

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

The 2017 Joint Economic Report (115th Congress)

Congress of the United States_ Joint Economic Committee – February 28, 2017 – 279 pages

https://www.jec.senate.gov/public/_cache/files/efa80f0a-f4db-472c-9e5b-f19fe4b67c24/2-28-final-2017-joint-economic-report-w-minority-views.pdf

“The Obama Administration’s final Economic Report of the President and the Annual Report of the Council of Economic Advisers (Report) continues the pattern of previous reports that have misdiagnosed the reasons for our slow economic recovery and advocated misguided policies as a response. These policies have led to a steady decline in America’s economic potential. The Joint Economic Committee (JEC) Majority offers a different vision that will unleash our economy’s capacity to grow, produce, create jobs, boost wages, and compete in the 21st century.”

In Order That They Might Rest Their Arguments on Facts: The Vital Role of Government-Collected Data

A joint publication between AEI and The Hamilton Project at Brookings - March 2, 2017 – 36 pages

https://www.aei.org/wp-content/uploads/2017/03/THP_GovDataFacts_0317_Fixed.pdf

“Objective, impartial data collection by federal statistical agencies is vital to informing decisions made by businesses, policy makers, and families. These measurements make it possible to have a productive discussion about the advantages and disadvantages of particular policies, and about the state of the economy. This

document demonstrates a portion of the breadth and importance of government statistics to public policy and the economy.”

Can Tight Labor Markets Inhibit Investment Growth

FRB Atlanta – Blog - February 28, 2017

<http://macroblog.typepad.com/macroblog/2017/02/can-tight-labor-markets-inhibit-investment-growth.html>

“A tighter labor market may spur greater business investment at or near full employment, such as the one we see currently, poses certain challenges for businesses. A macroblog post looks at a tight labor market's potential impact on business investment whether labor supply constraints might limit that impact.”

Josh Bivens

A ‘High-Pressure Economy’ Can Help Boost Productivity and Provide Even More ‘Room to Run’ For the Recovery

Economic Policy Institute - Report - March 12, 2017 – 21 pages

<http://www.epi.org/files/pdf/118665.pdf>

“The last four years have seen an extraordinarily sharp deceleration in productivity growth (the average amount of income generated in an hour of work in the economy). In fact it has been below 1 percent for three years. This is an important trend for many reasons and it is crucially important that policymakers respond to it correctly. Taking the slow productivity growth in recent years as fixed and unchangeable would be a huge policy mistake. It would lock in weak labor markets and keep most American workers from getting the pay raises they could have gotten in a healthier economy. On the flip side, there is evidence that pushing up wages by further reducing unemployment would increase productivity as businesses gain more incentive to invest in the capital equipment and processes that make those workers more productive.”

Fostering Economic Growth: The Role of Financial Companies

Senate Committee on Banking, Housing, and Urban Affairs – Hearing - March 28, 2017

<https://www.banking.senate.gov/public/index.cfm/hearings?ID=EAD8370F-249E-4E65-B9BD-3C6352736E38>

The witnesses are: The Honorable Robert Heller, Former Governor, Board of Governors of the Federal Reserve System; The Honorable Donald Powell, Former Chairman, Federal Deposit Insurance Corporation; The Honorable William Spriggs, Professor of Economics, Howard University and Chief Economist, AFL-CIO; Ms. Deyanira Del Rio, Co-Director, The New Economy Project; and Mr. Thomas C. Deas, Jr., Chairman, National Association of Corporate Treasurers.

Edwin M. Truman

International Financial Cooperation Benefits the United States

Peterson Institute – Policy Brief – March 2017 – 12 pages

<https://piie.com/system/files/documents/pb17-10.pdf>

The financial crisis of 2007–09 wreaked worldwide havoc because of the interconnectedness of many countries' economies and financial systems. To contain and stabilize these interwoven global financial systems and avert future crises thus requires international cooperation, preferably with American leadership. The Trump administration's policies on these matters are unclear. But early indications are cause for concern over future US commitment to international regulations to prevent and manage the inevitable occurrence of future crises.”

Closing the Skills Gap and Boosting U.S. Competitiveness

Senate Committee on Commerce, Science, and Transportation – Hearing - March 29, 2017

<http://www.commerce.senate.gov/public/index.cfm/hearings?ID=9A2AD395-FD88-4694-9281-F1353F3A4C1D>

“This hearing explores the technical skills gap in the U.S. manufacturing sector and other trades. It will also highlight steps taken by advocates and industry to address the growing issue and foster a competitive workforce.”

INCOMES – INEQUALITY - IMMIGRATION

How Income Volatility Interacts With American Families’ Financial Security

The Pew Charitable - Issue Brief - March 09, 2017

<http://www.pewtrusts.org/en/research-and-analysis/issue-briefs/2017/03/how-income-volatility-interacts-with-american-families-financial-security>

“Income volatility is widespread, with more than a third of American households facing annual income spikes and dips. Although the incidence and magnitude of the swings vary, income volatility is prevalent across demographic groups. Perhaps most surprising is that families that experience year-to-year income gains as well as losses express lower financial well-being and have less savings than households with stable income. Further, income volatility can not only disrupt a household’s financial reality in the short term, but can also create lasting strain.”

Jonathan Davis and Bhash Mazumder

The Decline in Intergenerational Mobility after 1980

FRB Chicago – Working Paper – March 2017 – 40 pages

<https://www.chicagofed.org/publications/working-papers/2017/wp2017-05>

“We demonstrate that intergenerational mobility declined sharply for cohorts born between 1942 and 1953 compared to those born between 1957 and 1964. The former entered the labor market prior to the large rise in inequality that occurred around 1980 while the latter cohorts entered the labor market largely afterwards. We show that the rank-rank slope rose from 0.27 to 0.4 and the IGE rose from 0.35 to 0.51. The share of children whose income exceeds that of their parents fell by about 3 percentage points. These findings suggest that relative mobility fell by substantially more than absolute mobility.”

Joseph Dalaker

An Introduction to Poverty Measurement

Congressional Research Service – Report – March 9, 2017 – 23 pages

<https://fas.org/sgp/crs/misc/R44780.pdf>

“Poverty measures convey the number or percentage of people falling below given income amounts, which are intended to represent a level of economic privation and are computed using some factually based measurement of basic needs. The poverty measures discussed in this report—the official U.S. poverty measure and the research Supplemental Poverty Measure—focus on financial resources. A family’s income is compared against a dollar amount representing some measure of need, called a threshold, which typically varies by family size and composition. Those with family income less than the threshold are considered to be “in poverty,” or poor; those with incomes greater than or equal to the threshold are not considered to be in poverty. All members of the same family have the same poverty status.”

Immigration Projected To Drive Growth in U.S. Working-Age Population through at Least 2035

Pew Research Center – Factank – March 8, 2017

<http://www.pewresearch.org/fact-tank/2017/03/08/immigration-projected-to-drive-growth-in-u-s-working-age-population-through-at-least-2035>

“Immigration projected to drive growth in U.S. working-age population through at least 2035. As the large Baby Boomer generation heads into retirement, the increase in the potential U.S. labor force will slow

markedly, and immigrants will play the primary role in the future growth of the working-age population (though they will remain a minority of it).”

Guillaume Vandenbroucke, Heting Zhu

Mixing the Melting Pot: The Impact of Immigration on Labor Markets

FRB St Louis – The Regional Economist – First Quarter 2017 – 2 pages

https://www.stlouisfed.org/~media/Publications/Regional-economist/2017/First_quarter_2017/immigration.pdf

“Immigration to the United States is at the center of many debates. The issue is not new, not only in the U.S. but in many other parts of the world, as evidenced in the many discussions in the media, as well as in political and academic circles. For this paper, we looked at U.S. data across states to assess the connection between immigration and labor market outcomes. We were prompted by the argument that immigrants make life harder for workers who already are U.S. citizens. Specifically, we investigated the correlation between immigration and the unemployment rate and between immigration and wages...”

FISCAL POLICY

The 2017 Long-Term Budget Outlook

CBO – Report - March 30, 2017 – 55 pages

<https://www.cbo.gov/system/files/115th-congress-2017-2018/reports/52480-ltbo.pdf>

“If current laws remained generally unchanged, the United States would face steadily increasing federal budget deficits and debt over the next 30 years—reaching the highest level of debt relative to GDP ever experienced in this country.”

Benjamin Zycher

A Reflection on the Trump Budget: Why Does Government Grow?

AEI - March 2017 – 4 pages

<http://www.aei.org/publication/reflection-on-the-trump-budget-why-does-government-grow>

“Trimming government is a perennial objective, but almost never happens. Why does government inexorably grow? Public choice analysis offers some central insights: The political demands for government, the nature of the services that government provides, and the mechanisms through which it provides and finances them are inconsistent with reductions in government spending. The clear objective in the first Trump budget of expanding defense spending at the expense of various domestic programs clashes with those fundamental political dynamics.”

Did the Fiscal Stimulus Work?

FRB Philadelphia – Economic Insights – First Quarter 2017 - 11 pages

www.philadelphiafed.org/~media/research-and-data/publications/economic-insights/2017/q1/eiq117_did-the-fiscal-stimulus-work.pdf

“The federal government poured hundreds of billions of dollars into the economy in an attempt to combat the Great Recession. Gerald A. Carlino examines just how much bang taxpayers got for their bucks.”

TAX POLICY

Molly F. Sherlock

Statutory, Average, and Effective Marginal Tax Rates in the Federal Individual Income Tax: Background and Analysis

Congressional Research Service – Report – March 16, 2017 – 41 pages

<https://fas.org/sgp/crs/misc/R44787.pdf>

“Tax reform is a stated priority of the 115th Congress. In June 2016, Ways and Means Committee Republicans released the “Better Way” tax reform blueprint. The proposal seeks to make the individual income tax system “simpler, flatter, and fairer” by consolidating the number of individual income tax brackets. Looking at statutory tax rates alone, however, provides limited information regarding the simplicity or fairness of the tax system. Average tax rates and effective marginal tax rates are frequently used by economists and policy analysts to evaluate the fairness of the tax system, as well as various economic incentives created by the system.”

International Comparisons of Corporate Income Tax Rates

CBO - Report - March 2017 – 45 pages

<https://www.cbo.gov/publication/52419>

“CBO examines corporate tax rates—the statutory rates, as well as average and effective marginal rates—and the factors that affect them for the United States and other G20 member countries in 2012.”

Olivier Blanchard and Jason Furman

Who Pays for Border Adjustment? Sooner or Later, Americans Do

Peterson Institute – Blog – March 8, 2017

<https://piie.com/blogs/trade-investment-policy-watch/who-pays-border-adjustment-sooner-or-later-americans-do>

“Former Senator Russell Long famously quipped: “Don't tax you, don't tax me, tax that fellow behind the tree!” Some supporters of the border adjustment to the cash flow tax think they have finally found a way to tax the fellow behind the tree, namely with revenue coming from foreign producers. Blanchard and Furman explain why this argument is mistaken.”

Stan A. Veuger

Adjusting To the Border Adjustment Tax Imperfections and Unintended Consequences

Mercatus Center – Report - March 16, 2017

<http://www.aei.org/spotlight/adjusting-to-the-border-adjustment-tax-imperfections-and-unintended-consequences/>

“The newly unified Republican government has raised hopes of fundamental tax reform, particularly corporate tax reform. The most concrete and politically relevant plan is the broad outline presented in the House Republican Tax Reform Task Force Blueprint. The plan would radically transform US corporate taxation by shifting from an origin-based corporate income tax to a destination-based cash flow tax (DBCFT). Under such a system, the location of consumers, not producers, determines whether activity is taxable. The plan shifts the tax base to being destination-based through a border adjustment tax (BAT) that exempts exports from taxation and subjects imports to a new 20 percent corporate tax rate.”

MONETARY POLICY

Alexander Kroeger, John McGowan and Asani Sarkar

The Pre-Crisis Monetary Policy Implementation Framework

FRB New York - Staff Report – March 2017 – 25 pages

https://www.newyorkfed.org/research/staff_reports/sr809

“The Federal Reserve’s monetary policy implementation framework changed during the financial crisis of 2007-08 owing to the substantial increase in reserves resulting from unconventional policy measures. In this paper, the authors assess the Fed’s pre-crisis framework in order to facilitate a better understanding of changes in monetary policy implementation since the crisis.”

Keith Sill

Monetary Policy Report: Using Rules for Benchmarking

Federal Reserve Bank of Philadelphia – Report - March 2017 – 13 pages

<https://philadelphiafed.org/-/media/research-and-data/publications/special-reports/2017/0324-using-rules-for-benchmarking.pdf>

“This special report highlights ongoing work to benchmark the stance of monetary policy using a range of policy rules that are widely employed in studies of monetary economics.¹ We perform the exercise with a specific, publicly available model of the macroeconomy developed by researchers at the Board of Governors of the Federal Reserve System. We then employ this model to explore the expected behavior of economic variables, including the policy rate, under alternative policy rules. The policy rules help to benchmark not only the current stance of the federal funds rate but also guidance on how the path of policy is likely to evolve in the context of the model. Such an exercise as part of a more comprehensive quarterly monetary policy report would enhance communication and promote a more systematic approach to monetary policy.”

Sound Monetary Policy

House Subcommittee on Monetary Policy and Trade – Hearing - March 16, 2017

<http://financialservices.house.gov/calendar/eventsingle.aspx?EventID=401596>

Mr. John Allison, Executive in Residence, Wake Forest School of Business, and former Chairman and Chief Executive Officer, BB&T Corporation

Dr. Marvin Goodfriend, Tepper School of Business, Carnegie Mellon University, and former Director, Federal Reserve Bank of Richmond

Dr. John B. Taylor, Mary and Robert Raymond Professor of Economics, Stanford University

Dr. Josh Bivens, Director of Research, Economic Policy Institute

Larry D. Wall

Interest on Reserves

FRB Atlanta - Notes from the Vault – February 2017

<https://www.frbatlanta.org/cenfis/publications/notesfromthevault/02-interest-on-reserves-2017-02-27.aspx>

“This “Notes from the Vault” post will review why the Federal Reserve pays interest on reserves (IOR), what role IOR played during and after the financial crisis, and what the short- to medium-run implication of abolishing interest on reserves may be.”

Kei-Mu Yi and Jing Zhang

Understanding Global Trends in Long-run Real Interest Rates

FRB Chicago – Economic Perspectives – March 2017 – 20 pages

<https://www.chicagofed.org/publications/economic-perspectives/2017/2-yi-zhang>

“The authors explore trends in long-run real interest rates and their underlying factors for the 20 largest economies from the 1950s through the present day.”

Thomas Klitgaard and Harry Wheeler

The Need for Very Low Interest Rates in an Era of Subdued Investment Spending

FRB New York - Liberty Street Economics - March 22, 2017

<http://libertystreeteconomics.newyorkfed.org/2017/03/the-need-for-very-low-interest-rates-in-an-era-of-subdued-investment-spending.html>

“Why have interest rates stayed low for so long after the financial crisis—and will they remain low for the foreseeable future? One way to answer these questions is to use the accounting identity that global saving must

equal physical investment spending and argue that low rates have been necessary to prop up investment spending enough to match saving. From this perspective, the extent of any recovery in interest rates depends on whether weak investment spending is driven primarily by secular demographic trends that are a long-term drag on aggregate demand or by the residual effects of the financial crisis.”

Samuel G. Hanson, David Lucca and Jonathan H. Wright
Interest Rate Conundrums in the Twenty-First Century
 FRB New York – Staff Report – March 2017 – 51 pages
https://www.newyorkfed.org/research/staff_reports/sr810

“Our authors find that “conundrums”—six- or twelve-month periods in which short-term interest rates and long-term interest rates move in opposite directions—have become far more common since 2000. They show that the excess sensitivity of long-term interest rates to high-frequency movements in short-term rates has grown stronger, while the positive association between low-frequency changes in short- and long-term rates has weakened.”

FINANCE

Alice M. Rivlin and John B. Soroushian
Credit Rating Agency Reform Is Incomplete
 Brookings – Report - March 6, 2017
<https://www.brookings.edu/research/credit-rating-agency-reform-is-incomplete>

This paper “reviews the CRA problem, the reform actions taken so far, and discusses what can be done to avoid future risk to financial stability.”

Catherine Chen, Marco Cipriani, Gabriele La Spada, Philip Mulder, and Neha Shah
Money Market Funds and the New SEC Regulation
 FRB New York – Liberty Street Economics – March 20, 2017
<http://libertystreeteconomics.newyorkfed.org/2017/03/money-market-funds-and-the-new-sec-regulation.html>

“Overall, investors’ shift from prime and muni funds to government—and, in particular, agency—funds means that a large segment of the industry still operates under a stable NAV (and therefore is, in principle, vulnerable to runs). Yet, financial institutions tend to suffer runs when their investments have gone, or are perceived to have gone, sour (as was the case in 2008, after Lehman Brothers’ bankruptcy); indeed, government funds, which invest in safer assets than prime funds, did not experience any run in 2008. Since the new regulations have resulted in a very large shift of assets into relatively safe government funds, the SEC’s reforms have made runs on MMFs less likely and the industry itself more resilient.”

The JOBS Act at Five: Examining Its Impact and Ensuring the Competitiveness of the U.S. Capital Markets
 House Subcommittee on Capital Markets, Securities, and Investment – Hearing - March 22, 2017
<http://financialservices.house.gov/calendar/?EventTypeID=309&Congress=115>

“The Subcommittee will examine the impact of the Jumpstart Our Business Startups Act (JOBS Act) on the U.S. capital markets and the JOBS Act’s effect on capital formation, job creation, and economic growth. It is important that the U.S. capital markets remain globally competitive as the number of international financial centers increases. The Subcommittee will discuss what issues are hampering the competitiveness of the U.S. capital markets and what actions should be taken to address those issues.”

Examining the Impact of the Volcker Rule on the Markets, Businesses, Investors, and Job Creators

House Subcommittee on Capital Markets, Securities, and Investment – Hearing - March 29, 2017

<http://financialservices.house.gov/calendar/eventsingle.aspx?EventID=401673>

“Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection – popularly known as the “Volcker Rule” – prohibits U.S. bank holding companies and their affiliates from engaging in “proprietary trading” and from sponsoring hedge funds and private equity funds. This hearing will examine the impact of the Volcker Rule on the U.S. capital markets broadly, including its impact on the liquidity and functionality of the fixed income and securitization markets, the ability of U.S. and international businesses to finance their operations, U.S. competitiveness, and job creation.”

W. Scott Frame, Atanas Mihov, and Leandro Sanz

Foreign Investment, Regulatory Arbitrage, and the Risk of U.S. Banking Organizations

FRB Atlanta - Working Paper - March 2017 – 60 pages

<https://www.frbatlanta.org/-/media/documents/research/publications/wp/2017/02-foreign-investment-regulatory-arbitrage-and-the-risk-of-us-banking-organizations-2017-03-21.pdf>

“This study investigates the implications of cross-country differences in banking regulation and supervision for the international subsidiary locations and risk of U.S. bank holding companies (BHCs). We find that U.S. BHCs are more likely to operate subsidiaries in countries with weaker regulation and supervision and that such location decisions are associated with elevated BHC risk and higher contribution to systemic risk. The quality of BHCs’ internal controls and risk management play an important role in these location choices and risk outcomes. Overall, our study suggests that U.S. banking organizations engage in cross-country regulatory arbitrage with potentially adverse consequences.”

The State of Bank Lending in America

House Subcommittee on Financial Institutions and Consumer Credit – Hearing - March 28, 2017

<http://financialservices.house.gov/calendar/eventsingle.aspx?EventID=401643>

“Lending by community financial institutions has declined since the passage of the Dodd-Frank Wall Street Reform Act, constraining consumer and small business access to credit. In the six years prior to Dodd-Frank, small bank lending was more than 150 percent above large bank lending. In the more than six years after Dodd-Frank, small bank lending has been nearly 80 percent below large bank lending. The hearing will examine recent trends in lending and how the current regulatory climate impacts the availability of credit for consumers and small businesses.”

Lisa Servon

The Unbanking of America: How the New Middle Class Survives

The American Prospect magazine - Winter 2017

<http://prospect.org/article/banks-are-even-worse>

“An unbanked person does not have a checking or savings account and lacks access to mainstream credit cards or loans. In 2015, according to the Federal Deposit Insurance Corporation (FDIC), 7 percent of U.S. households, or about 15.6 million adults and 7.6 million children, qualified for this label. Another 19.9 percent, or about 51.1 million adults and 16.3 million children, were “underbanked,” meaning that they had an account at an insured financial institution but also used “services and products outside of the banking system.” What’s available out in the cold? Payday loans that must be repaid by the next salary check, check-cashing storefronts that charge substantial fees for instant funds, and installment debt available at off-market and sky-high interest rates.”

OTHER ECONOMIC POLICIES

United States' Increasing Dependence on Foreign Sources of Minerals and Opportunities to Rebuild and Improve the Supply Chain in the United States

Senate Committee on Energy and Natural Resources - Hearing - March 28, 2017

<https://www.energy.senate.gov/public/index.cfm/hearings-and-business-meetings?ID=71944BB9-2A99-4C4C-94F8-709B9D194592>

“Our starting point is to recognize that minerals are important because they are the building blocks of our modern society—from the smallest computer chips, to the tallest skyscrapers, and just about everything in between. Minerals are fundamental to fracking, MRI machines, and jet engines... According to the U.S. Geological Survey, we imported at least 50 percent of our supply of 50 different minerals, including 100 percent of our supply of 20 of them, in 2016. That is a major increase from our foreign dependence levels in 1978, when this data was first collected. And it suggests that we are on the verge of replacing our dependence on foreign oil with an equally, if not even more damaging, dependence on foreign minerals.”

The Importance of Domestically Sourced Raw Materials for Infrastructure Projects

House Subcommittee on Energy and Mineral Resources – Hearing – March 21, 2017

<http://naturalresources.house.gov/calendar/default.aspx?Year=2017&Month=03&Earliest=3/21/2017>

Mineral production is a key economic activity, supplying the raw materials for all infrastructure projects. Mining of mineral resources creates tangible value, introducing new money into the nation’s economic system. Additional value is added to the raw mined product through manufacturing, construction, and other uses. Harvesting domestic mineral resources contributes to local economies, creates jobs, and benefits our nation’s overall economic security. In 2016 alone, the value of nonfuel mineral production in the U.S. was \$74.6 billion... Sourcing raw materials domestically keeps costs down, creates both direct and indirect jobs, reduces the holistic impact of mining by minimizing transportation costs, and keeps the dollars invested in American infrastructure in the United States.”

Will Fischer, Barbara Sard, and Alicia Mazzara

Renters' Credit Would Help Low-Wage Workers, Seniors, and People with Disabilities Afford Housing

Center on Budget and Policy Priorities – Report – March 9, 2017 – 20 pages

<http://www.cbpp.org/sites/default/files/atoms/files/3-9-17hou.pdf>

“More than 11 million renter households, most with incomes below the poverty line, pay more than half their income for housing. Rigorous research has shown that rental assistance sharply reduces homelessness and housing instability... We explain how Congress could better balance housing policy by establishing a new "project-based" renters' tax credit that would help low-income renters afford decent, stable housing. The project-based renters' credit would help poor families afford a home. Families living in renters' credit units would pay no more than 30 percent of their income for rent and utilities. The rental unit's owner would receive a federal tax credit in return for reducing the rent.”

Government Procurement: United States Reported Opening More Opportunities to Foreign Firms Than Other Countries, but Better Data Are Needed

Government Accountability Office – Report - February 9, 2017 – 67 pages

<http://www.gao.gov/products/GAO-17-168>

“The United States participates with 57 other countries in trade agreements that allow foreign firms to compete for government business. We found that the United States reported opening a greater percentage of its government procurement to foreign competition than the next five largest trade agreement partners combined. However, statistics reported for these trade agreements—including coverage data from the United States—

aren't always timely, accurate, or comparable. We recommended some strategies to improve statistical reporting by the United States and its U.S. trading partners.”

LOCAL ECONOMIC DEVELOPMENT

Elizabeth McNichol and Samantha Waxman

Many States Face Revenue Shortfalls

Center on Budget and Policy Priorities – Report – March 30, 2017 – 8 pages

<http://www.cbpp.org/sites/default/files/atoms/files/3-30-17sfp.pdf>

“During times of economic growth, states can be reasonably confident that the tax collections upon which they base their budgets will come in as predicted. This year is different, however. In 2017, 25 states are facing or have addressed revenue shortfalls. More states expect mid-year revenue shortfalls than in any year since 2010, according to the National Association of State Budget Officers.”

Alan Berube

Three Maps That Show How US Metro Economies Are Doing

Brookings – The Avenue - March 3, 2017

<https://www.brookings.edu/blog/the-avenue/2017/03/03/three-maps-that-show-how-u-s-metro-economies-are-doing/>

“New data from the 2017 Metro Monitor help to tell the story of an accelerating, but as-of-yet incomplete, economic recovery in the United States.”

Joseph Parilla and Mark Muro

Understanding US Productivity Trends from the Bottom-Up

Brookings - Report - March 15, 2017

<https://www.brookings.edu/research/understanding-us-productivity-trends-from-the-bottom-up>

”The stalling of America’s national labor productivity in recent years may be well-documented, but a closer examination of local and regional trends reveals remarkably uneven growth across metropolitan areas.”

Mark Muro and Sifan Liu

Can American Tech Jobs Spread Into The Heartland?

Brookings – The Avenue - March 8, 2017

<https://www.brookings.edu/blog/the-avenue/2017/03/08/tech-in-metros-the-strong-are-getting-stronger>

“The rapid growth of America’s digital services sector has concentrated mostly in a few dense tech hubs, far from the struggling “heartland” cities that so badly need new, good-paying jobs.”

Keith R. Phillips and Christopher Slijk

Texas Economy Shifting into Second Gear in 2017

FRB Dallas - Southwest Economy – First Quarter 2017 – 5 pages

www.dallasfed.org/~media/documents/research/swe/2017/swe1701b.pdf

“Amid an energy sector recovery in the second half of 2016, the Texas economy is positioned to return to its long-term pace of growth this year. However, a significant change in oil prices or further weaknesses in manufacturing remain risks to the outlook.”

Joseph Parilla

How US States Rely on the NAFTA Supply Chain

Brookings - The Avenue - March 30, 2017

<https://www.brookings.edu/blog/the-avenue/2017/03/30/how-u-s-states-rely-on-the-nafta-supply-chain>

“Because Canada and Mexico are the nation’s two largest export markets, changes to NAFTA could matter greatly to these metros. In fact, the United States trades as much with Canada and Mexico as it does with Japan, Korea, and the BRICS—Brazil, Russia, India, China, and South Africa—combined. Millions of jobs in U.S. states depend on exports to Canada and Mexico. A recent analysis in *The Economist* finds that introducing higher tariffs or new border taxes for Mexican trade as part of a NAFTA renegotiation would particularly impact states like Texas and Michigan, where exports south of the border account for a large share of the economy.”

Rolf Pendall, Erika C. Poethig, Mark Treskon, Emily Blumenthal

The Future of the Great Lakes Region

Urban Institute – Report - March 23, 2017 – 61 pages

http://www.urban.org/research/publication/future-great-lakes-region/view/full_report

“Despite a decade of job loss, demographic shifts, and falling household incomes, evidence suggests the Great Lakes region has strong foundations capable of sustaining future growth and prosperity.”

Peter Waldman

Inside Alabama’s Auto Jobs Boom: Cheap Wages, Little Training, Crushed Limbs

Bloomberg Business Week – March 23, 2017

<https://www.bloomberg.com/news/features/2017-03-23/inside-alabama-s-auto-jobs-boom-cheap-wages-little-training-crushed-limbs>

“Alabama has been trying on the nickname “New Detroit.” Its burgeoning auto parts industry employs 26,000 workers, who last year earned \$1.3 billion in wages. Georgia and Mississippi have similar, though smaller, auto parts sectors. This factory growth, after the long, painful demise of the region’s textile industry, would seem to be just the kind of manufacturing renaissance President Donald Trump and his supporters are looking for. Except that it also epitomizes the global economy’s race to the bottom. Parts suppliers in the American South compete for low-margin orders against suppliers in Mexico and Asia.”

BUSINESS

Michelle Clark Neely, Larry D. Sherrer

A Look at Corporate Inversions, Inside and Out

FRB St Louis – *The Regional Economist* – First Quarter 2017 – 3 pages

https://www.stlouisfed.org/~media/Publications/Regional-Economist/2017/First_quarter_2017/corporate_inversions.pdf

“A corporate inversion, as defined by the U.S. Treasury, occurs when a U.S.-based multinational corporation restructures itself so that the U.S. parent is replaced by a foreign parent and the original U.S. company becomes a subsidiary of the foreign parent. . . Inversions are one of a number of strategies U.S. corporations use to reduce taxes. As a result, the tax rate U.S. corporations actually pay (the effective rate) is far less than the statutory rate, and that effective tax rate has been declining for most of this century despite higher corporate profits. Absent reform, that trend is expected to continue.”

SBA’s Entrepreneurial Development Programs: Resources to Assist Small Businesses

House Small Business Subcommittee on Contracting and Workforce – Hearing - March 30, 2017

<http://smallbusiness.house.gov/calendar/eventsingle.aspx?EventID=399807>

“The hearing will examine the United States Small Business Administration’s (SBA) Entrepreneurial Development (ED) programs and offer Members of the Subcommittee the opportunity to review the major technical assistance programs, along with the offices at SBA charged with overseeing the programs.”

Examining How Small Businesses Confront and Shape Regulation

Senate Committee on Small Business – Hearing – March 29, 2017

<https://www.sbc.senate.gov/public/index.cfm?p=Hearings>

“Small businesses do not resent good, well thought out regulations. In fact, polling by the American Sustainable Business Council has found that 86% believe that regulations are necessary and 93% believe their business can live with fair and manageable regulations. Small business owners know that regulations, the rules of the game, level the playing field with big businesses and protect small businesses from unfair competition from big businesses. Regulations create opportunity for entrepreneurs and small businesses to innovate and grow by creating new products and services requiring new jobs.”

SCIENCE - INNOVATION

National Science Foundation Part 1&2: Overview and Oversight - Future Opportunities and Challenges for Science

House Research and Technology Subcommittee – Hearings - March 9&21, 2017

<https://science.house.gov/legislation/hearings/research-and-technology-subcommittee-hearing-national-science-foundation-part-1>

“For nearly 70 years, the National Science Foundation (NSF) has served as the basis of taxpayer-funded basic research. Since its creation in 1950, NSF’s mission has been to promote fundamental scientific discovery in the national interest, which helps make the United States a world leader in knowledge and innovation. Our challenge this year is to set funding priorities that ensure America remains a leader in the global marketplace of ideas and products while also recognizing budgetary limits.”

Frank Gottron

Science and Technology Issues in the 115th Congress

Congressional Research Service – Report – March 14, 2017 – 41 pages

<https://fas.org/sgp/crs/misc/R44786.pdf>

“Science and technology (S&T) have a pervasive influence over a wide range of issues confronting the nation. Public and private research and development spur scientific and technological advancement... The federal government supports scientific and technological advancement directly by funding and performing research and development and indirectly by creating and maintaining policies that encourage private sector efforts. Additionally, the federal government establishes and enforces regulatory frameworks governing many aspects of S&T activities. This report briefly outlines an array of science and technology policy issues that may come before the 115th Congress.”

Self-Driving Cars: Levels of Automation

House Commerce and Energy Committee – Hearing - March 28, 2017

<https://energycommerce.house.gov/hearings-and-votes/hearings/self-driving-cars-levels-automation>

The following issues will be examined at the hearing:

Safety implications of advanced driver assistance systems and crash avoidance technologies; how advanced driver assistance systems inform the development of self-driving cars; SAE levels of driving automation; consumer education, awareness, and training of advanced driver assistance systems and crash avoidance

technologies; privacy and security considerations in the development and deployment of advanced driver assistance systems and crash avoidance technologies.”

Disrupter Series: Smart Communities

House Commerce and Energy Committee – Hearing - March 16, 2017

<https://energycommerce.house.gov/hearings-and-votes/hearings/disrupter-series-smart-communities>

“It is important for local governments, whether cities, counties, townships, or parishes, to be able to accurately measure and adjust the level of services they provide to their citizens, such as infrastructure, emergency response, water and sanitation. How localities leverage new technologies for individuals in the community, from sensors on streetlights to self-driving cars, will shape how these communities operate, allocate resources, and deliver services. The potential for improved access to services for underserved communities, more efficient allocation of taxpayer funds, and increased safety for citizens are all benefits of deploying “smart” technology at the local level.”

Disrupter Series: Advanced Materials and Production

House Commerce and Energy Committee – Hearing - March 15, 2017

<https://energycommerce.house.gov/hearings-and-votes/hearings/disrupter-series-advanced-materials-and-production>

“The series continues today with an examination of materials, compounds, and processes that are the building blocks for disruptive applications in the electronics, automotive, airline, energy, and health care industries to name a few. Emerging research and development in materials science have improved upon and been incorporated into solutions provided by more traditional materials in various applications from infrastructure to health care. These solutions are advancing innovation and safety in the U.S.”

Jessica A. Lee

Beyond Millennials: Valuing Older Adults’ Participation in Innovation Districts

Brookings – Report - March 2017 – 40 pages

<https://www.brookings.edu/research/beyond-millennials-valuing-older-adults-participation-in-innovation-districts>

“This study explores the reciprocal benefits that can accrue from older adults living, working, and supporting business growth in cities, and particularly the innovation districts within them. Taking Chattanooga, Philadelphia, and Seattle as test cases, it begins by describing why these environments can be good places for older adults to live. It then turns to the workplace, where older adults can both benefit from and contribute to the innovation-driven economies found in and around these districts. Lastly, the study looks at the roles older adults can play in their entrepreneurial ecosystems. The brief concludes with a set of recommendations for city and innovation district leaders who want to be intentional about cultivating intergenerational communities.”

Peter L. Singer and William B. Bonvillian

Innovation Orchards: Helping Tech Start Ups Scale

Information Technology & Innovation Foundation – Report - March 2017 – 39 pages

http://www2.itif.org/2017-innovation-orchards.pdf?mc_cid=c823726ece&mc_eid=c56f7c6ab9

“Venture capital firms have reined in funding for resource-intensive start-ups trying to commercialize new technologies in fields like clean energy, advanced manufacturing, and robotics. But universities, industry, and government can bridge the gap by partnering to offer key resources in lieu of funding. This model of so-called “innovation orchards” could provide start-ups with the know-how, equipment, and bridge funding they need to scale up until they are ready for venture funds.”

INFRASTRUCTURE - TRANSPORTATION

Opportunities to Improve and Expand Infrastructure Important to Federal Lands, Recreation, Water, and Resources

Senate Committee on Energy and Natural Resources - Hearing - March 21, 2017

<https://www.energy.senate.gov/public/index.cfm/hearings-and-business-meetings?ID=9A634D35-4A30-4EAA-A0A9-B218A2DE2712>

Infrastructure in this context means everything from trails for hikers and bikers, to sawmills and biomass facilities to process timber and slash from overgrown, fire-prone federal forests. It means water projects to control floods, deliver water to communities, and store water to protect against drought... It means mineral development, as federal lands can provide everything from the sand and gravel for roads and trails to the rare earths and other metals found in solar panels, electric vehicles, and countless other technologies. And it means the infrastructure on our federal lands that is critical to the visitor experience, but that our land management agencies have often failed to maintain according to schedule. The sewer and water systems, the roads, the buildings, the trails that all need work and repair—we call it the deferred maintenance backlog, and it is staggering.”

Hunter Blair

No Free Bridge

Economic Policy Institute – Report - March 21, 2017 – 15 pages

<http://www.epi.org/files/pdf/121302.pdf>

“Hunter Blair examines various forms of infrastructure financing and compares the costs and benefits of traditional borrow-and-spend financing with those of nontraditional forms of financing such as public-private partnerships (P3s). Blair stresses that regardless of how upfront financing is obtained, funding must still be found for the projects—and ordinary households will end up paying the costs through taxes or user fees.”

Building a 21st Century Infrastructure for America: Air Transportation in the United States in the 21st Century

House Committee on Transportation and Infrastructure – Hearing – March 8, 2017

<http://transportation.house.gov/calendar/eventsingle.aspx?EventID=401180>

“As all of you know, the focus of the Transportation and Infrastructure Committee this year is “Building a 21st Century Infrastructure for America.” Today, we will be looking at the current state of our Nation’s air transportation system and those who operate in it. We will also learn what those operators believe are needed for that system in the future.”

FAA Reauthorization: Perspectives on Improving Airport Infrastructure and Aviation Manufacturing

Senate Subcommittee on Aviation Operations, Safety, and Security – Hearing - March 23, 2017

<http://www.commerce.senate.gov/public/index.cfm/hearings?ID=4510D35C-7319-49FA-A6C1-6F407ABE5E6C>

“The hearing examines airport infrastructure issues, regulatory certification processes at the Federal Aviation Administration, and reforms to improve U.S. competitiveness in the global marketplace for aviation products and manufacturing.”

INFORMATION TECHNOLOGIES

Alan McQuinn and Daniel Castro

Benchmarking U.S. Government Websites

Information Technology & Innovation Foundation – Report - March 2017 – 57 pages

http://www2.itif.org/2017-benchmarking-government-websites.pdf?mc_cid=6b9428fe20&mc_eid=c56f7c6ab9

“The public relies on federal websites for information and services from the U.S. government, yet 92 percent of its most popular sites fail to meet basic standards for security, speed, mobile friendliness, or accessibility. To close these gaps, the White House should launch a series of modernization “sprints,” establish speed and analytics requirements, and consolidate sites. Congress should press nonexecutive sites to improve and work with the administration to fund agency IT upgrades.”

Laurie A. Harris

The National Telecommunications and Information Administration (NTIA): An Overview of Programs and Funding

Congressional Research Service – Report – March 29, 2017 – 13 pages

<https://fas.org/sgp/crs/misc/R43866.pdf>

“The National Telecommunications and Information Administration (NTIA), an agency of the Department of Commerce, is the executive branch’s principal advisory office on domestic and international telecommunications and information policies. Its statutory mission includes providing greater access for all Americans to telecommunications services; supporting U.S. efforts to open foreign markets; advising the President on international telecommunications negotiations; and funding research for new technologies and their applications. It is also responsible for managing spectrum use by federal agencies.”

Kristin Finklea

Dark Web

Congressional Research Service – Report – March 10, 2017 – 19 pages

<https://fas.org/sgp/crs/misc/R44101.pdf>

“The layers of the Internet go far beyond the surface content that many can easily access in their daily searches. The other content is that of the Deep Web, content that has not been indexed by traditional search engines such as Google. The furthest corners of the Deep Web, segments known as the Dark Web, contain content that has been intentionally concealed. The Dark Web may be used for legitimate purposes as well as to conceal criminal or otherwise malicious activities. It is the exploitation of the Dark Web for illegal practices that has garnered the interest of officials and policy makers.”

Broadband: Deploying America's 21st Century Infrastructure

House Subcommittee on Communications and Technology - Hearing - March 21, 2017

<https://energycommerce.house.gov/hearings-and-votes/hearings/broadband-deploying-americas-21st-century-infrastructure>

“The purpose of this hearing is to discuss barriers at the federal level that hinder private sector investment in broadband infrastructure and to examine legislation intended to remove these barriers. Additionally, the Subcommittee will discuss the challenges of collecting, aggregating, and making available accurate data relating to the availability of broadband service across the United States.”

Connecting America: Improving Access to Infrastructure for Communities Across the Country

Senate Committee on Commerce, Science, and Transportation – Hearing - March 1, 2017

<http://www.commerce.senate.gov/public/index.cfm/hearings?ID=A94236A1-D23B-4846-8565-5239E1B3C583>

“The hearing will examine the challenge of connecting Americans, particularly in rural communities, to transportation and information networks. With a national discussion on federal infrastructure investment underway, it’s worth remembering that many Americans live far away from the highest-ticket projects their tax dollars are asked to fund,” said Thune. “This hearing will look at how wise infrastructure investment decisions can ensure that all Americans benefit from improvements to national transportation and digital networks.”

Exploring the Value of Spectrum to the U.S. Economy

Senate Subcommittee on Communications, Technology, Innovation, and the Internet – Hearing - March 2, 2017
<http://www.commerce.senate.gov/public/index.cfm/hearings?ID=668CF8D9-C5FF-4B01-9FEE-4D616EDE2455>

The subcommittee will hold its first hearing of the 115th Congress to explore the future of spectrum policy and how wireless technology benefits consumers and the economy. It will also examine evolving market demand for licensed and unlicensed spectrum and the Federal Communications Commission’s recent spectrum auctions.”

The Promises and Perils of Emerging Technologies for Cybersecurity

Senate Committee on Commerce, Science, and Transportation - Hearing - March 22, 2017
<http://www.commerce.senate.gov/public/index.cfm/hearings?ID=E0E0BBA1-231C-42A4-AF33-FC4DDFCF43C3>

“This hearing will explore the impact of emerging technologies, including artificial intelligence, the internet of things, blockchain, and quantum computing, on the future of cybersecurity. The hearing intends to launch a discussion about how technologies like these present new cyber vulnerabilities but also innovative opportunities to combat cyber threats more effectively.”

Joe Kennedy

The Myth of Data Monopoly: Why Antitrust Concerns about Data Are Overblown

Information Technology & Innovation Foundation – Report - March 2017 – 34 pages
http://www2.itif.org/2017-data-competition.pdf?mc_cid=8120f05740&mc_eid=c56f7c6ab9

“Some U.S. and European commentators are pushing for regulators to consider companies’ data holdings when they conduct antitrust analyses of mergers or possible anticompetitive conduct, but merely having data does not raise anticompetitive concerns. If data-rich companies thwart competition, regulators already have tools to address harms. Unduly curbing data collection and use would depress innovation when policymakers should instead be encouraging it.”

AGRICULTURE

Renée Johnson

Previewing a 2018 Farm Bill

Congressional Research Service – Report – March 15, 2017 – 54 pages
<https://fas.org/sgp/crs/misc/R44784.pdf>

“One of the principal drivers of a new farm bill debate will be the federal budget. According to CBO estimates, if ongoing programs were to continue under current law, mandatory farm bill spending by the four largest titles—nutrition, crop insurance, farm commodity programs, and conservation—are projected to be about \$435 billion over the next five years (FY2018-FY2022), with domestic nutrition assistance accounting for nearly 77% of the total. This compares with actual costs for the first three years of the 2014 farm bill and projections for its last two years, which suggest that these four titles may cost \$456 billion over FY2014-FY2018.”

The Next Farm Bill: Dairy Policy

House Committee on Agriculture – Hearing – March 22, 2017
<http://agriculture.house.gov/calendar/eventsingle.aspx?EventID=3748>

The focus of today’s hearing is on dairy policy. Dairy is a unique industry. It is present in all 50 states. Harvest occurs 7 days a week and 365 days a year. Milk is highly perishable. And, it’s processed into a range of

products. These factors—combined with the fact that dairy markets are increasingly globally integrated—make crafting an effective dairy policy particularly challenging. While the entire agricultural industry has been experiencing low prices—leading to a 50% drop in net farm income over the past 4 years—the dairy industry has been in an unenviable position. After hitting \$24 per hundredweight in 2014, milk prices fell to around \$16 per hundredweight in 2016.”

The New Farm Bill

House Committee on Agriculture – Hearings – March 2017

<http://agriculture.house.gov/calendar/?EventTypeID=214&Timeframe=All>

Many hearings on various aspects of agricultural policy (livestock, forests, specialty crops...)

Review of the Farm Credit System

House Committee on Agriculture – Hearing – March 29, 2017

<http://agriculture.house.gov/calendar/eventsingle.aspx?EventID=3780>

“Today the House Agriculture Committee held a hearing to review the Farm Credit System (FCS). Members of the committee heard from representatives of the Farm Credit Administration as well as representatives from institutions that provide credit. The hearing highlighted the century-long mission of FCS to provide credit to rural communities in both good times and bad, and it reviewed the overall health of the system.”

The Future of America’s Small Family Farms

Small Business Committee – Hearing – March 23, 2017

<http://smallbusiness.house.gov/calendar/eventsingle.aspx?EventID=399775>

“The Subcommittee will examine economic contributions of small family farms to the health of the United States economy. This will include an assessment of historical and current trends in the industry, as well as the issues small family farms are confronting.”

Renée Johnson

Geographical Indications (GIs) in U.S. Food and Agricultural Trade

Congressional Research Service – Report – March 21, 2017 – 23 pages

<https://fas.org/sgp/crs/misc/R44556.pdf>

“The use of GIs has become a contentious international trade issue, particularly for U.S. wine, cheese, and sausage makers involved in trade between the United States and the European Union... Some Members of Congress have long expressed their concerns about EU protections for GIs, which they claim are being misused to create market and trade barriers. However, they are also concerned about the implementation of GI protections in other trade agreements that have been or are being negotiated by the EU with other countries.”

Jack Karsten and Darrell M. West

New Biotech Regulations Require Balance of Safety And Innovation

Brookings Center for Technology Innovation – Techtank – March 3, 2017

<https://www.brookings.edu/blog/techtank/2017/03/03/new-biotech-regulations-require-balance-of-safety-and-innovation>

“The rapidly evolving nature of genetic engineering prompted the Obama administration to release new rules regarding the regulation of biotechnology in January. Jack Karsten and Darrell West examine the proposed changes and conclude that they are likely to increase regulation in some genetically engineered product categories and decrease regulation in others.”

Philip Martin and Daniel Costa

Farmworker Wages in California: Large Gap between Full-Time Equivalent and Actual Earnings

Economic Policy Institute – March 21, 2017

<http://www.epi.org/blog/farmworker-wages-in-california-large-gap-between-full-time-equivalent-and-actual-earnings>

“A report in the LA Times last week explored why farmers in the Central Valley are having a hard time finding enough workers, despite reportedly paying up to 40 percent more than the California minimum wage. “Today, farmworkers in the state earn about \$30,000 a year if they work full time—about half the overall average pay in California,” notes the Times. “Most work fewer hours.” The second sentence here is key: most farmworkers are not employed 40 hours a week 52 weeks a year, so most earn far less than \$30,000 per year. In fact, in 2015, workers who received their primary earnings from agricultural employers earned an average of \$17,500—less than 60 percent of the average annual wage of a full-time equivalent (FTE) worker in California.”

EMPLOYMENT

Anat Bracha and Mary A. Burke

Who Counts as Employed? Informal Work, Employment Status, and Labor Market Slack

FRB Boston - Working Paper – March 2017 - 43 pages

<https://www.bostonfed.org/publications/research-department-working-paper/2016/who-counts-as-employed-informal-work-employment-status-and-labor-market-slack.aspx>

According to the Bureau of Labor Statistics (BLS), an individual is employed if she reported having worked for pay or profit in the week prior to the survey. The rise of informal or nonstandard work arrangements in recent years raises the question of whether the BLS estimates of employment capture informal work, because such work may be intermittent and may go unreported for a number of reasons. For related reasons, estimates of labor market slack based on BLS data—such as slack hours among those employed part-time for economic reasons—might not take into account the fact that some individuals engage in informal work in their spare time.”

Regis Barnichon and Geert Mesters

How Tight Is the U.S. Labor Market?

FRB San Francisco - Economic Letter - March 20, 2017 - 5 pages

<http://www.frbsf.org/economic-research/files/el2017-07.pdf>

“The U.S. unemployment rate fell to a very low level at the end of 2016, raising the question of whether the labor market has become too tight. After applying a new method to adjust for demographic changes in the labor force, the current unemployment rate is still 0.3 to 0.4 percentage point higher than at past labor market peaks. This indicates that the labor market may not be quite as tight as the headline unemployment rate suggests.”

Drew DeSilve

What the Unemployment Rate Does – And Doesn’t – Say About the Economy

Pew Research Center – Factank – March 8, 2017

<http://www.pewresearch.org/fact-tank/2017/03/07/employment-vs-unemployment-different-stories-from-the-jobs-numbers>

“The unemployment rate gets most of the attention, but the monthly jobs report contains lots of other data that can provide a fuller picture of the economy.”

Marianna Kudlyak

Measuring Labor Utilization: The Non-Employment Index

FRB San Francisco - Economic Letter - March 27, 2017 - 6 pages

<http://www.frbsf.org/economic-research/files/el2017-08.pdf>

“The elevated number of non-employed people who are out of the labor force has raised some concerns about how well the headline unemployment rate measures available labor. An alternative measure of labor utilization, the Non-Employment Index, accounts for all non-employed individuals, distinguishing between groups like short-term versus long-term unemployed, discouraged workers, retirees, and disabled individuals, and adjusting for how likely each is to transition to employment. Current data show the index is very close to its value in 2005–06, the period near the peak of the previous economic expansion.”

Alan Armen and Tyler Atkinson

America’s Missing Workers Are Primarily Middle Educated

FRB Dallas - Economic Letter – March 2017 – 4 pages

<https://www.dallasfed.org/research/ecllett/2017/el1704>

“The labor force participation rate has fallen since 2008, partly due to an aging population and despite a more highly educated one. After accounting for aging, those whose highest educational attainment is a high school diploma, some college or an associate degree have primarily driven the participation decrease.”

Mary A. Burke

Labor Force Participation in New England vs. the United States, 2007–2015: Why Was the Regional Decline More Moderate?

FRB Boston – Current Policy Perspectives - March 2017 - 42 pages

<https://www.bostonfed.org/publications/current-policy-perspectives/2016/labor-force-participation-in-new-england-vs-the-united-states-2007-2015.aspx>

“A number of papers have tried to make sense of the declines in U.S. labor force participation in recent years and to estimate the extent to which the currently depressed participation rate reflects cyclical rather than structural factors... In the New England region, the labor force participation rate has also fallen significantly since before the Great Recession... This paper seeks to identify the main forces that contributed to the recent declines in labor force participation in New England and the forces that moderated recent declines relative to the national trend.”

LABOR

Justin Miller

Trump Eviscerates Federal Contracting Rules

The American Prospect - March 27, 2017

<http://prospect.org/article/trump-eviscerates-federal-contracting-rules>

The president just repealed an Obama executive order to prevent bad employers from getting federal contracts. Next up? The rest of Obama’s labor rules.”

Ben Gitis and Angela Rachidi

Affordable and Targeted: How Paid Parental Leave in the US Could Work

American Enterprise Institute – Report - March 2017 – 21 pages

<http://www.aei.org/publication/affordable-and-targeted-how-paid-parental-leave-in-the-us-could-work/>

“For many employers, paid parental leave is difficult to offer, and low-income households are not only the least likely to receive an employer benefit, but also the least equipped to overcome a job or income loss. We propose an income-tested paid parental leave program to provide the most vulnerable households with sufficient resources while on leave and to keep them attached to the labor force so they can continue to build skills to increase their future earnings. The program we outline in this report is a cost-effective way the government can

target those who lack paid leave in the private sector and the ability to afford time away from work on their own.”

RETIREMENT - HEALTH

Wayne Liou

Social Security: Raising or Eliminating the Taxable Earnings Base

Congressional Research Service – Report – March 17, 2017 – 27 pages

<https://fas.org/sgp/crs/misc/RL32896.pdf>

“Social Security taxes are levied on covered earnings up to a maximum level set each year. In 2017, this maximum — formally called the contribution and benefit base, and commonly referred to as the taxable earnings base or the taxable maximum—is \$127,200. The taxable earnings base serves as both a cap on contributions and on benefits. As a contribution base, it establishes the maximum amount of a worker’s earnings that is subject to the payroll tax. As a benefit base, it establishes the maximum amount of earnings used to calculate benefits.”

American Health Care Act - Cost Estimate

CBO – Report - March 13, 2017 – 37 pages

<https://www.cbo.gov/publication/52486>

“CBO and JCT estimate that enacting the American Health Care Act would reduce federal deficits by \$337 billion over the coming decade and increase the number of people who are uninsured by 24 million in 2026 relative to current law.”

INTERNATIONAL ECONOMIC RELATIONS

James K. Jackson

U.S. Direct Investment Abroad: Trends and Current Issues

Congressional Research Service – Report – March 21, 2017 – 15 pages

<https://fas.org/sgp/crs/misc/RS21118.pdf>

The United States is the largest investor abroad and the largest recipient of direct investment in the world... Most economists conclude that direct investment abroad as a whole does not lead to fewer jobs or lower incomes overall for Americans and that the majority of jobs lost among U.S. manufacturing firms over the past decade reflect a broad restructuring of U.S. manufacturing industries responding primarily to domestic economic forces. In the 115th Congress, Members introduced a number of measures that would affect U.S. multinational companies in their foreign investment activities.”

Caroline Freund

The Fallacy of Trump’s Alternative Trade Calculation

Peterson Institute – February 27, 2017

<https://piie.com/blogs/trade-investment-policy-watch/fallacy-trumps-alternative-trade-calculation>

“The Trump administration is reportedly considering a change in the way it calculates bilateral trade deficits. Its goal is to end an alleged distortion that understates the US trade deficit, and thereby help the administration make better trade deals, defined as ones that reduce the deficit. But the change would produce a misleading result that would harm relations with important US trading partners.”

Chad P. Brown

Will the Proposed US Border Tax Provoke WTO Retaliation from Trading Partners?

Peterson Institute – Policy Brief – March 2017 – 10 pages

<https://piie.com/system/files/documents/pb17-11.pdf>

“The Ryan-Brady border tax adjustment blueprint's potential to reduce US imports and promote US exports has raised concerns that the measure could violate World Trade Organization (WTO) rules against protectionist actions. If the tax changes do turn out to violate WTO rules by restricting US imports, trading partners could be authorized to retaliate by an estimated \$220 billion annually. If the new US tax is found to subsidize exports, partners could be authorized to retaliate by an additional \$165 billion annually. Some of the retaliation could take effect almost immediately through the imposition of countervailing duties by trading partners. Any durable overhaul of the US tax system should be tackled by engaging and cooperating with trading partners.”

Monica de Bolle

Trump's NAFTA Approach Could Worsen US-Mexico Trade Deficit

Peterson Institute – Blog – March 10, 2017

<https://piie.com/blogs/trade-investment-policy-watch/trumps-nafta-approach-could-worsen-us-mexico-trade-deficit>

“Secretary of Commerce Wilbur Ross says that the key objective of renegotiating the North American Free Trade Agreement (NAFTA) will be to reduce or even eliminate the US trade deficit with Mexico. But causing NAFTA to collapse could pave the way for ever-greater bilateral deficits.”

Robert D. Atkinson, Nigel Cory, and Stephen J. Ezell

Stopping China's Mercantilism: A Doctrine of Constructive, Alliance-Backed Confrontation

Information Technology & Innovation Foundation - Report – March 2017 – 66 pages

http://www2.itif.org/2017-stopping-china-mercantilism.pdf?mc_cid=0374cf02f7&mc_eid=c56f7c6ab9

“President Trump is right that China is flouting trade rules to the detriment of the United States. So what to do? The response can't be flaccid appeasement, because the status quo is untenable. And it can't be a retreat toward economic nationalism, because that would cede the global playing field. Instead, the U.S. must pursue a new doctrine of constructive, alliance-backed confrontation. It must lead an international coalition that pressures China to stop rigging markets and start competing fairly.”

ENVIRONMENTAL ECONOMIC ISSUES

Benjamin Zycher

The Deeply Flawed Conservative Case for a Carbon Tax

AEI - March 7, 2017 – 15 pages

<http://www.aei.org/wp-content/uploads/2017/03/Carbon-Tax-CLC.pdf>

“The Climate Leadership Council (CLC) published last month a “conservative” case for a gradually increasing carbon tax on greenhouse emissions. Benjamin Zycher argues in a recent paper that the CLC's underlying analytics are exceedingly weak and the proposal provides no climate “insurance,” would increase energy costs without yielding environmental benefits, would reduce employment and wages for many Americans, and would make the government larger and the economy smaller.”

Alison Burke

10 Facts about Water Policy and Infrastructure in the US

Brookings – Blog - March 21, 2017

<https://www.brookings.edu/blog/brookings-now/2017/03/21/10-facts-about-water-policy-and-infrastructure-in-the-us>

“From the water safety crisis in Flint, Michigan to the near-disaster with the Oroville Dam in California, a string of water-related events have made headlines, and called into question the U.S. focus on keeping critical water systems safe and functioning... Brookings experts have explored many dimensions of water infrastructure. 10 facts derived from their research are highlighted below.”

ENERGY

Trump’s Executive Order on Energy Independence

Brookings - March 28, 2017

<https://www.brookings.edu/blog/planetpolicy/2017/03/28/trumps-executive-order-on-energy-independence>

“Nathan Hultman explains what the order signifies for Obama-era climate initiatives like the Clean Power Plan, as well as the coal industry, energy jobs, and overall U.S. emissions.”

Twelve Economic Facts on Energy and Climate Change

Joint report from The Hamilton Project and the Energy Policy Institute at the University of Chicago – March 27, 2017 – 24 pages

https://www.brookings.edu/wp-content/uploads/2017/03/thp_20170327_twelve_economic_facts_energy_climate_change.pdf

“This jointly written document provides useful context for a discussion of the dangers to the economy posed by climate change and the policy tools for addressing those dangers. Given the immense threat that climate change represents, it is crucial that policy makers implement efficient solutions that minimize climate damages from our use of energy.”

Federal Energy Related Tax Policy and its Effects on Markets, Prices, and Consumers

House Commerce and Energy Committee – Hearing - March 29, 2017

<https://energycommerce.house.gov/hearings-and-votes/hearings/federal-energy-related-tax-policy-and-its-effects-markets-prices-and>

“The Federal government provides support for energy development, production, and use of fuels and energy technologies through the tax code and spending programs administered by the Department of Energy (DOE). Tax preferences provide the bulk of federal support. In 2016, energy-related tax preferences cost an estimated \$18.4 billion, while relevant DOE spending programs cost \$5.9 billion. As Congress evaluates the tax code and contemplates tax reform, there has been interest in understanding the effects of energy-related tax policy on evolving energy markets, prices, and consumers.”

Opportunities to Improve American Energy Infrastructure

Senate Committee on Energy and Natural Resources - Hearing - March 14, 2017

<https://www.energy.senate.gov/public/index.cfm/hearings-and-business-meetings?ID=E9162CC8-8156-46E1-9F27-06B3BD8C423F>

“Energy infrastructure is central to our way of life and our standard of living, but it is almost always an afterthought—until it breaks down. We have seen that too often in recent years, making this a perfect time to look at our options to either rebuild, or in many cases build energy infrastructure for the first time. The reality is, we have our work cut out for us—but that work can be made less difficult, take less time, and cost less money if we engage on real solutions.”

Electricity: Status of Residential Deployment of Solar and Other Technologies and Potential Benefits and Challenges

Government Accountability Office – Report - February 13, 2017 – 51 pages

<http://www.gao.gov/assets/690/682737.pdf>

“GAO was asked to provide information on the deployment and use of technologies that give customers the ability to generate, store, and manage electricity. This report describes (1) key federal and state policies used to encourage the deployment of these technologies, (2) the extent to which these technologies are being deployed, and (3) the benefits and challenges of deploying these technologies.”

Brendon Baatz

Why Rate Design Matters for Energy Efficiency

American Council for an Energy-Efficient Economy - Research Report - March 28, 2017

<http://aceee.org/research-report/u1703>

“Today, most American households pay for electric service via a two-part electric rate. This typically consists of a small, fixed customer charge (\$ per month) and an energy rate applied per unit of electricity (\$ per kilowatt hour). There are some variations on this model, including energy rates that vary based on time of day or total monthly consumption, but the basic structure of residential rates hasn't changed much over time. In recent years, utilities have proposed significant departures to this format to address the changing dynamics of the electric utility industry. Some of these changes have the potential to disrupt the economics of customer efficiency investments and may drive customers to use more electricity. In our new report, we examine the relationship between the changes in residential electric rates and customer engagement in energy efficiency.”

Steven Nadel

Electricity Consumption and Peak Demand Scenarios for the Southeastern United States

American Council for an Energy-Efficient Economy - Research Report - March 28, 2017

<http://aceee.org/research-report/u1704>

“Electricity markets in the southeast are facing many changes on the customer side of the meter. This report looks at how energy efficiency, photovoltaics (solar electricity), electric vehicles, heat pumps and demand response (shifting loads away from periods of high demand) might all affect electricity needs in the Southeast. We find that if all of these resources are pursued on an accelerated basis, electricity demand in the region can be stabilized until 2030. After that, demand will likely grow in the following decade due to increased market penetration of electric vehicles and heat pumps.”

Laura B. Comay

Five-Year Program for Federal Offshore Oil and Gas Leasing: Status and Issues in Brief

Congressional Research Service – Report – March 31, 2017 – 15 pages

<https://fas.org/sgp/crs/misc/R44692.pdf>

“Under the Outer Continental Shelf Lands Act (OCSLA), as amended, the Bureau of Ocean Energy Management (BOEM) must prepare and maintain forward-looking five-year plans—referred to by BOEM as five-year programs—for proposed public oil and gas lease sales on the U.S. outer continental shelf (OCS).”

Challenges and Opportunities to Expanding Hydropower Generation

House Commerce and Energy Committee – Hearing - March 15, 2017

<https://energycommerce.house.gov/hearings-and-votes/hearings/modernizing-energy-infrastructure-challenges-and-opportunities-expanding>

“Electricity generated from hydropower is an important contributor to the nation’s energy mix, although there remains significant untapped potential. In 2015, hydropower accounted for about six percent of total U.S. electricity generation and 46 percent of electricity generation from renewables. Less than three percent of the

dams in the U.S. –approximately 2,200 dams –produce electricity. A recent report by the Department of Energy (DOE) found that U.S. hydropower production could grow by almost 50 percent from current levels by 2050 from a combination of upgrading existing hydropower facilities, adding generation capacity to existing non-powered dams and canals, and developing new hydropower facilities.”

Need to Know: The Case for Oil Transparency in California

Carnegie – Article - March 15, 2017

<http://carnegieendowment.org/2017/03/15/need-to-know-case-for-oil-transparency-in-california-pub-68166>

“Deborah Gordon and Samuel Wojcicki write that by increasing transparency in its oil industry, California has the opportunity to further transform a critical sector that must rapidly respond to the realities of a warming world.”