

Sylvie VACHERET
 Spécialiste Economie des Etats-Unis
 Tel: 06 72 67 41 93
 E-Mail: vacheret.eco@orange.fr

US ECO/Vacheret

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GENERAL INTEREST

How America Changed During Obama Years

The Pew Charitable Trusts – January 2017

<http://www.pewresearch.org/2017/01/10/how-america-changed-during-barack-obamas-presidency>

“Barack Obama campaigned for the U.S. presidency on a platform of change. As he prepares to leave office, the country he led for eight years is undeniably different. Profound social, demographic and technological changes have swept across the United States during Obama’s tenure, as have important shifts in government policy and public opinion.”

What to Do: Policy Recommendations for 2017

American Enterprise Institute – 2017

<http://www.aei.org/spotlight/what-to-do-policy-recommendations-for-2017>

“What to Do: Policy Recommendations for 2017 is an ongoing project from AEI that highlights the work of AEI scholars in more than 27 policy areas, from energy policy to Middle East and Africa policy, from tax policy to K-12 education policy, among others. Their work provides actionable recommendations to the new administration and Congress on ways to address our nation's needs. The 2017 policy project will grow as more topics arise and scholarly insight is needed.”

A Real Agenda for Working People

Economic Policy Institute – January 2017 – 12 pages

<http://www.epi.org/files/2016/epi-workers-agenda.pdf>

“What Trump would do if he were serious about creating jobs, raising wages, and fixing our rigged economy.”

Robert D. Atkinson

Toward a National Productivity Strategy

National Review – Article - December 31, 2016

https://www.nationalreview.com/magazine/2016-12-31-0000/donald-trump-job-conservatives?mc_cid=f79695c248&mc_eid=c56f7c6ab9

“That said, efforts to create and retain high-value-added manufacturing jobs in the United States, while important for keeping America economically competitive, won’t be enough to turn around the underlying productivity slump, because more than two-thirds of U.S. output is not traded internationally. What will really make America great is if the Trump administration establishes a comprehensive national productivity strategy.”

William A. Strauss and Thomas Haas

Economic Outlook Symposium: Summary of 2016 results and 2017 forecasts

FRB Chicago - Chicago Fed Letter – January 2017

<https://www.chicagofed.org/publications/chicago-fed-letter/2017/372>

“According to participants in the Chicago Fed’s annual Economic Outlook Symposium, the U.S. economy is forecasted to grow at a pace slightly above average in 2017, with inflation moving higher and the unemployment rate remaining low.”

John C. Williams

Looking Back, Looking Ahead

FRB San Francisco Economic Letter - January 23, 2017 - 5 pages

<http://www.frbsf.org/economic-research/files/el2017-02.pdf>

“The U.S. economy is in good shape, with the labor market at maximum employment and inflation nearing the Fed’s goal. Given the progress made on these goals and signs of continued solid momentum, it makes sense to gradually move interest rates toward more normal levels. The actual pace of increases will be driven by the evolution of economic conditions and its implications for achieving the Fed’s dual mandate objectives. The following is adapted from a speech by the president and CEO of the Federal Reserve Bank of San Francisco to the 2017 Economic Forecast in Sacramento on January 17.”

Christopher Williams

Projected Contributions to the Growth of Real GDP

CBO - January 31, 2017

<https://www.cbo.gov/publication/52392>

“CBO published its latest economic projections on January 24, along with its updated projections for the federal budget. Today and for the next two days, my colleagues and I will discuss various aspects of the economic projections.”

INCOMES – INEQUALITY - IMMIGRATION

Diane Whitmore Schanzenbach, Lauren Bauer, Megan Mumford, and Ryan Nunn

Money Lightens the Load

Brookings – The Hamilton Project - Report - December 12, 2016 –

https://www.brookings.edu/wp-content/uploads/2016/12/es_20161212_money_lightens_the_load.pdf

“In this economic analysis, we analyze the relationship between age, income, and measures of health status, as well as how these relationships have changed between the late 1970s and today. While overall there have been remarkable gains in life expectancy in the United States over the past half-century, these have not been reflected in other measures of health which have declined over time. For example, the fraction of Americans who describe themselves as being in “very good health” or better has fallen and rates of obesity have risen, with the largest changes occurring among those with middle incomes.”

Elizabeth McNichol

How State Tax Policies Can Stop Increasing Inequality and Start Reducing It

Center on Budget and Policy Priorities – Report - December 15, 2016 – 23 pages

<http://www.cbpp.org/sites/default/files/atoms/files/12-15-16sfp.pdf>

“The mechanisms by which state tax systems ask less of the wealthy than of poor and middleincome families have developed over time, often through closed-door negotiations resulting in special tax breaks that benefit a relative few. To reverse these trends, states should avoid actions — such as cutting income taxes or raising sales taxes — that worsen inequality by shifting taxes further to lower-income residents. Instead, they should ensure that high-income earners pay their share and lower-income earners don’t face increased tax responsibility.”

Dean Baker

Eight Market-Oriented Proposals That Reduce Income Inequality

AEI Economic Perspectives - January 24, 2017

<http://www.aei.org/publication/eight-market-oriented-proposals-that-reduce-income-inequality>

“Debates over economic policy are often framed as conservatives supporting market-oriented policies, while progressives support government interventions. However, there are many market-oriented policies that can lead to more equality, an important goal for most progressives. This paper outlines eight policies that are likely to lead to greater equality through an increased reliance on the market.”

Angela Rachidi

The Safety Net for Low-Income Work-Able Families in America: Where to Go from Here?

American Enterprise Institute – Report - January 25, 2017 – 39 pages

<http://www.aei.org/wp-content/uploads/2017/01/The-American-Safety-Net.pdf>

“The federal government spends approximately \$160 billion per year on three income transfer programs for work-able families: Temporary Assistance for Needy Families (TANF), the Supplemental Nutrition Assistance Program (SNAP), and the earned income tax credit (EITC). Each is effective in its own way... Reforms are needed.”

Pia M. Orrenius and Madeline Zavodny

Unauthorized Mexican Workers in the United States: Recent Inflows and Possible Future Scenarios

FRB Dallas – Working Paper – January 2017 – 26 pages

<https://www.dallasfed.org/research/papers/>

“The U.S. economy has long relied on immigrant workers, many of them unauthorized, yet estimates of the inflow of unauthorized workers and the determinants of that inflow are hard to come by. This paper provides estimates of the number of newly arriving unauthorized workers from Mexico, the principal source of unauthorized immigrants to the United States, and examines how the inflow is related to U.S. and Mexico economic conditions. Our estimates suggest that annual inflows of unauthorized workers averaged about 170,000 during 1996-2014 but were much higher before the economic downturn that began in 2007. Labor market conditions in the U.S. and Mexico play key roles in this migrant flow.” The models estimated here predict that annual unauthorized inflows from Mexico will be about 100,000 in the future if recent economic conditions persist, and higher if the U.S. economy booms or the Mexican economy weakens.”

FISCAL AND TAX POLICIES

The Nation’s Fiscal Health: Action Is Needed to Address the Federal Government’s Fiscal Future

GAO – Report - January 17, 2017 – 49 pages

<http://www.gao.gov/products/GAO-17-237SP>

“Beginning an effort to examine the nation’s fiscal health at the start of each year, the U.S. Government Accountability Office (GAO) today issued its first annual outlook on the nation’s fiscal future. The work warns of mounting debt and other challenges, urges prompt action to address those challenges, and is designed to help inform Congress and the incoming administration. GAO encourages the development of a long-term plan that will address levels of federal spending and investments and the options to obtain needed resources.”

Pamela Villarreal

The Intergenerational Effects of the Trump Tax Plan

National Center for Policy Analysis – December 2016 - 3 pages

<http://www.ncpa.org/pdfs/IntergenerationalPlan.pdf>

“Donald Trump’s tax plan will create three million new jobs and 5 percent economic growth in the first year alone, according to an analysis using the NCPA-DCGE dynamic model. But the Trump plan also increases the federal deficit over time. How will these accumulated fiscal imbalances translate into debt burdens for taxpayers into the future? NCPA scholars analyzed the impact of Trump’s tax and spending plan on the future fiscal health of the United States using the Congressional Budget Office’s (CBO) 2016 Long Term Budget Outlook as the baseline for the period 2016 to 2046. The CBO baseline estimates assume average real gross domestic product growth of 2.1 percent annually over the 30-year period.”

Chuck Marr, Chye-Ching Huang

ACA Repeal, Trump Tax Plan, and Ryan’s “Better Way” Tax Plan All Fail Mnuchin Test

Center on Budget and Policy Priorities - January 18, 2017 – 5 pages

<http://www.cbpp.org/sites/default/files/atoms/files/1-18-17tax.pdf>

Three major tax proposals now on the table — the repeal of the Affordable Care Act (ACA), the tax plan that President-elect Trump proposed as a candidate, and the House GOP’s “Better Way” tax plan spearheaded by Speaker Paul Ryan — fail the standard for tax policy set by Treasury Secretary nominee Steve Mnuchin that “there will be no absolute tax cut for the upper class...” Put simply, the “Mnuchin test” means tax plans should emphasize helping the middle class and that any tax cuts for high-income households must be offset by cuts in their tax benefits elsewhere in the tax code.”

Mark P. Keightley

U.S. International Corporate Taxation: Basic Concepts and Policy Issues

Congressional Research Service – Report - December 21, 2016 – 10 pages

<https://fas.org/sgp/crs/misc/R41852.pdf>

“This report provides a general introduction to the basic concepts and issues relevant to the U.S. international corporate tax system. The explanations provided in this report emphasize the underlying concepts of the international tax system and are intended to be as simplified as possible. There are of course important and complex technical details that would need to be considered carefully if reform of the current system were to be implemented effectively and efficiently. These important technical details, however, are beyond the scope of this report.”

Gary Clyde Hufbauer and Zhiyao (Lucy) Lu

Lessons for US Business Tax Reform from International Tax Rates

Peterson Institute – Policy Brief – January 2017 – 18 pages

<https://piie.com/system/files/documents/pb17-2.pdf>

“Significant changes in the US business tax are likely in 2017. A new dataset from Thomson Reuters highlights the disparity between US corporate tax rates and practices in other advanced economies: The US actual average tax rate, calculated at 31.1 percent—even after taking credits, deductions, and “loopholes” into consideration—is higher than the simple average of foreign groups at 28.1 percent. A cut in the corporate tax rate and other reforms would spur domestic and foreign investment in the United States. But resulting higher fiscal deficits, together with the stimulus to investment, will likely drive up the dollar exchange rate and increase the US trade deficit unless strong offsetting measures are part of the package.”

Gary Clyde Hufbauer and Zhiyao (Lucy) Lu

PB 17-3 Border Tax Adjustments: Assessing Risks and Rewards

The Ryan-Brady Cash Flow Tax: Disguised Protection, Exaggerated Revenue, and Increased Inequality

Peterson Institute – Policy Briefs – January 2017

<https://piie.com/system/files/documents/pb17-3.pdf>

<https://piie.com/system/files/documents/pb17-4.pdf>

The proposal to replace the corporate profits tax with a 20 percent tax on cash flow with no deductibility for imports but complete deduction of exports is misguided for several reasons. First, it is protectionist, because it imposes the tax on the entirety of import value but only on the corporate profit component of domestic production, violating the concept of “like treatment” between imports and domestic goods. Second, a nonprotectionist version would involve a much lower rate and far lower revenues and, in principle, would have to vary sharply across sectors. Third, the tax would punish sectors particularly dependent on imports... Fourth, the tax would be regressive, by shifting the burden to consumers...”

Information on the Potential Impact on IRS and U.S. Multinationals of Revised International Guidance on Transfer Pricing

Government Accountability Office – Report - January 27, 2017 – 50 pages

<http://www.gao.gov/assets/690/682330.pdf>

“Globalization has increased incentives for multinational corporations to shift profits from country to country to use differences in the countries’ corporate tax systems to reduce taxes. This profit shifting can lead to the erosion of U.S. and other countries’ corporate tax bases, reducing tax revenues. OECD did a comprehensive analysis of corporate base erosion and profit shifting and, in the fall of 2015, issued 15 action plans to address the problem. GAO was asked to analyze the effects on the U.S. economy of adopting OECD actions.”

MONETARY POLICY

Ben S. Bernanke

The Fed and Fiscal Policy

Brookings – Blog - January 13, 2017

<https://www.brookings.edu/blog/ben-bernanke/2017/01/13/the-fed-and-fiscal-policy/>

“Markets have responded strongly to Donald Trump’s election victory, pushing up equities, longer-term interest rates, and the dollar... The Federal Reserve’s reaction to prospective fiscal policy changes has been much more cautious than that of the markets, however. How does the Fed take fiscal policy into account in its planning? What explains the large difference between the reactions of the Fed and the markets to the change in fiscal prospects since the election? I’ll discuss these questions in this post, concluding that the Fed’s cautious response to the possible fiscal shift makes sense, given what we know so far.”

Fernanda Nechio and Daniel J. Wilson

How Important Is Information from FOMC Minutes?

FRB San Francisco - Economic Letter - December 19, 2016 – 5 pages

<http://www.frbsf.org/economic-research/files/el2016-37.pdf>

“To foster transparency and accountability in monetary policy, the Federal Open Market Committee publishes a statement immediately following every FOMC meeting, followed by the full minutes of the meeting three weeks later. Evidence suggests the release of the minutes can have a sizable impact on Treasury bond yields. The impacts are largest when the tone of the minutes differs from the tone of the statement. This presumably leads markets to change their expectations of future monetary policy.”

FINANCE

Sharada Dharmasankar and Bhashkar Mazumder

Have Borrowers Recovered From Foreclosures During The Great Recession?

FRB Chicago – Fed Letter – December 2016 – 5 pages

<https://www.chicagofed.org/publications/chicago-fed-letter/2016/370>

“This article examines the current financial health of individuals who experienced a home mortgage foreclosure during the Great Recession and assesses the degree to which they have recovered relative to those who lost their homes before the downturn.”

Martin Neil Baily, Aaron Klein, and Justin Schardin

The Impact of the Dodd-Frank Act on Financial Stability and Economic Growth

Brookings/Russell Sage Foundation – Report - January 11, 2017 – 28 pages

<http://www.rsffournal.org/doi/pdf/10.7758/RSF.2017.3.1.02>

“The authors assess the benefits and costs of key provisions of the Dodd-Frank Act that strengthened regulation following the financial crisis. The provisions are placed into five groupings: clear wins, clear losses, costly tradeoffs, unfinished business, and too soon to tell. Clear wins include higher prudential standards, including for capital; the single-point-of-entry resolution authority; creation of the Consumer Financial Protection Bureau; and greater transparency and oversight of derivatives. Clear losses are restrictions on Federal Reserve emergency lending authority and forcing the Federal Deposit Insurance Corporation to obtain permission from Congress before providing temporary liquidity guarantees. Costly tradeoffs are the Volcker Rule and the Lincoln Amendment. Unfinished business includes regulatory consolidation and more independence for the Financial Stability Oversight Council and the Office of Financial Research. Too soon to tell are requirements and standards for leverage ratios, capital buffers, stress testing, and liquidity requirements.”

Marc Labonte

Systemically Important or “Too Big to Fail” Financial Institutions

Congressional Research Service – Report - January 4, 2017 – 39 pages

<https://fas.org/sgp/crs/misc/R42150.pdf>

Legislative proposals amending these Dodd-Frank Act provisions include repealing or modifying the designation process for non-bank SIFIs, the \$50 billion threshold for banks, the Volcker Rule, and the Fed’s Section 13(3) authority to provide emergency assistance to non-banks. Another proposal would repeal OLA and replace it with a new chapter in the bankruptcy code for financial firms. Others would reinstate provisions of the Glass-Steagall Act that prohibit a firm from undertaking both commercial and investment banking.

Alejandro H. Drexler, Zain Mohey-Deen, Richard J. Rosen

Rules and Discretion in Life Insurance Regulation

FRB Chicago – Fed Letter – January 2017 – 6 pages

<https://de.chicagofed.org/publications/chicago-fed-letter/2017/373>

“In this letter, we illustrate how regulators have used rule-based and principle-based approaches to set the minimum level of reserves and capital for insurers. We use examples to show the trend toward more principle-based regulation.”

HOUSING

N. Eric Weiss and Katie Jones

An Overview of the Housing Finance System in the United States

Congressional Research Service – Report – January 18, 2017 – 20 pages

<https://fas.org/sgp/crs/misc/R42995.pdf>

“Congress is interested in the condition of the housing finance system for multiple reasons. The mortgage market is very large and can impact the wider U.S. economy. The federal government supports homeownership both directly... and indirectly (through Fannie Mae and Freddie Mac). This support by the federal government means that the government is potentially liable for financial losses. Fannie Mae, Freddie Mac, and FHA experienced financial difficulty in the years following the housing and mortgage market turmoil that began around 2007, although they are more financially stable of late. Congress has shown an ongoing interest in exercising oversight and considering legislation to potentially reduce the government’s risk in the mortgage market and reform the broader housing finance system.”

Residential Rent Affordability across U.S. Metropolitan Areas

FRB Kansas City – Economic Review - 4th Quarter 2016 – 24 pages

<https://www.kansascityfed.org/~media/files/publicat/econrev/econrevarchive/2016/4q16edmiston.pdf>

“In recent years, many renters and their advocates have reported that rental housing has become increasingly unaffordable. Kelly D. Edmiston examines trends in rent affordability and finds that only a few metropolitan areas have seen significant changes in affordability over the past five years.”

THE NEW DIGITAL ECONOMY

Steven Hill

Uber: The Road Not Taken

American Prospect – Article - January 30, 2017 – 7 pages

<http://prospect.org/article/uber-road-not-taken>

Uber’s business model keeps bleeding money... With the right kind of management and smaller ambitions, Uber might find it could survive as a livery service for the digital age. Running “only” a taxi company may not seem as sexy as raising up a transportation revolution, but it is an honorable business that many people depend upon. It has the potential to be a decent business for customers, drivers, and investors.—and how it might yet right itself as a useful but less grandiose venture.”

Online Shopping and E-Commerce

Pew Research Center - December 19, 2016

<http://www.pewinternet.org/2016/12/19/online-shopping-and-e-commerce>

“New technologies are impacting a wide range of Americans’ commercial behaviors, from the way they evaluate products and services to the way they pay for the things they buy.”

BUSINESS

YiLi Chien and Paul Morris

Does a Stronger Dollar Erode the Profitability of U.S. Firms?

FRB St Louis – Synopsis – December 2016 – 2 pages

<https://files.stlouisfed.org/files/htdocs/publications/economic-synopses/2016-12-30/does-a-stronger-dollar-erode-the-profitability-of-u-s-firms.pdf>

U.S. firms have adjusted well in response to the recent appreciation of the dollar.

Huiyu Li

How Does Business Dynamism Link to Productivity Growth?

FRB San Francisco - Economic Letter - January 9, 2017 - 4 pages

<http://www.frbsf.org/economic-research/files/el2017-01.pdf>

“The rate of business turnover has declined since the late 1970s, which some argue has hampered growth in innovation and productivity. This sounds like a plausible contributor to lackluster economic growth, but the connection between business turnover and productivity is more subtle. First, while business turnover has steadily declined over the past 35 years, aggregate productivity growth has not. Second, even when business starts were at historical highs, existing firms lost very little market share to new firms. This suggests that older firms are just as innovative as newcomers.”

MANUFACTURING - INNOVATION

Marc Levinson

U.S. Manufacturing in International Perspective

Congressional Research Service – Report – January 18, 2017 – 19 pages

<https://fas.org/sgp/crs/misc/R42135.pdf>

“This report is designed to inform the debate over the health of U.S. manufacturing through a series of charts and tables that depict the position of the United States relative to other countries according to various metrics. Understanding which trends in manufacturing reflect factors that may be unique to the United States and which are related to broader changes in technology or consumer preferences may be helpful in formulating policies intended to aid firms or workers engaged in manufacturing activity. This report does not describe or discuss specific policy options.”

Mark Muro and Peter Hirshberg

Five Ways the Maker Movement Can Help Catalyze A Manufacturing Renaissance

Brookings – The Avenue - January 4, 2017

<https://www.brookings.edu/blog/the-avenue/2017/01/04/the-maker-movement-can-catalyze-a-manufacturing-renaissance>

“There is another way to think about touching off an industrial revival in America that brings back economic growth, opportunity, and decent jobs for blue-collar workers. That approach would embrace the Maker Movement as a deeply American source of decentralized creativity for rebuilding America’s thinning manufacturing ecosystems. An authentic social movement of hackers and tinkerers, the Maker Movement has grown increasingly consequential in recent years as a new generation of designers and entrepreneurs has employed online tools, 3-D printing, and other new technologies to “democratize” manufacturing and reinvigorate small-batch production and sales.”

Laurie A. Harris

Established Program to Stimulate Competitive Research (EPSCoR): Background and Selected Issues

Congressional Research Service – Report - January 12, 2017 – 28 pages

<https://fas.org/sgp/crs/misc/R44689.pdf>

“The Established Program to Stimulate Competitive Research originally named the Experimental Program to Stimulate Competitive Research—was established at the National Science Foundation in 1978 to address congressional concerns about an “undue concentration” of federal research and development (R&D) funding in certain states. The program is designed to help institutions in eligible states build infrastructure, research capabilities, and training and human resource capacities to enable them to compete more successfully for open federal R&D funding awards... The American Innovation and Competitiveness Act, enacted on January 6, 2017, renamed EPSCoR as an established —rather than experimental—program, revised various program components, and included language in support of continuing EPSCoR.”

Fred Dews

Driverless Cars Are Coming: Here Are 8 Useful Facts about Them

Brookings Now - Tuesday, January 24, 2017

<https://www.brookings.edu/blog/brookings-now/2017/01/24/driverless-cars-are-coming>

“There are huge ethical decisions that must be made regarding these new technologies. It is the responsibility of policymakers to help decide these issues. Here are analyses and data about driverless cars drawn from recent Brookings research.”

INFORMATION TECHNOLOGY – TELECOMMUNICATIONS

Daniel Castro and Joshua New

Everything the U.S. Government Is Doing to Help the Private Sector Build the Internet of Things

Center for Data Innovation – Report – December 12, 2016 – 18 pages

http://www2.datainnovation.org/2016-federal-support-iot.pdf?mc_cid=275f121354&mc_eid=c56f7c6ab9

“Government supports private development of the Internet of Things in many ways, from providing technical resources to strengthening cybersecurity, developing industry-friendly regulations, ensuring spectrum availability, and supporting R&D. But to seize all the benefits the Internet of Things can offer, the Trump administration should better coordinate these efforts with a national strategy?”

Robert D. Atkinson and Doug Brake

How Broadband Populists Are Pushing for Government-Run Internet One Step at a Time

Information Technology & Innovation Foundation – Report – January 2017 – 27 pages

http://www2.itif.org/2017-broadband-populism.pdf?_ga=1.98427039.1402894959.1449176520&mc_cid=e55e88912c&mc_eid=c56f7c6ab9

“A loose coalition of advocacy groups and academics is working methodically to transform America’s successful private-sector Internet system into a heavily regulated utility or government-owned networks. They would lose a frank debate about the merits of light regulation versus a government-owned broadband system, so they are trying to cripple the current model in tactical skirmishes over discreet issues such as broadband privacy, net neutrality, and municipal broadband rules.”

Benjamin Wittes and Emma Kohse

Empirical Data on the Privacy Paradox

Brookings - TechTank - January 17, 2017

<https://www.brookings.edu/blog/techtank/2017/01/17/empirical-data-on-the-privacy-paradox/>

“On January 13, we released a Brookings paper that challenges this idea. Entitled, “The Privacy Paradox II: Measuring the Privacy Benefits of Privacy Threats,” we try to measure the extent to which this focus ignores the significant privacy benefits of the technologies that concern privacy advocates. And we conclude that quantifiable effects in consumer behavior strongly support the reality of these benefits.”

China’s Alternative to GPS and its Implications for the United States

U.S.-China Economic and Security Review Commission – Staff Research Report - January 5, 2017 – 14 pages

http://origin.www.uscc.gov/sites/default/files/Research/Staff%20Report_China%27s%20Alternative%20to%20GPS%20and%20Implications%20for%20the%20United%20States.pdf

China’s Beidou satellite navigation system—one of the country’s top space projects and only the fourth system of its kind currently in development or operation—is projected to achieve global coverage by 2020. This report examines the objectives behind Beijing’s decision to develop the system as an alternative to GPS, its efforts to build an industry around the system, and the effects this might have in security, economic, and diplomatic terms for the United States. The system’s primary purpose is to end China’s military reliance on GPS, although China’s associated industrial policies will likely affect U.S. firms operating in China’s market. Industry professionals assess there are no inherent risks to products such as smartphones receiving data from Beidou.”

INFRASTRUCTURE

Anna Malinovskaya and David Wessel

The Hutchins Center Explains: Public Investment

Brookings - January 3, 2017

<https://www.brookings.edu/blog/up-front/2017/01/03/the-hutchins-center-explains-public-investment/>

“This explainer will focus primarily on public investment as traditionally defined : local, state and federal government spending on physical infrastructure and research and development. Broader definitions of public investment include education, health care and other benefits for children that pay off in the future.”

Robert D. Atkinson

Build Smarter Infrastructure

University of Virginia Miller Center's First Year Project – 2017

http://firstyear2017.org/essay/get-smart?mc_cid=f79695c248&mc_eid=c56f7c6ab9

“Building infrastructure that integrates physical and digital components will be critical to drive the next wave of social and economic change. But without proactive public policies, it may take a very long time. The incoming Trump administration should accelerate the transition to hybrid digital infrastructure by establishing a digital infrastructure council, supporting state and local experimentation, and spurring precompetitive transportation R&D.”

Peter L. Singer

Investing in “Innovation Infrastructure” to Restore U.S. Growth

Information Technology & Innovation Foundation - Report – January 2017 - 15 pages

http://www2.itif.org/2017-innovation-infrastructure.pdf?mc_cid=1652b8f8f4&mc_eid=c56f7c6ab9

“A traditional infrastructure plan that invests in roads and bridges could create jobs in the short term, but the Trump administration and Congress also should focus on “innovation infrastructure” to address the chronic under-investment and stagnant productivity that are impeding long-term growth. That means promoting scientific and engineering research in the public, private, and academic sectors.”

Antonio R. Villaraigosa

Fix the Funding

University of Virginia Miller Center's First Year Project - 2017

<http://firstyear2017.org/essay/fix-the-funding>

“The importance of transportation infrastructure for American society cannot be overstated. Our highway system, ports, airports, and railroads are the arteries of the economy, moving goods, services, and workers inside cities and between states.”

Robert W. Poole Jr. and Chris Edwards

Privatizing U.S. Airports

Cato Institute - Tax and Budget Bulletin - November 21, 2016 – 7 pages

https://object.cato.org/sites/cato.org/files/pubs/pdf/tbb-76_1.pdf

“This bulletin focuses on reforms to the nation’s more than 500 commercial airports. These airports are owned by state and local governments, but the federal government provides aid for capital improvements. The aid and other federal policies create hurdles to restructuring along the lines of reforms abroad. As a result, our airports are missing out on innovations that would benefit the traveling public. Airports should be self-funded by revenues from passengers, airlines, concessions, and other sources. Federal subsidies should be phased out, and state and local governments should privatize their airports to improve efficiency, competitiveness, and passenger benefits.”

AGRICULTURE

Randy Schnepf

U.S. Farm Income Outlook for 2016

Congressional Research Service – Report - December 29, 2016 – 36 pages

<https://fas.org/sgp/crs/misc/R40152.pdf>

“The outlook for a third year of lower net farm income, coupled with a second year of lower farm wealth, suggests a weakening financial picture for the agricultural sector as a whole heading into 2017, with substantial regional variation. Relatively weak prices for most major program crops signal tougher times ahead.”

The Vertical Farm - Growing Crops in the City, Without Soil or Natural Light

The New Yorker - January 9, 2017

<http://www.newyorker.com/magazine/2017/01/09/the-vertical-farm>

“Today in the U.S., vertical farms of various designs and sizes exist in Seattle, Detroit, Houston, Brooklyn, Queens, and near Chicago, among other places.”

Patrick Canning, Sarah Rehkamp, Arnold Waters, and Hamideh Etemadnia

The Role of Fossil Fuels in the U.S. Food System and the American Diet

USDA - Economic Research Report - January 2017 – 97 pages

<https://www.ers.usda.gov/webdocs/publications/err224/err-224.pdf?v=42754>

“The food system accounts for a large share of fossil fuel consumption in the United States, and energy accounts for a substantial and highly variable share of food costs. To study these relationships, we use the most recent data available to integrate the material-flows accounting framework adopted by the United Nations Statistical Commission into the ERS Food Dollar accounts.”

EMPLOYMENT - WAGES

Gary Burtless

Job Gains Continued In 2016, But Slow Rebound in Participation Rate Will Limit Future Gains

Brookings - December 21, 2016

<https://www.brookings.edu/opinions/job-gains-continued-in-2016-but-slow-rebound-in-participation-rate-will-limit-future-gains>

“In sum, the good news in 2016 is that unemployment continued to fall and real wages continued to improve. Employers report abundant job openings, and the ratio of unemployed workers to job vacancies continues to signal a tighter labor market. The more disturbing news is that key measures of labor force participation failed to rise enough to offset the big decline we saw during and after the Great Recession.”

Danielle Corley, Sunny Frothingham, and Kate Bahn

Paid Sick Days and Paid Family and Medical Leave Are Not Job Killers

Center for American Progress - January 5, 2017

<https://www.americanprogress.org/issues/women/reports/2017/01/05/295908/paid-sick-days-and-paid-family-and-medical-leave-are-not-job-killers/>

“Paid sick days and paid family and medical leave have gained new momentum in the past several years as policymakers, businesses, and the public increasingly recognize the necessity of these policies for working families... Yet even as states and cities across the country pass laws guaranteeing paid sick days and paid family and medical leave, too many families still do not have access to these critical workplace standards. More than one-third of private-sector workers do not have a single paid sick day, and only 13 percent of private-sector workers have paid family and medical leave...In order to ensure access to paid time off for all working families, America needs a comprehensive approach to establish a national paid family and medical leave program and a paid sick days requirement. Despite growing support, much of the remaining pushback to implementing these policies comes from the fear that they will hurt businesses and the economy.”

5 Facts About the Minimum Wage

Pew Research Center – Fact Tank – January 4, 2017

<http://www.pewresearch.org/fact-tank/2017/01/04/5-facts-about-the-minimum-wage>

“Many Americans are now covered by higher local and state minimum wages, and the idea of raising the federal minimum is broadly popular among Americans overall. Just 21% of Trump supporters favor a proposed increase in the minimum wage to \$15 an hour, compared with 82% of Clinton backers. Here are key facts about the minimum wage and the people who earn it.”

Daniel Aaronson, Brian J. Phelan

Wage Shocks and the Technological Substitution of Low-Wage Jobs

FRB Chicago – Working Paper – January 2017 - pages

<https://www.chicagofed.org/publications/working-papers/2017/wp2017-03>

“We extend the task-based empirical framework used in the job polarization literature to analyze the susceptibility of low-wage employment to technological substitution. We find that increases in the cost of low-wage labor, via minimum wage hikes, lead to relative employment declines at cognitively routine occupations but not manually-routine or non-routine low-wage occupations. This suggests that low-wage routine cognitive tasks are susceptible to technological substitution. While the short-run employment consequence of this reshuffling on individual workers is economically small, due to concurrent employment growth in other low-wage jobs, workers previously employed in cognitively routine jobs experience relative wage losses.”

Michael R.

Do Volatile Firms Pay Volatile Earnings? Evidence from Linked Worker-Firm Data

American Enterprise Institute – Paper - January 13, 2017 – 26 pages

https://www.aei.org/wp-content/uploads/2017/01/earnings_volatility_pre-publication_version.pdf

“Despite the importance of earnings instability, little is known about its correlates or causes. This article seeks to better understand earnings instability by studying whether volatile firms pay volatile earnings and is the first to directly test the relationship using US linked employer–employee data. The article finds a positive and statistically significant relationship using within-firm variation. In addition, this article finds that lower earning workers are passed significantly more volatility from their employing firms than are higher earning workers.”

Gail Heriot

Apprenticeships: Useful Alternative, Tough to Implement

Cato Institute - Policy Analysis - November 17, 2016 – 16 pages

<https://object.cato.org/sites/cato.org/files/pubs/pdf/pa805.pdf>

“College education is not everyone’s cup of tea. The United States needs other ways to instill job skills in the younger generation. The German apprenticeship system is sometimes viewed as an appealing alternative... Applying the German method to the United States would require huge—and, for some, hugely unpopular—changes to the structure of the economy. Successfully expanding the availability of apprenticeships in the United States will therefore require real thought. Any American-style apprenticeship model will need to deal effectively with the age-old problem of the “runaway apprentice”—the apprentice who leaves his employer after the employer has invested time and energy in training him, but before the apprentice has been useful enough to make the employer’s investment worthwhile.”

HEALTH ECONOMICS

Impacts and Implications of Partial ACA Repeal

Urban Institute – 2016

<http://www.urban.org/policy-centers/health-policy-center/projects/impacts-aca-and-implications-its-repeal>

“Congress is considering partial repeal of the Affordable Care Act (ACA) through budget reconciliation, which could eliminate several key ACA components. We present a collection of Urban analyses that evaluate and project the impact of the ACA and the implications of its pending repeal.”

How Repealing Portions of the Affordable Care Act Would Affect Health Insurance Coverage and Premiums

CBO – Report - January 17, 2017 – 4 pages

<https://www.cbo.gov/sites/default/files/115th-congress-2017-2018/reports/52371-coverageandpremiums.pdf>

“CBO reports on the estimated changes in health insurance coverage and premiums that would result from leaving the Affordable Care Act’s insurance market reforms in place while repealing the law’s mandate penalties and subsidies.”

John Holahan, Linda J. Blumberg

Instead of ACA Repeal and Replace, Fix It

The Urban Institute – Report - January 16, 2017 – 17 pages

http://www.urban.org/research/publication/instead-aca-repeal-and-replace-fix-it/view/full_report

“Repealing the Affordable Care Act (ACA) via the budget reconciliation process without replacement policies in place risks dramatically increasing the number of uninsured people and causing chaos in the individual (nongroup) insurance markets. Replacement plans will likely be controversial and cover fewer people than the ACA... Faced with this reality, policymakers should consider fixing the major problems they have with the ACA rather than repealing it; this would not disrupt the parts that are working effectively. To that end, we propose a range of policies that would address critics’ concerns and also strengthen the law, expand coverage, improve affordability, increase market stability, and lower the high premiums that exist in some markets.”

Henry J. Aaron, Paul Ginsburg, Linda J. Blumberg, and Stephen Zuckerman

Building a Better “Cadillac”

Brookings - Report - January 4, 2017 – 26 pages

https://www.brookings.edu/wp-content/uploads/2017/01/cadillac_final.pdf

“The excise tax on premiums paid for high-cost employer-sponsored plans, also known as the Cadillac tax, is an important provision of the Affordable Care Act (ACA) and should be retained even if the larger law is repealed because it will not only help control the growth of health care spending but also will provide revenues needed to pay for any potential ACA replacement, according to a new paper (PDF) by experts at the Urban Institute and the Center for Health Policy at Brookings. However, the tax should be improved to increase political acceptability and to correct genuine shortcomings in the current law.”

Judith Solomon

Caps on Federal Medicaid Funding Would Give States Flexibility to Cut, Stymie Innovation

Center on Budget and Policy Priorities – Report - January 18, 2017 – 7 pages

<http://www.cbpp.org/sites/default/files/atoms/files/1-18-17health.pdf>

“President-elect Trump, House Speaker Paul Ryan, and Health and Human Services Secretary nominee Tom Price support radically changing Medicaid’s basic structure by converting the program to a block grant or what is known as a “per capita cap” and reducing federal funding for the program over time. They and other supporters of a block grant or per capita cap contend that under this approach, states would receive new flexibility to innovate and lower their costs. But this is a very dubious promise.”

INTERNATIONAL ECONOMIC RELATIONS

Mary A. Irace, Rebecca M. Nelson,

International Trade and Finance: Overview and Issues for the 115th Congress

Congressional Research Service – Report - December 21, 2016 – 70 pages

<https://fas.org/sgp/crs/misc/R44717.pdf>

“The U.S. Constitution grants authority to Congress to regulate commerce with foreign nations. Congress exercises this authority in numerous ways, including through oversight of trade policy and consideration of legislation to implement trade agreements and authorize trade programs.”

Rachel F. Fefer, Shayerah Ilias Akhtar, Wayne M. Morrison

Digital Trade and U.S. Trade Policy

Congressional Research Service – Report – January 13, 2017 – 43 pages

<https://fas.org/sgp/crs/misc/R44565.pdf>

“As the rules of global Internet develop and evolve, digital trade has risen in prominence on the global trade and economic agenda, but multilateral trade agreements have not kept pace with the complexities of the digital economy. The economic impact of the Internet was estimated to be \$4.2 trillion in 2016, making it the equivalent of the fifth-largest national economy. According to one source, the volume of global data flows grew 45-fold from 2005 to 2014, faster than international trade or financial flows. Congress has an important role to play in shaping global digital trade policy, from oversight of agencies charged with regulating cross-border data flows to shaping and considering legislation to implement new trade rules and disciplines through ongoing trade negotiations, and also working with the executive branch to identify the right balance between digital trade and other policy objectives, including privacy and national security.”

Mark Muro and Joseph Parilla

Maladjusted: It’s Time to Reimagine Economic ‘Adjustment’ Programs

Brookings - The Avenue - January 10, 2017

<https://www.brookings.edu/blog/the-avenue/2017/01/10/maladjusted-its-time-to-reimagine-economic-adjustment-programs/>

Trump understood the frustration of American workers displaced by international trade, and won his election in part by promising to help them. The authors outline a few ways he can improve existing programs to do just that.

Caroline Freund

The US Export-Import Bank Stimulates Exports

Peterson Institute – Policy Brief – December 2016 – 7 pages

<https://piie.com/system/files/documents/pb16-23.pdf>

“One year after the US Export-Import Bank (EXIM) was reauthorized by Congress, the debate over its future continues to rage. EXIM, meanwhile, remains hampered by lack of a three-member quorum on its Board, preventing it from approving transactions over \$10 million. Currently the five-member Board has only two serving directors. This Policy Brief examines evidence that EXIM lending stimulates US exports by helping US companies to be competitive in foreign markets while returning the profits from its business to the US Treasury.”

Rachel F. Fefer

Trade in Services Agreement (TiSA) Negotiations: Overview and Issues for Congress

Congressional Research Service – Report - January 3, 2017 – 20 pages

<https://fas.org/sgp/crs/misc/R44354.pdf>

“Congress has broad interest in trade in services, which are a large and growing component of the U.S. economy. It also has a direct interest in establishing trade negotiating objectives and potential consideration of a future Trade in Services Agreement (TiSA). Services account for 78% of U.S. private sector gross domestic product (GDP), 82% of private sector employees in 2015, and an increasing portion of U.S. international trade.”

CHINA

Doug Bandow

Economics of the 2016-2017 Debate Topic: U.S. Relations with China, Mixing Cooperation with Competition

National Center for Policy Analysis – Background – December 2016 – 8 pages

<http://www.ncpa.org/pdfs/debateBackgrounder.pdf>

“There is no more important bilateral relationship than that between the United States and China. Yet the Congressional Research Service warns that ties have “become increasingly complex and often fraught with tension.” Relations appear likely to become even more fractious with the election of Donald Trump as president. Every four years the People's Republic of China (PRC) becomes a presidential election issue, but Americans deserve a better explanation of the importance of U.S.-China political and economic relations than candidates' sound-bites.”

Chinese Investment in the United States

U.S.-China Economic and Security Review Commission – Report - December 8, 2016 – 120 pages

http://origin.www.uscc.gov/sites/default/files/Research/Chinese_Investment_in_the_United_States_Rhodium.pdf

The report examines the rapidly increasing foreign direct investment by China in the United States and how the unprecedented level of investment, especially in sensitive sectors, raises new considerations for lawmakers regarding U.S. national and economic security. This report was prepared for the Commission by the Rhodium Group.”

Chinese Investment in the United States: Impacts and Issues for Policymakers

U.S.-China Economic and Security Review Commission – Hearing - January 26, 2017

<http://www.uscc.gov/Hearings/hearing-chinese-investment-united-states-impacts-and-issues-policymakers>

This hearing will explore patterns of Chinese investment in the United States and implications for U.S. policymakers. Topics that will be examined include China’s increasing investments in strategic sectors, Chinese state-owned companies claiming sovereign immunity in U.S. courts, and duress acquisitions of U.S. entities by Chinese firms. The hearing will also cover the activities of Chinese companies listed on U.S. stock exchanges, assessing implications for U.S. investors and the U.S. economy at large.

Chad P. Bown

Should the United States Recognize China as a Market Economy?

Peterson Institute – Policy Brief – December 2016 – 12 pages

<https://piie.com/system/files/documents/pb16-24.pdf>

China's accession to the World Trade Organization (WTO) in 2001 came after lengthy negotiations. In return for getting nondiscriminatory tariff treatment for its exports, China agreed to open itself to global trade and investment markets. As part of the discussions, China was led to believe that trading partners like the United States would revoke its nonmarket economy status in December 2016. A battle is about to begin over whether the United States and other countries will deliver on their earlier implicit promise. This Policy Brief examines

the reasons why granting China market economy status will not likely result in a sudden surge in imports from China because the United States has other tools to prevent such a surge.

Claude Barfield

Crafting an Action-Driven Response to China's Digital Trade Barriers

American Enterprise Institute – Report - January 25, 2017 – 8 pages

<http://www.aei.org/wp-content/uploads/2017/01/Crafting-an-action-driven-response-to-Chinas-digital-trade-barriers.pdf>

China's digital Great Firewall and the new National Security and Cybersecurity Laws threaten vital high-technology sectors of the US economy. While the US and China have vital economic and diplomatic interests in common, the US should challenge China's digital trade barriers. The new administration could do so by establishing digital economic and security issues as a top priority for dialogues with China, establishing an Office of Trade Enforcement in the Office of the US Trade Representative, initiating a World Trade Organization case against China's Great Firewall, and being prepared to take reciprocity-based trade and investment retaliation.

ENERGY

Devashree Saha and Mark Muro

Growth, Carbon, and Trump: State Progress and Drift on Economic Growth and Emissions 'Decoupling'

Brookings – Brief - December 8, 2016

<https://www.brookings.edu/research/growth-carbon-and-trump-state-progress-and-drift-on-economic-growth-and-emissions-decoupling/#fullreport>

“This brief takes a look at state-level decoupling trends by matching data on real GDP growth between 2000 and 2014 for all 50 states and the District of Columbia with data on energy-related carbon dioxide emissions for the same years and locations. In doing so, the brief provides an initial baseline look at the pace and geography of state-side decoupling and decarbonization—with an eye to assessing state-level momentum on the brink of federal pull-back. What do these data show? Overall, they show that more than 30 states have delinked their growth and carbon emissions, confirming that economic growth does not inevitably require emissions growth.”

Varun Sivaram, Teryn Norris, Colin McCormick, and David M. Hart

Energy Innovation Policy: Priorities for the Trump Administration and Congress

Information Technology & Innovation Foundation – Report – December 2016 – 26 pages

http://www2.itif.org/2016-energy-innovation-policy.pdf?mc_cid=275f121354&mc_eid=c56f7c6ab9

“America is falling behind in the global race to capitalize on the burgeoning clean energy market. But the race is not yet lost. If the Trump administration and Congress invest in energy innovation and infrastructure, the United States can wrest back markets, create advanced manufacturing jobs, and improve its trade balance. To do so, they should reform a sprawling set of institutions to increase the commercial impact of federal R&D and maximize taxpayer return on investment.”

Two-Thirds of Americans Give Priority to Developing Alternative Energy over Fossil Fuels

Pew Research Center - January 23, 2017

<http://www.pewresearch.org/fact-tank/2017/01/23/two-thirds-of-americans-give-priority-to-developing-alternative-energy-over-fossil-fuels>

“President Donald Trump is promising major changes on climate and energy policy, including efforts to increase production from fossil fuel energy sources such as coal. But a new Pew Research Center survey finds

that 65% of Americans give priority to developing alternative energy sources, compared with 27% who would emphasize expanded production of fossil fuel sources.”

Claudia Copeland and Nicole T. Carter

Energy-Water Nexus: The Water Sector’s Energy Use

Congressional Research Service – Report – January 24, 2017 – 13 pages

<https://fas.org/sgp/crs/misc/R43200.pdf>

“Water and energy are resources that are reciprocally and mutually linked, because meeting energy needs requires water, often in large quantities, for mining, fuel production, hydropower, and power plant cooling, and energy is needed for pumping, treatment, and distribution of water and for collection, treatment, and discharge of wastewater. This interrelationship is often referred to as the energy-water nexus, or the water-energy nexus. There is growing recognition that “saving water saves energy.” Energy efficiency initiatives offer opportunities for delivering significant water savings, and likewise, water efficiency initiatives offer opportunities for delivering significant energy savings. In addition, saving water also reduces carbon emissions by saving energy otherwise generated to move and treat water.”

Cross-Border Energy Trade-in North America: Present and Potential

Congressional Research Service – Report – January 24, 2017 – 50 pages

<https://fas.org/sgp/crs/misc/R44747.pdf>

“The United States, Canada, and Mexico in many ways comprise one large integrated market for energy commodities. Canada, for example, is the single largest foreign supplier of crude oil to the United States, and the United States is Canada’s sole crude oil customer. Both Mexico and Canada are major buyers of petroleum products refined in the United States. A growing trade in natural gas produced in the United States is also increasingly important to the energy relationship among the three countries. Trade in the other energy commodities—electricity, natural gas liquids, and coal—is comparatively small, but regionally important. Altogether, the value of the energy trade between the United States and its North American neighbors exceeded \$140 billion in 2015, with over \$100 billion in U.S. energy imports and over \$40 billion in exports. The United States’ energy trade relationships with Canada and Mexico are increasingly complex. They have been undergoing fundamental change in recent years.”

Devashree Saha and Sifan Liu

Increased Automation Guarantees a Bleak Outlook for Trump’s Promises to Coal Miners

Brookings - The Avenue – January 25, 2016

<https://www.brookings.edu/blog/the-avenue/2017/01/25/automation-guarantees-a-bleak-outlook-for-trumps-promises-to-coal-miners>

“President Trump has made empty promises to make the coal industry great again, vowing to reverse decades of the industry’s downward employment trajectory. In previous blog posts, we have shown how his promises to put coal miners back to work will be a tall order. Here, we introduce another reason why coal will face an uphill battle: automation.”

Ron Sands, Scott Malcolm, Shellye Suttles, and Elizabeth Marshall

Dedicated Energy Crops and Competition for Agricultural Land

USDA - Economic Research Report - January 2017 – 72 pages

<https://www.ers.usda.gov/webdocs/publications/err223/err-223.pdf?v=42738>

“Crops that are grown strictly for energy use, such as switchgrass in the United States, have received much attention as potential renewable sources for bioelectricity; however, markets do not presently exist for large-scale use of this resource. This study examines three policy scenarios that could create a market for bioelectricity using dedicated energy crops.”