains in use to present.

– 2008 –

(*Month TBD*) – VW announced its “Clean Diesel” (TDI model) technology, and began selling it in 4-cylinder diesel Jetta, Beetle, Audi A3, and Golf cars to the US market.

(*Month TBD*) – *Green Car Journal* named VW’s 2009 Jetta TDI “Green Car of the Year.”

– 2009 –

September 2009 – European emission standard Euro 5a for diesel passenger vehicles enacted, limiting CO to 0.50 grams per kilometer, NOx to 0.180 g/km , and HC+NOx to 0.230 g/km.

These levels are a reduction from Euro 4 standard implemented in January 2005 (CO=0.05,

NOx=0.25, HC+NOx=0.30).

– 2011 –

September 2011 – EU emission standard Euro 5b phased in, using same levels as 5a, but applying a specific particulate measure of 6×10(11th).

December 2011 – Report in *Atmospheric Environment* [1] says,

...The lack of a decrease in the concentration of NOx and in particular NO2 is of concern given European air quality standards are set in law. The lack of decrease in the concentration of NOx and NO2 is also in clear disagreement with emission inventory estimates and projections. ... We find that there are significant discrepancies between current UK/European estimates of NOx emissions and those derived from the remote sensing data for several important classes of vehicle. In the case of light duty diesel vehicles it is found that NOx emissions have changed little over 20 years or so over a period when the proportion of directly emitted NO2 has increased substantially. For diesel cars it is found that absolute emissions of NOx are higher across all legislative classes than suggested by UK and other European emission inventories. Moreover, the analysis shows that more recent technology diesel cars (Euro 3–5) have clear increasing NOx emissions as a function of Vehicle Specific Power, which is absent for older technology vehicles. ... [*emphasis mine*]

– 2012 –

April 2012 – The International Council on Clean Transportation (ICCT), an independent nonprofit, published a report, *Discrepancies between type-approval and real-world fuel consumption and CO2 values in 2001-2011 European passenger cars*. Its summary is rather benign, though it does suggest there are discrepancies in emissions reporting:

This paper compares fuel consumption / CO2 values of passenger cars from different sources and aims at quantifying the discrepancy between laboratory type-approval values and real-world values, including a retrospective analysis for the years 2001-2011 to determine if the gap between the two datasets has increased over time. Potential explanations for the discrepancies found are discussed and possible practical solutions for the future outlined.

The report expressed concerns about consumers' perceptions that fuel efficiency does not match figures reported at time of sale, and that consumers might resist emissions controls because efficiency does not yield an offset in fuel savings.

– 2013 –

November 2013 – An op-ed by Christian Wüst in Der Spiegel, Artists of the Dynamometer (Artisten des Prüfstands), criticized automakers for failing to install particulate filters costing an estimated 100 euros per each gasoline-powered vehicle. Though Wüst had training as a mechanic as well as education in journalism, he may have been fooled by reports on diesel-powered vehicle emissions tests, with regard to soot-particulate filters.

... Die schon beim Diesel bewährten Filter hingegen könnten all diese Trickserei überflüssig machen. Sie fangen mehr als 99 Prozent der Partikel ein. Selbst auf Messfahrt bei Vollgas bliebe ein Benzinauto mit diesem Gerät weit unter dem zulässigen Grenzwert. ...

[Translation: The already proven diesel filter on the other hand could make all this tricks superfluous. They capture more than 99 percent of the particles. Even on test runs at full throttle, a gasoline car with this device is far below the allowable limit. ...]*

(Month TBD) – West Virginia University’s Center for Alternative Fuels, Engines & Emissions (CAFEE) researchers are commissioned by the ICCT to test Volkswagen diesel passenger car emissions.

– 2014 –

May 2014 – WVU’s CAFEE researchers issue a Final Report [2] to ICCT.

(Month TBD) – VW began selling “Clean Diesel” Passats in the US market.

September 2014 – Emissions standard Euro 6 implemented, with CO limit unchanged at 0.50 g/km; NOX 0.080, HC+NOX 0.170, and particulate unchanged at 6×10¹¹th).

28 September 2014 – ICCT published a report [3] updating previous work and extending “an analysis of the gap between official and real-world fuel consumption and CO₂ emissions for passenger cars in Europe, which reached 38% in 2013 and continues to grow at an accelerated pace.” The report calls for implementation of “new Worldwide Harmonized Light Vehicles Test Procedure (WLTP), a more appropriate test that will produce more realistic type-approval values.”

11 October 2014 – ICCT published another report [4] – in summary:

Documents the discrepancy between type-approval and real-world NOx emissions from new diesel passenger cars. On average, on-road NOx emissions from the vehicles tested for this analysis were about seven times higher than the limits set by the Euro 6 standard. [*emphasis mine*]

– 2015 –

(Month TBD) – VW’s 2015 Passat TDI named by Cars.com the “Eco-friendly Car of the Year.”

18 September 2015 – U.S. Environmental Protection Agency issued to Volkswagen AG, Audi

AG, and Volkswagen Group of America, Inc., a Notice of Violation (NOV) of the Clean Air Act, alleging:

...four-cylinder Volkswagen and Audi diesel cars from model years 2009-2015 include software that circumvents EPA emissions standards for certain air pollutants. California is separately issuing an In-Use Compliance letter to Volkswagen, and EPA and the California Air Resources Board (CARB) have both initiated investigations based on Volkswagen's alleged actions. ...

20 September 2015 – VW halted sales of some 4-cylinder diesel-powered vehicles in the U.S.

22 September 2015 – VW admitted that 11 million vehicles had been fitted with the “defeat device” software to thwart accurate testing of emissions.

23 September 2015 – VW's CEO Martin Winterkorn resigned; law firm Kirkland & Ellis, which represented BP after the Deepwater Horizon disaster in 2010, was retained by VW.

(If you have a point you believe is critical to this timeline, feel free to share it in comments for consideration.)

Initial Conclusion:

On first pass, it appears that the EU did not have adequate mechanisms in place to investigate the disparities between actual emissions and test emission levels reported over the course of the last handful of years. Until the U.S. regulatory body took action, the EU did not appear to respond at all beyond press release(s).

It's not clear what happened between the time ICCT received their commissioned report from WVU-CAFEE and the U.S. EPA gave VW its NOV. This gap in time may have been the normal bureaucratic lag from reporting a problem through the federal government's validation of

the problem – but this gap meant 16 months of additional air pollution and more new vehicles sold with the cheating software on board.

The lack of prompt, effective action despite years of evidence mirrors the EU's response to the refugee crisis. Both issues are at complete odds with the EU's response to Greece's economic crisis. This begs the question whether the EU has outsourced pollution monitoring to the U.S., and whether the EU itself has real function beyond policing economic policy and banking legislation.

We might ask if the disparity in EU reaction to different crises a bug or a feature, or is the EU merely asleep at the wheel? Whatever the case, thousands of U.S. and EU citizens have sickened or died prematurely because of exposure to air pollution, and climate change has only grown worse, setting up conditions for more crises ahead.

Note:

* Translation here in question. By *all diese Trickerei überflüssig machen*, did Wüst mean:

- all these tricks are made superfluous, or
- all this trickery is superfluous

In either case, you get the gist, I'm sure.

Citations:

[1] Carslaw, D., Beevers, S., Tate, J., Westmoreland, E., & Williams, M. (2011). Recent evidence concerning higher NO_x emissions from passenger cars and light duty vehicles. *Atmospheric Environment*, 45(39), 7053-7063.

[2] Thompson, Dr. Gregory J., Daniel K. Carder, Marc C. Besch, Arvind Thiruvengadam, and Hemanth K. Kappanna. In-Use Emissions Testing of Light-Duty Diesel Vehicles in the United States. Report (PDF), May 15, 2014.

[3] Mock, Peter, and Uwe Tietge, Vicente Franco, John German, Anup Bandivadekar (ICCT), Norbert Ligterink (TNO), Udo Lambrecht (IFEU), Jörg

Kühlwein (KISU), and Iddo Riemersma (Sidekick Project Support). From Laboratory to Road: A 2014 Update. *The International Council on Clean Transportation*. 28 Sept. 2014.

[4] Franco, Vicente, and Francisco Posada Sánchez, John German, Peter Mock. Real-world exhaust emissions from modern diesel cars. *The International Council on Clean Transportation*. 11 Oct. 2014. [EDITED: Note this is PART 1: AGGREGATED RESULTS of the entire study; PART 2: DETAILED RESULTS has been requested as it is not available online.]

WITH AIG “BAILOUT,” DID THE US BECOME A PLANNED ECONOMY TO FIGHT OFF TAKEOVER BY ONE?

In two posts concluding, “ the government might find a victory [in AIG’s lawsuit] to be more costly than it anticipated,” Yves Smith digs out key details from AIG’s claims that in September 2008, the US illegally took it over.

I think Smith is intrigued by the additional evidence provided by the AIG complaint that the government took several actions that ensured it could use AIG as a bailout vehicle, including (in her second post), by not asking whether the counterparties would be willing to take a haircut.

Another stunning new allegation in the “Corrected Proposed Findings of Fact” document is that, in stark contrast with previous claims by the Fed, that only UBS was willing to take a haircut, it turns out the New York Fed only bothered

talking to eight of the 16 counterparties (and then as we already know from the SIGTARP report on this issue, using a script that was delivered by junior staffers, as opposed to having Geithner or Paulson call and force them to take a haircut). Moreover, BlackRock, which was advising the Fed, believed that Bank of America and Goldman would be receptive to discounts.

But I'm particularly interested in what Treasury forestalled with its bailout: bailouts from sovereign wealth funds from Singapore, China, and some unnamed Middle Eastern funders. From the first post:

[The AIG complaint] argues that AIG was forced to take a bailout it didn't need, that all that was required was a bridge loan until it could obtain private financing. That may sound like a howler. AIG was teetering on the verge of failure and needed to get a \$14 billion bridge loan on September 16 (a Tuesday, the day after the Lehman bankruptcy) that in a few days rose to \$37 billion simply to carry it through the weekend when the terms of the credit facility were finalized.

[snip]

7.6 Defendant directly discouraged sovereign wealth funds from providing liquidity to AIG.

(a) Sovereign wealth funds, including the Government of Singapore Investment Corporation (GIC) and the Chinese Investment Corporation (CIC) expressed interest in investing in AIG (Studzinski Dep. 39:4-40:18, 133:11-19).

(b) Defendant discouraged the

CIC and representatives of the Chinese Government from assisting AIG. At 12:25 p.m. on September 16, 2008, Taiya Smith, Paulson's deputy chief of staff and executive secretary, informed Paulson's chief of staff and Treasury Under Secretary for International Affairs David McCormick that the CIC was "prepared to make a big investment in AIG, but would need Hank to call [Chinese Vice Premier] Wang Qishan" (PTX 89 at 1; see also PTX 423 at 15-18). The Chinese "were actually willing to put up a little bit more than the total amount of money required for AIG" (PTX 423 at 16).

(c) On September 16, 2008, McCormick spoke to Paulson about the Chinese interest in investing AIG (PTX 423 at 16-17). McCormick then told Smith that Treasury "did not want the Chinese coming in at this point in time on AIG" (PTX 423 at 17).

(d) Later that day, Smith met with Chinese Government officials in California during Joint Commission on Commerce and Trade in Yorba Linda, California (PTX 423 at 16). During that meeting, "all [the Chinese officials] wanted to talk about was AIG" (PTX 423 at 17). Smith spent one or two hours explaining what was happening with AIG (PTX 423 at 18). She conveyed the message that Treasury did not want the Chinese to invest in AIG (PTX 423 at 17).

(e) On September 17, 2008, United States Senator Hillary Clinton called Paulson “on behalf of Mickey Kantor, who had served as Commerce secretary in the Clinton administration and now represented a group of Middle Eastern investors. These investors, Hillary said, wanted to buy AIG. ‘Maybe the government doesn’t have to do anything,’ she said” (PTX 706 at 279). Paulson told Senator Clinton, “this was impossible unless the investors had a big balance sheet and the wherewithal to guarantee all of AIG’s liabilities” (PTX 706 at 279). (numbered text page 17, PDF page 21)

The fact that the Singapore and Chinese sovereign wealth funds both were willing to invest in AIG, and that a separate group of Middle Eastern investors was also pressing to buy in, strongly undercuts the official story that the only way out for AIG was into the Fed’s arms. Yes, we don’t know exactly how much they were willing to put in and whether that would have been enough to make up the \$85 billion size of the initial credit line.

But the Chinese statement was a clear general indication that “we’re willing and able to go big”.

In this telling, the US government bailed out AIG to prevent China (and Singapore and some of our “allies” in the Middle East) from bailing it out.

As Smith points out, there may well be good national security

Now one can argue there were reasons to turn down these offers. Having the Chinese, or consortium dominated by foreigners, could prove to be ugly. The US, after all, had just put Fannie and Freddie in conservatorship in large measure to reassure the Chinese and Japanese, who were large investors in Freddie and Fannie guaranteed paper, that they would not suffer losses. What if the Chinese government rescued AIG and the black hole turned out to be bigger than anyone thought it was?

[snip]

There is also the not-trivial issue that AIG is widely believed to provide legitimate-looking jobs to CIA assets all over the world. Would letting foreigners obtain control put that sort of information at risk?

While Smith believes these issues could have been addressed by having a consortium of foreigners take over AIG, I suspect Treasury would still regard it as having China take over our critical infrastructure. While I don't get the finance bit like Smith does, it seems like having the monopoly insurer of excessive "capitalist" gambling in Chinese hands would have been the equivalent of letting them hold one of Wall Streets' nuts for safe keeping.

Plus, I've long argued that the government had to bail out GM (though not Chrysler) for similar reasons. Had GM gone bankrupt, China would have bought up key parts of it, obtaining the key part of American's manufacturing driver that China hasn't already stolen by spying on DOD.

In both bailouts, I'd argue, the US had to intervene to prevent our biggest rival from basically taking large bites out of the critical heart to our economy, all operating under sound capitalist principles.

To stave that off, it appears – particularly if

AIG's claims have any basis in fact, which they appear to – the US embraced a command economy.

None of that's a surprise. We've always forsworn capitalism when national interests dictated.

But given the ideology involved – given that this involved holding off a purported command economy threatening to gut our country using the tools of capitalism – it does seem worth noting.

This is one of the reasons I'm so intrigued by the apparent TREASUREMAPPING of JP Morgan Chase. Someone – it may be the Russians, but this kind of thing is easy to project – is treating JPMC as the ripe critical underbelly that it obviously is. The AIG bailout shows just how vulnerable we really are to such acts.

SHELDON WHITEHOUSE: WE CAN'T UNILATERALLY DISARM, EVEN TO KEEP AMERICA COMPETITIVE

I have to say, the Senate Judiciary Committee hearing on the dragnet was a bust.

Pat Leahy was fired up – and even blew off a Keith Alexander attempt to liken the Internet to a library with stories of the library card he got when he was 4. While generally favoring the dragnet, Chuck Grassley at least asked decent questions. But because of a conflict with a briefing on the Iran deal, Al Franken was the only other Senator to show up for the first panel. And the government witnesses – Keith Alexander, Robert Litt, and James Cole – focused on the phone dragnet disclosed over 6 months ago, rather than newer disclosures like back

door searches and the Internet dragnet, which moved overseas. Litt even suggested – in response to a question from Leahy – that they might still be able to conduct the dragnet if they could bamboozle the FISA Court on relevance, again (see Spencer on that). As a result, no one discussed the systemic legal abuses of the Internet dragnet or NSA’s seeming attempt to evade oversight and data sharing limits by moving their dragnet overseas.

Things went downhill when Leahy left for the Iran briefing and Sheldon Whitehouse presided over the second panel, with the Computer & Communications Industry Association’s Edward Black, CATO’s Julian Sanchez, and Georgetown professor (and former DOJ official) Carrie Cordero. Sanchez hit some key points on the why Internet metadata is not actually like phone pen registers. Cordero acknowledged that metadata was very powerful but then asserted that the metadata of the phone-based relationships of every American was not.

And Black tried to make the case that the spying is killing America.

Or, more specifically, his industry’s little but significant corner of America, the Internet. While only some of this was in his opening statement, Black made the case that the Internet plays a critical role in America’s competitiveness.

While these are critical issues, it is important that the Committee also concern itself with the fact that the behavior of the NSA, combined with the global environment in which this summer’s revelations were released, may well pose an existential threat to the Internet as we know it today, and, consequently, to many vital U.S. interests, including the U.S. economy.

[snip]

The U.S. government has even taken notice. A recent comprehensive re- port

from the U.S. International Trade Commission (ITC) noted, “digital trade continues to grow both in the U.S. economy and globally” and that a “further increase in digital trade is probable, with the U.S. in the lead.” In fact, the report also shows, U.S. digital exports have exceeded imports and that surplus has continually widened since 2007.

[snip]

As a result, the economic security risks posed by NSA surveillance, and the international political reaction to it, should not be subjugated to traditional national security arguments, as our global competitiveness is essential to long-term American security. It is no accident that the official National Security Strategy of the United States includes increasing exports as a major component of our national defense strategy.

Then he laid out all the ways that NSA’s spying has damaged that vital part of the American economy: by damaging trust, especially among non-American users not granted to the protections Americans purportedly get, and by raising suspicion of encryption.

Black then talked about the importance of the Internet to soft power. He spoke about this generally, but also focused on the way that NSA spying was threatening America’s dominant position in Internet governance, which (for better and worse, IMO) has made the Internet the medium of exchange it is.

The U.S. government position of supporting the multi-stakeholder model of Internet governance has been compromised. We have heard increased calls for the ITU or the United Nations in general to seize Internet governance

functions from organizations that are perceived to be too closely associated with the U.S. government, such as the Internet Corporation for Assigned Names and Numbers (ICANN).

And he pointed to proposals to alter the architecture of the Internet to minimize the preferential access the US currently has.

Let's be honest, Black is a lobbyist, and he's pitching his industry best as he can. I get that. Yet even still, he's not admitting that these governance and architecture issues really don't provide neutrality – though US stewardship may be the least-worst option, it provides the US a big advantage.

What Black hinted at (but couldn't say without freaking out foreign users even more) is that our stewardship of the Internet is not just one of the few bright spots in our economy, but also a keystone to our power internationally. And it gives us huge spying advantages (not everyone trying to erode our control of the Internet's international governance is being cynical – Edward Snowden has made it clear we have abused our position).

Which is why Whitehouse's response was so disingenuous. He badgered Black, interrupting him consistently. He asked him to compare our spying with that of totalitarian governments, which Black responded was an unfair comparison. And Whitehouse didn't let Black point out that American advantages actually do mean we spy more than others, because we can.

Basically, Whitehouse suggested that, in the era of Big Data, if we didn't do as much spying as we could – and to hell with what it did to our preferential position on the Internet – it would amount to unilaterally disarming in the face of Chinese and Russian challenges.

If we were to pass law that prevented us from operating in Big Data, would be unilaterally disarming.

Whitehouse followed this hubris up with several questions that Sanchez might have gladly answered but Black might have had less leeway to answer, such as whether a court had ever found these programs to be unconstitutional. (The answer is yes, John Bates found upstream collection to be unconstitutional, he found the Internet dragnet as conducted for 5 years to be illegal wiretapping, and in the Yahoo litigation in 2007, Yahoo never learned what the minimization procedures were, and therefore never had the opportunity to make the case.) Black suggested, correctly, I think, that Whitehouse's position meant we were just in an arms race to be the Biggest Brother.

I get it. Whitehouse is one of those who believe – like Keith Alexander (whose firing Whitehouse has bizarrely not demanded, given his stated concerns about the failure to protect our data during Alexander's tenure) that the Chinese are plundering the US like a colony.

Not only does this stance seem to evince no awareness of how America used data theft to build itself as a country (and how America's hardline IP stance will kill people, making America more enemies). But it ignores the role of the Internet in jobs and competition and trade in ideas and goods.

Sheldon Whitehouse, from a state suffering economically almost as much as Michigan, seems anxious to piss away what competitive advantages non-defense America has to conduct spying that hasn't really produced results (and has made our networks less secure as a result – precisely the problem Whitehouse claims to be so concerned about). That's an ugly kind of American hubris that doesn't serve this country, even if you adopt the most jingoistic nationalism imaginable.

He should know better than this. But in today's hearing, he seemed intent on silencing the Internet industry so he didn't learn better.

Update: Fixed the Black quotation.

Update: Jack Goldsmith pushes back against the American double standards on spying and stealing here.

CHINA'S MEDIA PROTECTIONISM

The other day, NYT's great ombud Margaret Sullivan wrote a post on the difficulties it and other media outlets are having with China.

- Last year, The Times published a story by David Barboza about the enormous wealth of China's ruling family. The article won a Pulitzer Prize – and caused the Chinese government to shut down The Times's website in China, an important part of its growth as a global business, at a cost of about \$3 million in lost revenue to The Times so far.

[Click through for Sullivan's account of the dispute between NYT and Bloomberg over whether the latter killed a story critical of China's ruling elite.]

- Fortune magazine reported last week that Chinese authorities barged into Bloomberg News offices in Shanghai and Beijing to conduct inspections shortly after The Times wrote about the disputed and still unpublished article. Chinese officials also demanded an apology from Mr. Winkler, Fortune reported. Mr. Winkler has built Bloomberg News into a top-flight news organization, one that has clearly done some of the best reporting from China. Publicly, Bloomberg has continued to say that its article was held back for more reporting, not permanently killed. One of the reporters of that

article, Michael Forsythe, was suspended from Bloomberg; he later left the company. It would not be surprising if Mr. Forsythe soon joined the reporting staff of The Times.

- American reporters in China are having problems getting their residency visas renewed and soon may be forced to leave the country. What once was “an annual nonevent” has become “a very big worry,” said Jill Abramson, the executive editor at The Times. “I’m concerned that we won’t be able to do the unfettered coverage we need to do for our readers.”

The Times has a dozen people reporting on China who have New York Times accreditations from the Chinese government, including a photographer and a videographer. All are in Beijing except Mr. Barboza, who is based in Shanghai. The Times also has several correspondents and an editing operation in Hong Kong.

- The websites of The Wall Street Journal and Reuters were both recently blocked, and Bloomberg’s has been blocked for many months. And after officials ordered some companies to stop paying for Bloomberg’s data terminals – central to the company’s distinctive business model – the growth in sales slowed in China, a major potential market.

These are two different types of activity (or maybe three). There’s the refusal to let reporters report freely in China, which has the effect of making it harder to document elite corruption. There’s the refusal to let media outlets distribute their works in China, which has both a censorship and a business effect (which adds up to millions in revenue, according to Sullivan). And then there’s China discouraging companies from paying for Bloomberg

terminals, which is much closer to withholding a “hard” market than a “soft” one. (Chinese traders can still get the same data, just not in that convenient form.) This last category is very likely the most costly one for Bloomberg (indeed, it may explain why it is gutting its investigative journalism) though I have yet to see hard data on how costly it is.

These are not new problems.

Google already faced the choice of abiding by China’s censorship and spying requirements or losing access to the market (it’s worth noting that China found Google access more threatening to its power than real press coverage, at least up until now).

And a range of manufacturing and content companies have had to choose between entering the lucrative and growing Chinese market and abiding by certain rules. Of the media companies, only Google has likely been exposed to the kind of intellectual property risks implicit in – but not explicitly admitted – in doing business in China.

That is, for decades, American companies have faced the choice of doing business in China with real limits or forgoing one of the fastest growing markets.

And, as happened before with digital technology, the media outlets are now being exposed to the same difficult demands – largely that they either not report critically or lose access to the market – that manufacturing and other industries faced years before.

That doesn’t make it right.

But I do hope media companies realize that the Chinese conditions on entering its market are not new at all. Because for years, the media has largely been ignoring or downplaying the costs that manufacturing companies have paid for entering the Chinese market, which has had a huge impact on US competitiveness, both in terms of lost IP and in terms of diminished exports.

China's mercantilism has been forcing this kind of choice for decades. Maybe as newspapers recognize the costs of it, they'll do more reporting on it.

Update: And the parallel continues as journalists consider whether to call for visa retaliation.

It's not clear if the U.S., a country that prides itself on having a free press, would resort to blocking Chinese journalists. But some journalists and China-watchers suggest that such a measure should be considered if the Chinese government prevents American news organizations from covering the country, a problem compounded by U.S. newspaper sites getting blocked and journalists self-censoring coverage of the Chinese government for fear of reprisal.

On Monday, The Washington Post editorial board called for a U.S. response to China's "strong-arm tactics" with the media.

"Chinese journalists get an open door to the United States," the Post editors wrote. "This reflects U.S. values and is fundamentally correct. But perhaps, if China continues to exclude and threaten American journalists, the United States should inject a little more symmetry into its visa policy."

**VIRGINIA DOESN'T
WANT DETROIT TO GET**

CONVENTION DOLLARS

About 14 months ago, I was at Netroots Nation in Providence, RI. RI has, like MI, been really battered by the Great Recession. Nevertheless, we had just seen Providence's glorious WaterFire installment. And I had spent lots of time talking to local politicians getting a boost from Netroots Nation's presence.

At a party that night, I got into a conversation with a top Netroots Nation organizer, describing a protest of GE's shareholder meeting at Detroit's Renaissance Center earlier that year. I described the responses people who had flown in for the event – including people who'd grown up in MI and people who'd never been in the state – had to seeing Detroit. Partly it was trauma in response to devastation of the city, the empty spaces, the decay. Partly it was a recognition of the energy and beauty that remain in the city. For Americans to see both the devastation and the hope of the city was, I thought, an important experience before the rest of the country follows the disinvestment and decline of Detroit.

The Netroots Nation person said, "What do you think about holding Netroots Nation in Detroit, so everyone gets that experience?"

I'm sure the NN organizers were already considering the idea, but I like to think my enthusiasm, as well as that of Eclectablog, who shortly thereafter joined into the conversation and added how much he drives into Detroit to go out, had a role in NN picking Detroit as the location for next year's convention.

Yesterday, the Detroit News published a crazy op-ed, from a right wing operative who doesn't even live in MI, claiming that NN's selection to come to Detroit was all about unions and their purported failures.

Detroit's bankruptcy has shed light on the ugly face of progressive governance, and is a haunting indicator of what can

happen when government lets public-sector unions bleed taxpayers dry.

As the city faces difficult decisions about its financial future, one would expect progressives and labor interests to divert attention from the fallout.

But instead, they're bringing Netroots Nation, a conference of progressive activists, to Detroit next year to promote the same model of government at the national level.

Eclectablog skewers the revisionist history of Detroit's decline and the corporatist backing of the op-ed here.

This is the standard, boilerplate misdirection we've come to expect from corporatist groups funded by SPN and AFP like the Michigan's Mackinac Center: portray teachers, once considered pillars in our community, as greedy for daring to ask for a living wage, good healthcare benefits, and, God-forbid, a pension that allows them retire without living in poverty.

It's the same approach used by corporate sponsored groups and wealthy individuals like Dick Devos across the country on an ever-increasing level.

Oddly, Telford's op-ed is posted under the topic of "Detroit Bankruptcy". The fact is, however, it has nothing to do with Detroit's bankruptcy. It's a propaganda piece written by a corporatist living in Virginia who is attempting to rewrite Michigan history to suit his group's anti-union agenda.

In Michigan, we know better. We know that the labor movement, which was born in Michigan, created the middle class. We know that unions brought us the 40-hour work week and raised the standard

of living of our citizens so that they, too, could enjoy the benefits of a successful industrial manufacturing economy. They protect workers from the greed and excess of profit-minded corporations ensuring a safe workplace and sensible environmental protections.

It's funny. Here's a guy who lives in VA, a place that has benefitted from 12 years of massive government stimulus, going out of his way to speak out against Detroit – a city that owes a small part of its woes to policies set in the DC Metro area – winning convention dollars from a progressive organization (backed, I'm proud to say, by enthusiastic residents of the state).

How insecure do you have to be to go that far out of your way to discredit the idea of people from all over the states coming to Detroit to network, spend money, and have fun?

BREAKING: GLOBALIZATION IS DANGEROUS

Globalization is dangerous.

But not, as it turns out, because it has gutted the middle class. Not even because a globalized supply chain has made it easier for our rivals to sabotage our defense programs, or that a globalized supply chain has led to a loss of manufacturing capacity that threatens our defense, to say nothing of our distinctly American commercial sectors.

Rather, retired Admiral James Stavridis, in a more popularized version of a piece he wrote for a National Defense University volume on the

topic, argues that “deviant globalization,” whether that of drug traffickers, terrorists, counterfeiters, or hackers, poses a rising threat.

Convergence may be thought of as the dark side of globalization. It is the merger of a wide variety of mobile human activities, each of which is individually dangerous and whose sum represents a far greater threat.

I’m sure it is a threat. But Stavridis makes the same mistake just about everyone else makes when they consider criminal globalized networks to be a security threat: they ignore that there is little these illicit networks do that licit ones didn’t already pioneer. They ignore that the only thing that makes them illicit is state power, the same state power that corporatized globalization has weakened.

In fact Stavridis’ fourth point telling how to combat deviant globalization is notable for what it’s missing.

Fourth, we must shape and win the narrative. Many have said there is a “war of ideas.” That is not quite the right description. Rather, the United States is a “marketplace of ideas.” Our ideas are sound: democracy, liberty, freedom of speech and religion – all the values of the Enlightenment. They have a critical role in confronting the ideological underpinnings of crime and terror. Our strategic communications efforts are an important part of keeping our networks aligned and cohesive.

You see it? In spite of using the metaphor of the market to describe the realm of ideas, Stavridis neglects to mention that one of our ideas, so-called capitalism (or the marketplace itself!), that value of Enlightenment, is precisely the logic that has made globalization

imperative.

If the way to beat these criminal globalized networks is to compete ideologically, but the ideological foundation our elites cling to most desperately is the same one the criminal globalized networks are exploiting so spectacularly, haven't we already lost the battle of ideas?

Stavridis' choice to ignore capitalism is probably why he doesn't get the problem with his call to "follow the money."

Third, we must follow the money. Huge sums of cash from these trafficking activities finance terrorists and insurgents such as the Taliban, as well as corruption. The money is used to undermine fragile democracies. Efforts to upend threat financing must be fused with international initiatives, move across U.S. agency lines and have the cooperation of the private-sector institutions involved.

It is true that globalized cash flows undermine weak governments (the same ones that otherwise might make these criminal globalized networks illicit). But that's at least as true of the money looted from poorer countries and deposited, completely legally per western elites, in secrecy regimes, or of the hot money that destabilizes the global economy more generally. Moreover, one of the biggest impediments to tracking the flows of criminal globalized networks is that the so-called licit multinational banks they use to transfer their money are more interested in the profits from the money than in cooperating with increasingly weak states. So long as HSBC can get away with a wrist slap, after all, why would any multinational bank give up its customer base to American authorities?

Stavridis ends his column by citing Hardy's warning about icebergs.

Just over a century ago , the poet Thomas Hardy wrote “The Convergence of the Twain” about the collision of the Titanic and the iceberg that sank it. “And as the smart ship grew/ In stature, grace, and hue/ In shadowy silent distance grew the Iceberg too.” There is an iceberg out there in the form of weapons of mass destruction; what is most worrisome is the convergence of such a weapon with a sophisticated global trafficking route enabled by cybercrime and the cash it generates. That is the convergence we must do all in our power to prevent.

Stavridis almost gets it. He almost gets it that these global trafficking routes, whether deemed licit or illicit by increasingly weak states, are the iceberg that is looming.

It’s just that he chooses to ignore the iceberg he can see for the parts he can’t see.

THE INTERNET DIDN'T KILL THE MIDDLE CLASS; LAXITY AND APATHY DID

In tandem with the release of his book, *Who Owns the Future?*, Jaron Lanier’s interview with Salon generated a lot of hand-wringing across social media. It



seems Lanier, one of our so-called intellectual visionaries, believes that the collapse of Kodak and its 140,000 jobs, and the rise of Instagram and its 13 jobs, exemplifies the killing field of the internet. Lanier theorizes good paying jobs that once supported a thriving middle class have disappeared as internet-enabled firms replaced them. As these jobs vaporized, so did necessary benefits. Here's a key excerpt from the interview:

"Here's a current example of the challenge we face," he writes in the book's prelude: "At the height of its power, the photography company Kodak employed more than 140,000 people and was worth \$28 billion. They even invented the first digital camera. But today Kodak is bankrupt, and the new face of digital photography has become Instagram. When Instagram was sold to Facebook for a billion dollars in 2012, it employed only 13 people. Where did all those jobs disappear? And what happened to the wealth that all those middle-class jobs created?"

What a crock of decade-late shit.

Where the hell was Lanier in the late 1990s and early 2000s, when the U.S. manufacturing sector nose-dived due to government policies created by corporate-acquired elected officials and appointees?

It wasn't the internet that killed the middle class. The apathy of intellectuals and the technology elite did; too few bothered to point out the potential repercussions of NAFTA and other domestic job-depleting policies. In the absence of thought leaders, corporatists sold the public and their electeds on job creation anticipated from globalizing policies; they just didn't tell us the jobs created wouldn't be ours.

It wasn't the rise of digitization that killed

the middle class. It was the insufficiency of protests among U.S. brain power, including publicly-funded academics, failing to advocate for labor and home-grown innovation; their ignorance about the nature of blue collar jobs and the creative output they help realize compounded the problem.

Manufacturing has increasingly reduced man hours in tandem with productivity-increasing technological improvements. It wasn't the internet that killed these jobs, though technology reduced some of them. The inability to plan for the necessary shift of jobs to other fields revealed the lack of comprehensive, forward-thinking manufacturing and labor policies.

It all smells of Not-My-Problem, i.e., "I'm educated, technology-enabled, white collar; those stupid low-tech blue collar folks' jobs aren't my problem."

Until suddenly it is.

I remember having an argument with an academic in 2006 about the oncoming paradigm shift in education where intellectual property and its transference became the core product and key competency in the business model. Universities, for example, would be at risk; if information was digitized and commodified, what would happen to the brick-and-mortar campuses? Eventually they would have to rationalize their existence and differentiate themselves if everybody and anybody could obtain the same education online, no matter where students were located. The cost of education could collapse in a commodified environment.

At the time I was told that wasn't realistic, it would never happen – the academic's approach to telling me I was full of shit.

Hello, MOOCs (massive open online classes).

Now academics can finally see the threat to their careers. They couldn't give a rat's butt when blue collar workers at dirty, dangerous

jobs were threatened. They're worried now, though, when the jobs of white collar folks supporting cultural creatives like themselves are threatened.

A decade-plus later, an intellectual with a background in technology, suddenly realizes that the paradigm shift is rolling onto and over his his world – oh, and there's a gaping maw where government policy should be to prevent the destruction of the world as he knows it. Nice latency you've got there, bub, the very definition of lax.

Another industry suffering from collapse is construction – see this active timeline and note the location of job growth up to 2008 and the corresponding collapse after the fact. This was another opportunity for visionaries a decade ago to discuss the repercussions of cheap money and inadequate protections against predatory banking. While the construction industry itself didn't suffer from a shift in technology, it was the increasing use of technology combined with lax regulation and oversight in mortgages, financing, and related derivatives that caused the collapse.

Again, intellectuals and technology folks were mute as middle class jobs bound up in real estate, construction, finance industries were dramatically impacted by the economic meltdown. Safety nets were attacked when they weren't squashed altogether.

Lanier's mourning for Kodak is pathetic not only for its narrow comprehension, but its blindness. Kodak's film business model is non-competitive and obsolete, given current policies combined with globalization. The present is digital; Kodak should have seen this and been looking for an Instagram future of its own years ago. It should have envisioned a new economic ecosystem developed around digital images. Or it should have lobbied harder for policies that would have encouraged on-shoring versus offshoring of manufacturing facilities, jobs, and profits, in order to save its film-based business.

I suggest rapid development of time travel technology so that reactive eulogists like Lanier can beam themselves back to the end of the Clinton and early Bush administrations to fix the roots of these problems.

In the meantime, we should be encouraging proactive visionaries – true intellectuals who can see the big picture and imagine establishment of government policies preserving pay and benefits while encouraging innovation.

Otherwise we would do well to imagine and plan for a near-term future in which all manufacturing and most construction around the world is replaced by 3D printers. Our kids and grandkids may be reduced to futures in direct competition with a global employment pool of poorly compensated printer designers, printer operators, and printer repairmen, where lowest cost energy as a factor in production reigns supreme.

Perhaps Lanier will write about the horror of such a future a decade later.

JOHN GALT'S TRAIL OF DEATH AND DESTRUCTION CONTINUES TO GROW



Building destroyed in West, Texas fertilizer explosion. (Courtesy of State Farm via Flickr under Creative Commons license.)

John Galt has been a deadly and destructive guy lately, with the largest of his most recent attacks taking place in the garment factory collapse in Bangladesh on April 24 where the death toll has now tragically topped 900 and the fertilizer storage facility explosion in West, Texas on April 17 that miraculously killed only fourteen people but injured over 200 and caused damage that is now estimated to exceed \$100 million.

In an interesting development, Bangladesh has shown that at least on some fronts it is more civilized than Texas. Both the building's owner and the engineer accused of colluding with the owner to add three unregulated floors on top of the building have been arrested, while Texas lawmakers, previously known for their refusal to vote in favor of disaster relief when it was in New York and New Jersey, now have called for socializing the losses in Texas. Of course, since the fertilizer plant owner (who has not been arrested) only carried \$1 million in liability insurance (and since Texas doesn't require liability insurance for many businesses operating with dangerous materials), those losses are bound to be socialized anyway.

From CBS News on the response to the disaster in Bangladesh:

Finance Minister Abul Maal Abdul Muhith spoke as the government cracked down on

those it blamed for the disaster in the Dhaka suburb of Savar. It suspended Savar's mayor and arrested an engineer who had called for the building's evacuation last week, but was also accused of helping the owner add three illegal floors to the eight-story structure. The building owner was arrested earlier.

The government appears to be attempting to fend off accusations that it is in part to blame for the tragedy because of weak oversight of the building's construction.

It looks like Muhith went a bit too far in trying to deflect responsibility from the government:

During a visit to the Indian capital, New Delhi, Muhith said the disaster would not harm Bangladesh's garment industry, which is by far the country's biggest source of export income.

"The present difficulties ... well, I don't think it is really serious – it's an accident," he said. "And the steps that we have taken in order to make sure that it doesn't happen, they are quite elaborate and I believe that it will be appreciated by all."

The article goes on to point out that Muhith had made a similar hollow promise to improve safety conditions several months ago when a fire in a garment factory killed over a hundred workers.

In a tragic testament to the shoddy conditions in these facilities in Bangladesh, we have word this morning of another eight deaths in a fire in a garment factory. However, this time the fire was after hours and it wasn't workers who were killed:

The latest fire, in an 11-storey

building in the Mirpur industrial district, broke out at a factory belonging to the Tung Hai Group, a large garment exporter.

“The factory was closed and all the workers had left the premises an hour earlier,” said fire service official Bhazan Sarker.

A fire service official and BGMEA president Islam said the Bangladeshi managing director of the company and a senior police officer were among the dead. The others killed were friends and personal staff of the factory boss, officials said.

Perhaps now that “important” people have been killed due to the unsafe construction of a garment factory, Bangladesh will get more serious about improving safety in these buildings rather than simply shrugging off the tragedies by saying they are mere accidents.

The response by Texas officials to the explosion in West is remarkably similar to Muhith blaming an “accident”. Recall that in the immediate aftermath of the disaster, I found that one of the first profiles of the fertilizer facility owner focused on his church-going habits rather than on his long history of avoiding regulations.

Here is Bryce Covert at Think Progress on libertarian hero Ted Cruz and others in the Texas delegation suddenly calling for socialist federal help:

Some Texas Congressmen have also requested aid to help the victims and the town rebuild. Senator Ted Cruz (R-TX) said he is “working to ensure that all available resources are marshaled to deal with the horrific loss of life and suffering that we’ve seen.” Rep. Bill Flores (R-TX) has said that he, plus Senators Cruz and John Cornyn

(R-TX), are working with Congressional leaders to extend necessary assistance. Cornyn has also said there is funding under his subcommittee for chemical site security standards and infrastructure protection.

Yet when Northeast cities needed disaster relief in the aftermath of Hurricane Sandy, a storm that killed hundreds, all three Congressmen voted against the aid package.

It appears that government and individuals will be left to absorb most of the costs of the \$100 million in damages from the explosion, as the owner carried a laughably small liability insurance policy:

Tyler lawyer Randy C. Roberts said he and other attorneys who have filed lawsuits against West Fertilizer's owners were told Thursday that the plant carried only \$1 million in liability insurance. Brook Laskey, an attorney hired by the plant's insurer to represent West Fertilizer Co., confirmed the amount Saturday in an email to The Associated Press, after the Dallas Morning News first reported it.

"The bottom line is, this lack of insurance coverage is just consistent with the overall lack of responsibility we've seen from the fertilizer plant, starting from the fact that from day one they have yet to acknowledge responsibility," Roberts said.

/snip/

He said he wasn't surprised that the plant was carrying such a small policy.

"It's rare for Texas to require insurance for any kind of hazardous activity," he said. "We have very little oversight of hazardous activities and

even less regulation.”

Think about that “very little oversight of hazardous activities and even less regulation” in Texas and then consider that 41 other sites in Texas store large amounts of ammonium nitrate, which now has been confirmed as the source of the large explosion (although what triggered the explosion is still not completely described).

And, despite the fact that there is pitifully little regulation of these activities in Texas, the owner of West Fertilizer, when he wasn’t busy going to church, appears to have spent much of his time working to avoid what few regulations there were.

Given all the death and destruction in his wake, I have to wonder when John Galt will finally be added to the government’s terrorist list. He has certainly done more harm to the United States than officially designated terrorists over the last ten years.

JOHN GALT KILLS TEXANS IN MASSIVE FERTILIZER PLANT EXPLOSION



Google Maps satellite view of West Fertilizer and its proximity to West Middle School, along with many houses and apartments.

Who needs pesky safety regulations or zoning laws when there is money to be made running a fertilizer plant? Sadly, the small Texas town of West, which is just north of Waco, is suffering the consequences of unregulated free enterprise today, as a massive explosion at West Fertilizer has leveled much of the town. Perhaps the only remotely fortunate aspect of this tragedy is that it occurred at 8 pm local time and so West Middle School, which burned after the explosion, was not full of children.

A look at the satellite image above shows the folly of putting “free enterprise” ahead of sensible zoning laws. At almost 20 miles north of Waco, Texas, one thing that is in abundance in the region is open space (I’ve driven past this spot several times in the last two or three years—it’s desolate), and yet this fertilizer plant is immediately adjacent to a large apartment building (see the photo at the top of this article for how that building fared in the explosion) and very close to a middle school. There is no reason at all for any other building to be within two or three miles of a facility that produces material that is so explosive.

The Texas tradition of low taxes is also having an impact on this tragedy. Note this passage in the New York Times account of the disaster:

It began with a smaller fire at the plant, West Fertilizer, just off Interstate 35, about 20 miles north of Waco that was attended by local volunteer firefighters, said United States Representative Bill Flores. "The fire spread and hit some of these tanks that contain chemicals to treat the fertilizer," Mr. Flores said, "and there was an explosion which caused wide damage."

That's right. This fertilizer plant and other businesses in West apparently don't pay enough in local taxes to support a municipal fire department, and so the first responders to a fire at a fertilizer plant were volunteer firefighters. Sadly, several of these volunteers are now missing:

The town's volunteer firefighters responded to a call at the plant about 6 p.m., said Waco police Sgt. William Patrick Swanton. Muska was among them, and he and his colleagues were working to evacuate the area around the plant when the blast followed about 50 minutes later. Muska said it knocked off his fire helmet and blew out the doors and windows of his nearby home.

Five or six volunteer firefighters were at the plant fire when the explosion happened, Muska said, and not all have been accounted for.

Ammonium nitrate, one of the most commonly used fertilizers is also highly explosive. It was the primary component of Timothy McVeigh's bomb that destroyed the Murrah Building in Oklahoma City. Texas, especially, should know of the dangers inherent in fertilizer plants, as this disaster occurs very near the anniversary of the Texas City disaster:

One of the worst disasters in Texas

history occurred on April 16, 1947, when the ship *SS Grandcamp* exploded at 9:12 A.M. at the docks in Texas City. The French-owned vessel, carrying explosive ammonium nitrate produced during wartime for explosives and later recycled as fertilizer, caught fire early in the morning, and while attempts were being made to extinguish the fire, the ship exploded. The entire dock area was destroyed, along with the nearby Monsanto Chemical Company, other smaller companies, grain warehouses, and numerous oil and chemical storage tanks. Smaller explosions and fires were ignited by flying debris, not only along the industrial area, but throughout the city. Fragments of iron, parts of the ship's cargo, and dock equipment were hurled into businesses, houses, and public buildings. A fifteen-foot tidal wave caused by the force swept the dock area. The concussion of the explosion, felt as far away as Port Arthur, damaged or destroyed at least 1,000 residences and buildings throughout Texas City. The ship *SS High Flyer*, in dock for repairs and also carrying ammonium nitrate, was ignited by the first explosion; it was towed 100 feet from the docks before it exploded about sixteen hours later, at 1:10 A.M. on April 17. The first explosion had killed twenty-six Texas City firemen and destroyed all of the city's fire-fighting equipment, including four trucks, leaving the city helpless in the wake of the second explosion. No central disaster organization had been established by the city, but most of the chemical and oil plants had disaster plans that were quickly activated. Although power and water were cut off, hundreds of local volunteers began fighting the fires and doing rescue work. Red Cross personnel and other volunteers from surrounding

cities responded with assistance until almost 4,000 workers were operating; temporary hospitals, morgues, and shelters were set up.

Probably the exact number of people killed will never be known, although the ship's anchor monument records 576 persons known dead, 398 of whom were identified, and 178 listed as missing. All records of personnel and payrolls of the Monsanto Company were destroyed, and many of the dock workers were itinerants and thus difficult to identify. Almost all persons in the dock area—firemen, ships' crews, and spectators—were killed, and most of the bodies were never recovered; sixty-three bodies were buried unidentified.

It would appear that Texas has learned very little from that disaster and still chooses to sacrifice volunteer first responders at the ~~alter~~ altar of free enterprise.

Special FREEDOM bonus: Did you notice the name of the street to the west of the middle school? It's North Reagan Street, because, well, freedom.

CARL LEVIN TAKES ON TAX CHEATS AND DARK MONEY IN RETIREMENT STATEMENT

[youtube]gLx2Xc1EXLg[/youtube]

Carl Levin, a pretty old but very healthy 78, but relatively young given MI's very old Congressional delegation, announced his

retirement today.

I don't always agree with Levin. But he is one of the smartest, most effective (when he wants to be) Senators in the Senate. I will miss having him represent me in DC.

I expect Gary Peters will replace Levin.

I'm just as interested in how Levin will go out. Here's most of his statement:

I have decided not to run for re-election in 2014.

This decision was extremely difficult because I love representing the people of Michigan in the U.S. Senate and fighting for the things that I believe are important to them.

As Barbara and I struggled with the question of whether I should run again, we focused on our belief that our country is at a crossroads that will determine our economic health and security for decades to come. We decided that I can best serve my state and nation by concentrating in the next two years on the challenging issues before us that I am in a position to help address; in other words, by doing my job without the distraction of campaigning for re-election.

Here are some of those issues. Years of bipartisan work by the Permanent Subcommittee on Investigations that I chair have shed light on tax avoidance schemes that are a major drain on our treasury. The huge loss of corporate tax receipts caused by the shift of U.S. corporate tax revenue to offshore tax havens is but one example of the egregious tax loopholes that we must end. Thirty of our most profitable companies paid no taxes over a recent three year period although they had over \$150 billion in profits.

Tax avoidance schemes that have no economic justification or purpose other than to avoid paying taxes may be legal but they should not be. These schemes add hundreds of billions of dollars to the deficit. They lead to cuts in education, research, national security, law enforcement, infrastructure, food safety and other important investments in our nation. And they add to the tax burden of ordinary Americans who have to pick up the slack and accelerate the economic inequality in our country. I want to fight to bring an end to this unjustified drain on the Treasury.

Second, I want to ensure that the manufacturing renaissance that has led Michigan's economic comeback continues. We've made progress in building the partnerships we need to help U.S. manufacturers succeed, but the next two years will be crucial to sustaining and building on that progress.

A third item I want to tackle is a growing blight on our political system that I believe I can help address: the use of secret money to fund political campaigns. Our tax laws are supposed to prevent secret contributions to tax exempt organizations for political purposes. My Permanent Subcommittee on Investigations needs to look into the failure of the IRS to enforce our tax laws and stem the flood of hundreds of millions of secret dollars flowing into our elections, eroding public confidence in our democracy.

Finally, the next two years will also be important in dealing with fiscal pressures on our military readiness. As Chairman of the Senate Armed Services Committee, I am determined to do all I can to address that issue. I also believe we need to pursue the rapid

transfer of responsibility for Afghan security to the Afghans. And, as our troops come home, we must do a better job of caring for those who bear both the visible and invisible wounds of war.

These issues will have an enormous impact on the people of Michigan and the nation for years to come, and we need to confront them. I can think of no better way to spend the next two years than to devote all of my energy and attention to taking on these challenges.

Carl Levin has said his priorities in the next two years will include finding a way to tax the rich and prevent the rich from stealing our elections. Having made the decision he will not need those rich donors to fund his reelection, he will have significant flexibility to piss them off.

Levin has never been known to shy away from pissing people off in any case.

May Senator Levin go out in style, taking on those rich looters who are gutting our country.