## Our sole contention is the shipping industry.

Gillian **Tett** at the Financial Times explains in 2016 that for almost a decade the shipping industry has operated on the assumption that the post-recession recovery, and corresponding upward trend in global trade, was indicative of a larger trend towards increasing globalization. That assumption combined with the cheap cost of labor during the recession lead shipping companies to over expand with the help of low-interest loans, investing in the largest classes of vessels. However instead, Binyamin **Appelbaum** at the New York Times finds in 2016 that the raw volume of global trade fell, for the first time since World War 2. **Tett** furthers that the slower than expected pace of trade liberalization, rising anti-globalist sentiments in the west, and decreased efficiency in other parts of the supply chain dramatically reduced the profitability of these vessels, leaving the shipping industry in massive debt and with ships stuck in drydock. **Tett** concludes, this indicates that there is a shipping bubble that is bound to collapse the shipping industry, similar to housing bubbles that have lead to recession. Ben **Smith** of Midas Letter concludes this year, the "Dry Bulk Transportation Sector Is A Collapse Waiting To Happen"

## Acceding to UNCLOS solves in four ways.

**First, international straits.** Will **Rogers** at the Center for a New American Security explains in 2012, UNCLOS contains provisions guaranteeing signatories freedom of navigation through critical international chokepoints, even when the chokepoints are entirely in a country's EEZ, in order to ensure fair access to international trade. There are two relevant straits to which accession will ensure access.

- 1. The Strait of Hormuz. Ted Regencia at al Jazeera writes in July that Iran has responded to a new round of sanctions by threatening to close the Strait of Hormuz, a critical shipping route carrying 30% of global natural gas. David Kreutzer at the Heritage Foundation finds in 2012 that even the threat of closing the strait would cause oil price spikes and deter investment in the industry. Fortunately, Rogers reports that Iran has said that no signatory of UNCLOS will be barred from the strait.
- 2. The Northwest Passage. Chris Mooney at the Washington Post explains in 2017 that previously frozen sea in the Canadian Arctic is melting due to global warming, opening up a much more efficient passage between the North Pacific and Atlantic. However, Steve Dobransky at UNC finds in 2012 that Canada will act on the opportunity to impose heavy taxes on travel through the region, reducing its benefit to the shipping industry. Fortunately, Raul Pedrozo at the US Naval War College writes in 2013 that UNCLOS would ensure access to the passage, as the US has attempted to sue Canada but has no legal standing to do so without being a party to the convention.

**Second, piracy.** Jason **Patinkin** from Foreign Policy finds in 2017 that piracy had been all but stopped due to an international coalition in the late 2000s, but rising geopolitical tensions elsewhere ruined that cooperation, leading to a massive rebound of regional piracy. Fortunately, CFR fellow Scott **Borgerson** writes in 2012 that the international cooperation resulting from the treaty ratification would allow the US to share the burden of policing piracy, making efforts far more effective through the creation of international flotillas and allowing the US to arrest

pirates without violating on another country's sovereignty. In fact, **Rogers** from earlier continues that existing international agreements pertaining to piracy do not account for advances in technology. As the threat from pirates becomes increasingly multifaceted, Rogers finds that in order for the US to use necessary technologies such as drones 'and other surveillance vehicles, it will need to advocate for such technologies in future UNCLOS renegotiations. Bruno **Sergi** at Harvard finds in 2016 that piracy directly costs the shipping industry \$12 billion a year as well as the far larger costs because of risk aversion, increased crew pay, and inefficient detours.

**Fourth, automated shipping.** Fink **Densford** at Robot Report explains in 2017 that the shipping industry is attempting to move to automated ships, or UMSs, which will eliminate 60% of accidents, thereby reducing the risk inherent in shipping, but that more investor confidence is needed to kickstart the process. Therefore, Adar **Granot** at Erasmus University finds in 2016 that UMSs have the potential to reduce shipping costs by 49%. However, Thanasis **Karlis** at the Australian Maritime College writes in 2017 that UNCLOS is unclear about the definition of a vessel, with legal experts split as to whether the treaty's protections include UMSs. He therefore finds that the biggest obstacle to implementation of automated shipping is legal uncertainty associated with UNCLOS. Fortunately, Parker **Pouser** at the University of Miami writes in June that there is already a push for automated ships now, meaning the US could use its power in UNCLOS to push for regulatory clarification in favor of automated shipping.

The impact is the global economy. Barry Glassman at Forbes explains in 2013 that shipping is the lifeblood of the global economy, transporting 90% of global products, including necessary food and energy resources, and that its decline would cause half the world to starve and half the world to freeze. He continues that real gains in efficiency have driven down the global costs of goods and lifted over a billion people out of poverty in the past fifteen years, and that any decline in the industry's strength risks a global economic crash. Furthermore, Larry Rohter at the New York Times writes in 2008 that the cost of moving goods is the biggest obstacle to expanding global trade. Ultimately, Daniel Griswold at Cato explains in 2007 that trade empirically reduces war because it reinforces democracy, ensures states have more to lose from a potential conflict, and enables nations to become wealthier without the need for conquest of territory and resources. History professor Stein Tonnesson confirms in 2015 that leaders who anticipate economic decline rile up anti-foreign sentiment to justify using military force to gain credibility and could ignore nuclear deterrence, causing armageddon.