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## US ECO/Vacheret

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## GENERAL INTEREST

*John F. Cogan, Glenn Hubbard, John B. Taylor, and Kevin Warsh (Hoover Institution)*

### **On the Prospects for Higher Economic Growth**

American Enterprise Institute – July 2017 – 5 pages

<http://www.aei.org/spotlight/prospects-for-higher-economic-growth>

“Since the economic recovery began eight years ago, the rate of economic growth has averaged only two percent per year, the weakest economic expansion since World War II. Participation in the labor force is near its lowest level since the malaise of the late 1970s. The country is experiencing the worst five-year run for productivity ever measured outside of a recession. And the median wage is growing only slowly. We do not share the view that the recent period of weak economic growth was simply an inevitable result of the financial crisis... Historically, some post-crisis periods are marked by lower economic growth, but we believe that the poor conduct of economic policy bears much of that burden.”

### **A Better Deal: Raising Wages and Incomes**

United States Senate Democrats – August 2, 2017

<https://democrats.senate.gov/a-better-deal-raising-wages-and-incomes/>

“Raise the wages and incomes of American workers and create millions of good-paying jobs: Our plan for A Better Deal starts by creating millions of good-paying, full-time jobs by directly investing in our crumbling infrastructure and prioritizing small business and entrepreneurs, instead of giving tax breaks to special interests. We will aggressively crack down on unfair foreign trade and fight back against corporations that outsource American jobs. We will fight to ensure a living wage for all Americans and keep our promise to millions of workers who earned a pension, Social Security and Medicare, so seniors can retire with dignity.”

*Jeffrey M. Stupak*

### **Productivity Growth across the Economy**

CRS Insight - August 8, 2017 – 4 pages

<https://fas.org/sgp/crs/misc/IN10749.pdf>

“This Insight examines recent trends in productivity growth in the U.S. economy and particular industries, and briefly discusses potential programs and policies that can increase productivity growth.”

*James Pethokoukis*

### **A Stuck Economy? A Q&A with Bret Swanson on the Future of Productivity**

AEIdeas - July 26, 2017

<http://www.aei.org/publication/a-stuck-economy-a-qa-with-bret-swanson-on-the-future-of-productivity>

“The US economy seems stuck at around 2% GDP growth, much less than the 3.5% it averaged between World War II and the Great Recession. One reason is that productivity growth — that is, output per worker — is barely rising. Why is the American economy apparently not as productive as it used to be? Are we, despite our tech giants such as Apple and Google, somehow less innovative than we used to be? If so, then why are we also concerned about robots taking our jobs? To help us answer those questions and others, I spoke with Bret Swanson, an AEI visiting fellow and president of Entropy Economics, a strategic research firm specializing in technology, innovation, and the global economy.”

## **INCOMES - POVERTY**

*Bruce D. Meyer and James X. Sullivan*

### **Consumption and Income Inequality in the US since the 1960s**

AEI Economics Working Paper Series – August 2017 - 72 pages

<https://www.aei.org/wp-content/uploads/2017/08/Meyer-inequality-WP.pdf>

“Official income inequality statistics indicate a sharp rise in inequality over the past five decades. These statistics do not accurately reflect inequality because income is poorly measured, particularly in the tails of the distribution, and current income differs from permanent income, failing to capture the consumption paid for through borrowing and dissaving and the consumption of durables such as houses and cars. We examine income inequality between 1963 and 2014 using the Current Population Survey and consumption inequality between 1960 and 2014 using the Consumer Expenditure Survey... While overall income inequality (as measured by the 90/10 ratio) rose over the past five decades, the rise in overall consumption inequality was small.”

*Adam Bee and Joshua Mitchell*

### **Do Older Americans Have More Income Than We Think?**

U.S. Census Bureau - Working Paper - July 2017 – 85 pages

<https://www.census.gov/library/working-papers/2017/demo/SEHSD-WP2017-39.html>

“The Current Population Survey Annual Social and Economic Supplement (CPS ASEC) is the source of the nation’s official household income and poverty statistics. In 2012, the CPS ASEC showed that median household income was \$33,800 for householders aged 65 and over and the poverty rate was 9.1 percent for persons aged 65 and over. When we instead use an extensive array of administrative income records linked to the same CPS ASEC sample, we find that median household income was \$44,400 (30 percent higher) and the poverty rate was just 6.9 percent. We demonstrate that large differences between survey and administrative record estimates are present within most demographic subgroups and are not easily explained by survey design features or processes such as imputation.”

*Raj M. Desai and Homi Kharas*

**Is A Growing Middle Class Good For The Poor? Social Policy in a Time of Globalization**

Brookings – Report - July 2017 – 36 pages

[https://www.brookings.edu/wp-content/uploads/2017/07/gd\\_20170713\\_working-paper-105.pdf](https://www.brookings.edu/wp-content/uploads/2017/07/gd_20170713_working-paper-105.pdf)

Despite much analysis of the rise of the middle class, little is known about the effects of an expanding middle class on the poorest in society... We examine the role of the middle class and social spending on the extreme poor using data covering a range of early- and late-industrializing countries between 1870 and the present. We find that poverty reduction occurs alongside a growing middle class, mediated in part through greater spending on health, education, and welfare, but that the effect of such social spending on poverty diminishes as the middle class expands. We then examine various components of the current social safety net in developing countries and find that, while targeted transfers to the poor are associated with a larger middle class, social insurance benefits that accrue to the upper quintiles increase three times as quickly.”

*Kevin C. Corinth*

**Barriers to Work and Social Enterprise: Estimating the Target Population**

American Enterprise Institute – Report - July 20, 2017 – 7 pages

<http://www.aei.org/wp-content/uploads/2017/07/Barriers-to-work-and-social-enterprise.pdf>

“A growing number of Americans are not working, and concern is mounting about the negative consequences for these individuals and for society more broadly. One potential solution is social enterprise, businesses that hire the hard-to-employ and offer on-the-job training to transition workers into conventional employment. Social enterprises target lower-income individuals with a barrier to work... This report estimates that 6.6 million prime-age Americans have incomes below 200 percent of the poverty line, face a barrier targeted by social enterprises, and are not working. There are another 2.9 million low-income disconnected youth. Altogether, there are 9.6 million people who are potential targets for social enterprise.”

*Carol Graham, Sergio Pinto, and John Juneau II*

**The Geography of Desperation in America**

Brookings – Report - July 24, 2017

<https://www.brookings.edu/research/the-geography-of-desperation-in-america>

“We are attempting to answer questions, such as: In what states are poor whites the least optimistic? What states are the worst for worry among poor non-whites (in this instance again, blacks and Hispanics)? Which states are associated with higher reports of pain? Our population of interest is the low-income group. We define the “poor” group as having less than \$24,000 in annual income for a family of four (based on reported income in the Gallup data), which corresponds closely with the official poverty measure.”

*Edgar O. Olsen*

**Reducing Poverty by Reforming Housing Policy**

AEI – Essay – July 2017

<http://www.aei.org/spotlight/reducing-poverty-by-reforming-housing-policy>

“Low-income housing assistance provides a solid foundation for reforms that would provide better outcomes with less public spending. Ed Olsen argues in favor of well-designed reforms of the current low-income housing assistance system. Such reforms would substantially alleviate poverty with less public spending.”

## IMMIGRATION

*William H. Frey*

### **Immigration Continues To Fuel Growth in Most US Cities**

Brookings – Blog – August 3, 2017

<https://www.brookings.edu/blog/the-avenue/2017/08/03/u-s-immigration-levels-continue-to-fuel-most-community-demographic-gains>

“Trump's endorsement of a new bill that would halve legal immigration levels and prioritize high-skilled workers is at odds with Census statistics that show immigrants—many more highly-skilled than ever before—to be driving much of America's recent growth.”

*Guillaume Vandenbroucke and Heting Zhu*

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

FRB Saint-Louis – The Regional Economist – First Quarter 2017 – 2 pages

[https://www.stlouisfed.org/~media/Publications/Regional-Economist/2017/First\\_quarter\\_2017/immigration.pdf](https://www.stlouisfed.org/~media/Publications/Regional-Economist/2017/First_quarter_2017/immigration.pdf)

“Authors Guillaume Vandenbroucke and Heting Zhu set out to assess the connection between immigration and unemployment using state-level data... First the authors examined changes in the proportion of foreign-born population and in the rate of unemployment between 2000 and 2005 at the state level. Looking specifically at Alaska, Arizona, and Washington, the authors found that an increase in unemployment did not correspond to an increase in the proportion of immigrants.”

*Subhayu Bandyopadhyay , Rodrigo Guerrero*

### **Comparing Income, Education and Job Data for Immigrants vs. Those Born in U.S.**

FRB Saint-Louis – The Regional Economist – Second Quarter 2017 – 3 pages

[https://www.stlouisfed.org/~media/Publications/Regional-Economist/2017/Second\\_quarter\\_2017/Immigration.pdf](https://www.stlouisfed.org/~media/Publications/Regional-Economist/2017/Second_quarter_2017/Immigration.pdf)

“Our discussion can be summarized into two main points. First, at the national level, the foreign-born present some interesting contrasts with natives, especially in terms of educational attainment at lower and higher levels of the academic spectrum. At the state level, interesting contrasts emerge, where the largest host states of the foreign-born seem to show larger income and educational attainment differences between the foreign-born and the natives.”

## FISCAL AND TAX POLICIES

### **An Analysis of the President's 2018 Budget**

CBO - Report - July 13, 2017 – 24 pages

<https://www.cbo.gov/system/files/115th-congress-2017-2018/reports/52846-apb.pdf>

“Under the President's proposals, budget deficits from 2018 through 2027 would total nearly one-third less than those in CBO's baseline projections, ranging between 2.6 percent and 3.3 percent of GDP, down from 3.6 percent in 2017.”

*Alan Auerbach and William G. Gale*

### **New Projections Show That the Fiscal Outlook Hasn't Improved**

Tax Policy Center – Report – August 7, 2017 – 26 pages

[https://www.brookings.edu/wp-content/uploads/2017/08/es\\_20170804\\_galefiscaloutlook.pdf](https://www.brookings.edu/wp-content/uploads/2017/08/es_20170804_galefiscaloutlook.pdf)

“While policymakers and news headlines focus on debates about health care and tax policy, the U.S. fiscal outlook remains troubling and is a constraint against which new proposals should be judged. Using new projections from the Social Security and Medicare Boards of Trustees and the Congressional Budget Office (CBO), we show that while deficits are manageable in the short run, the debt-GDP ratio is already high relative to historical norms. Our projections show that both deficits and the debt will rise in the future, even under optimistic assumptions. Sustained federal deficits and rising federal debt will crowd out future investment, reduce prospects for economic growth, and impose burdens on future generations.”

*Drew DeSilver*

### **5 Facts About the National Debt**

Pew Research Center – Primer – August 17, 2017

<http://www.pewresearch.org/fact-tank/2017/08/17/5-facts-about-the-national-debt-what-you-should-know>

“Congress and the White House have until the end of September to raise the national debt limit before the federal government is faced with the prospect of either not paying its bondholders on time or deferring other bills. Here’s a primer on the U.S. national debt, the debt limit and interest payments on the nation’s credit line.”

*Hunter Blair*

### **U.S. Corporations Pay a Far Lower Effective Tax Rate than the Statutory Rate Would Indicate—and a Recent CBO Study Doesn't Actually Contradict This**

Economic Policy Institute - Blog - August 10, 2017

<http://www.epi.org/blog/cbo-study-shows-that-u-s-corporations-pay-a-far-lower-effective-tax-rate-than-the-statutory-rate-would-indicate/>

“The conventional wisdom on corporate taxes holds that while the U.S. statutory rate of 35 percent is among the highest of our peer countries, widespread loopholes in the corporate tax system mean that the rate actually paid by U.S. corporations is far lower, and actually firmly in line with these international peers. And this is one of the times where the conventional wisdom is actually correct. Because of a lack of data, it’s hard to put an exact number on it, but it’s clear that the actual rate faced by U.S. corporations is far lower than the headline 35 percent rate.”

*William G. Gale, Surachai Khitatrakun, and Aaron Krupkin*

### **Cutting Taxes and Making Future Americans Pay for It: How Trump’s Tax Cuts Could Hurt Many Households**

Tax Policy Center – Report - August 15, 2017 – 22 pages

<https://www.brookings.edu/wp-content/uploads/2017/08/cutting-taxes-and-making-future-americans-pay-for-it.pdf>

“Experts from the Urban-Brookings Tax Policy Center examine three methods the Trump administration could use to finance proposed tax cuts and find that many middle- and low-income American households could suffer the most.”

### **Comprehensive Tax Reform: Prospects and Challenges**

Senate Committee on Finance – Hearing - July 18, 2017

<https://www.finance.senate.gov/hearings/comprehensive-tax-reform-prospects-and-challenges>

There is no longer any question as to whether we SHOULD reform the tax code. The only questions remaining are: HOW and WHEN.... Today, we have a panel of four very skilled experts who represent both parties –they are all former Assistant Secretaries of Treasury for Tax Policy. They’ve been on the front lines of tax policy

for some time, and I am certain that their insights can help us today as we work to address both the shortcomings of our current tax system as well as the divisions that could hamper our tax reform efforts.”

*Lorenz J. Jarass, Anthony E. Tokman, and Mark L. Wright*

**The Burden of Taxation in the United States and Germany**

FRB Chicago – Fed Letter – July 2017 – 9 pages

<https://www.chicagofed.org/publications/chicago-fed-letter/2017/382>

“After 35 years without significant changes to the federal tax code in the United States, tax reform is back on the legislative agenda. Both the congressional Republican delegation (the House GOP) and the Trump administration (the administration) have released draft proposals for tax reform. And both focus heavily on reform of corporate income taxation. The reason for this is quite simple: Increased globalization has made it easier for multinational enterprises to shift their reported profits around the world in order to pay less in taxes. This has led to concerns about the erosion of the U.S. corporate tax base, with reductions in corporate tax rates (as well as a move from a residential to a destination-based tax system) seen as one way of encouraging corporations to pay taxes here.”

*Jane G. Gravelle*

**Reform of U.S. International Taxation: Alternatives Senior Specialist in Economic Policy**

Congressional Research Service – Report - August 1, 2017 – 28 pages

<https://fas.org/sgp/crs/misc/RL34115.pdf>

“A striking feature of the modern U.S. economy is its growing openness—its increased integration with the rest of the world. The attention of tax policymakers has recently been focused on the growing participation of U.S. firms in the international economy and the increased pressure that engagement places on the U.S. system for taxing overseas business. Is the current U.S. system for taxing U.S. international business the appropriate one for the modern era of globalized business operations, or should its basic structure be reformed?”

## MONETARY POLICY

**The Semiannual Monetary Policy Report to the Congress**

Senate Committee on Banking, Housing, and Urban Affairs – Hearing - July 13, 2017

<https://www.banking.senate.gov/public/index.cfm/hearings?ID=63B05A30-C68E-407A-980D-503CC02B48BA>

Testimony by Janet L. Yellen, Chair, Board of Governors of the Federal Reserve System.

**Monetary Policy v. Fiscal Policy: Risks to Price Stability and the Economy**

Subcommittee on Monetary Policy and Trade – Hearing - July 20, 2017

<https://financialservices.house.gov/calendar/eventsingle.aspx?EventID=402006>

This hearing will examine the impact that U.S. fiscal policy has on the monetary policy decisions made by the Federal Open Market Committee (FOMC) at the Federal Reserve. It will also examine whether past FOMC actions constitute fiscal rather than monetary policy. Finally, this hearing will evaluate the potential risks posed to price stability and the economy when fiscal policy drives monetary policy and central banks engage in fiscal policy instead of monetary policy.”

*Josh Bivens and Jordan Haedtler*

**Impressive, Incomplete, and Under Threat: Janet Yellen’s Legacy at The Federal Reserve**

Economic Policy Institute - Report - August 3, 2017 - 33 pages

[www.epi.org/files/2017/EPI-CPD-Yellen-report-08-03-2017.pdf](http://www.epi.org/files/2017/EPI-CPD-Yellen-report-08-03-2017.pdf)

“A new report lays out the case for another term for Federal Reserve Chair Janet Yellen. Under Yellen’s tenure, the authors show, the Fed has facilitated a sustained economic recovery, doing more than any other policymaking institution to bring the economy back to health. Bivens and Haedtler argue that Yellen’s job is not yet complete: the economy has not yet reached full employment, wage growth continues to lag, and the Fed—and by extension, the economy—is under threat. They urge Yellen to seek a second term as chair, and if she is not reappointed as chair, to continue to serve out her full 14-year term on the Board of Governors.”

*John C. Williams*

**Monetary Policy's Role in Fostering Sustainable Growth**

FRB San Francisco – Economic Letter - August 7, 2017 – 6 pages

<http://www.frbsf.org/economic-research/files/el2017-22.pdf>

“As the economy has transitioned from recovery to expansion, the role of monetary policy has shifted to sustaining the expansion by gradually moving conventional and unconventional policy back to normal. But monetary policy is reaching its limit for stimulating growth, calling for private and public sector investments and policies to step up and take the lead. The following is adapted from a presentation by the president and CEO of the Federal Reserve Bank of San Francisco to the Economic Club of Las Vegas in Las Vegas on August 2.”

*Michael Ng and David Wessel*

**The Hutchins Center Explains: The Fed’s Balance Sheet**

Bookings – Up Front - August 18, 2017

<https://www.brookings.edu/blog/up-front/2017/08/18/the-hutchins-center-explains-the-feds-balance-sheet>

The Federal Reserve’s portfolio of Treasury and mortgage-backed securities has more than quadrupled over the past decade. In June, the Fed announced a plan for beginning to shrink the balance sheet, and most market participants expect the Fed to pull the trigger on this process at its September 19-20 meeting. Currently, the balance sheet stands at over \$4.5 trillion, much larger than its pre-crisis peak of around \$925 billion. How did the balance sheet get so big and why does the Fed want to shrink it? And to whom does it matter? »

*Deborah Leonard, Antoine Martin, and Simon Potter*

**How the Fed Changes the Size of Its Balance Sheet**

FRB New York - Liberty Street Economics – July 10, 2017

<http://libertystreeteconomics.newyorkfed.org/2017/07/how-the-fed-changes-the-size-of-its-balance-sheet.html>

“How do asset purchases increase the size of the Federal Reserve’s balance sheet? And how would reducing reinvestments decrease the size of the balance sheet? Our bloggers answer these questions by describing the mechanics of the Fed’s balance sheet.”

*Deborah Leonard, Antoine Martin, Simon Potter, and Brett Rose*

**How the Fed Changes the Size of Its Balance Sheet: The Case of Mortgage-Backed Securities**

FRB New York - Liberty Street Economics – July 11, 2017

<http://libertystreeteconomics.newyorkfed.org/2017/07/how-the-fed-changes-the-size-of-its-balance-sheet-the-case-of-mortgage-backed-securities.html>

“Here, we turn to transactions involving agency mortgage-backed securities (MBS), which are somewhat more complicated. We focus particularly on what happens when households pay down their mortgages, either through regular monthly amortizations or a large payment covering some or all of the outstanding balance, as might occur with a refinancing.”

*Helene Lee and Asani Sarkar*

**The Role of Central Bank Lending Facilities in Monetary Policy  
Counterparty and Collateral Policies of Central Bank Lending Facilities**

FRB New York – Liberty Street Economics - June 30 and August 16, 2017

<http://libertystreeteconomics.newyorkfed.org/2017/06/the-role-of-central-bank-lending-facilities-in-monetary-policy-1.html>

<http://libertystreeteconomics.newyorkfed.org/2017/08/counterparty-and-collateral-policies-of-central-bank-lending-facilities.html>

In the first post, “we compared the Federal Reserve’s discount window with the standing lending facilities (SLFs) at the Bank of England (BoE), the European Central Bank (ECB), and the Bank of Japan (BoJ). We showed that the Fed’s discount window was less integrated with monetary policy than the SLFs of the other central banks. In the second post, we observe that the counterparty and collateral policies of the Fed’s discount window are similarly less integrated with the practices involved in monetary policy operations, in comparison with the other central banks.”

## FINANCE

*Nellie Liang*

**Bank Capital Requirements Contribute To Growth and Stability**

Brookings – Speech – 21 pages

[https://www.brookings.edu/wp-content/uploads/2017/07/liang\\_financialregulationsandmacroeconomicstability.pdf](https://www.brookings.edu/wp-content/uploads/2017/07/liang_financialregulationsandmacroeconomicstability.pdf)

In a keynote address to the International Finance and Banking Society, Brookings Senior Fellow Nellie Liang discussed the role of bank capital regulations in promoting financial and economic stability and argued that recent proposals to scale back Dodd-Frank’s bank capital requirements are, for the most part, misguided.

*Nicola Cetorelli*

**Were Banks ‘Boring’ before the Repeal of Glass-Steagall?**

FRB New York - Liberty Street Economics – July 31, 2017

<http://libertystreeteconomics.newyorkfed.org/2017/07/were-banks-boring-before-the-repeal-of-glass-steagall.html>

Some critics argue that the partial repeal of the Glass-Steagall Act in 1999—which enabled banks to expand into nontraditional activities, such as underwriting—contributed to the financial crisis. But our blogger finds that the repeal does not appear to have ignited a flurry of nontraditional banking activities—areas that many firms had long since entered.

*Lisa J. Servon*

**Will Trump Kill the CFPB?**

American Prospect – Article – Summer 2017

<http://prospect.org/article/will-trump-kill-cfpb>

“In its short life, the CFPB has returned nearly \$12 billion to 27 million consumers who were bilked by financial services firms engaging in illegal practices. The agency has outlawed the practice of directing mortgage-seekers to high-interest loans, cracked down on unscrupulous student loan providers, and created a division dedicated to dealing with consumers’ complaints, handling over one million grievances to date. Despite these accomplishments, our nation’s newest federal agency faces challenges to its power and very existence.”

*Drew Dahl, Michelle Franke*

**Banking Deserts" Become a Concern as Branches Dry Up**

FRB Saint-Louis – The Regional Economist – Second Quarter 2017 – 2 pages

[https://www.stlouisfed.org/~media/Publications/Regional-Economist/2017/Second\\_quarter\\_2017/bank\\_deserts.pdf](https://www.stlouisfed.org/~media/Publications/Regional-Economist/2017/Second_quarter_2017/bank_deserts.pdf)

“Although changes in technology have made it easy to conduct some banking transactions from almost anywhere, personal and public benefits are still derived from proximity to a bank branch. In areas without branches—commonly referred to as “banking deserts”—costs and inconveniences of cashing checks, establishing deposit accounts, obtaining loans and maintaining banking relationships are exacerbated. The closing of thousands of bank branches in the aftermath of the 2007-09 recession has served to intensify societal concerns about access to financial services among low- income and minority populations, groups that are often affected disproportionately in such situations.”

**A New Era of Community Banking**

FRB Chicago – Fed Letter – July 2017 – 7 pages

<https://www.chicagofed.org/publications/chicago-fed-letter/2017/383>

“The 11th annual Community Bankers Symposium, cosponsored by the Federal Reserve Bank of Chicago, the Federal Deposit Insurance Corporation (FDIC), and the Office of the Comptroller of the Currency (OCC), was held at the Chicago Fed on November 18, 2016. This article summarizes key presentations and discussions at the event.”

*Julapa Jagtiani and Catharine Lemieux*

**Fintech Lending: Financial Inclusion, Risk Pricing, and Alternative Information**

FRB Philadelphia - Working Paper – July 6, 2017 – 48 pages

<https://www.philadelphiafed.org/~media/research-and-data/publications/working-papers/2017/wp17-17.pdf>

“In this paper, the authors explore the advantages/disadvantages of loans made by a large fintech lender and similar loans that were originated through traditional banking channels. Using account-level data from the Lending Club and Y-14M bank stress test data, the authors find that Lending Club’s consumer lending activities have penetrated areas that could benefit from additional credit supply, such as areas that lose bank branches and those in highly concentrated banking markets.”

**U.S. Equity Market Structure: A Review of the Evolution of Today’s Equity Market Structure and How We Got Here”**

House – Committee on Financial Services – June 27, 2017

<https://financialservices.house.gov/calendar/eventsingle.aspx?EventID=402034>

The Subcommittee will review the current state of the U.S. equity markets and review how the current structure has evolved since the enactment of the Securities Acts Amendments of 1975, which established a new national market system for securities. Despite significant technological advancements and constantly evolving industry practices in today’s market, the statutory framework that governs equity market structure remains largely unchanged. The Securities and Exchange Commission uses its authority to implement rules to govern equity market structure, most notably Regulation National Market System (NMS). The Subcommittee will analyze what is working well in today’s equity markets, what needs improvement, and any impediments to the optimal functioning of the equity markets.”

**OTHER ECONOMIC POLICIES**

*Sam Batkins and Adam J. White*

### **Should We Fear "Zombie" Regulations?**

Cato Institute – Regulation – Summer 2017 – 6 pages

<https://object.cato.org/sites/cato.org/files/serials/files/regulation/2017/6/regulation-v40n2-2.pdf>

“In this article, we argue that future courts should place predominant weight upon the legislative history surrounding the disapproval of a rule under the CRA. For instance, when Congress recently used the CRA to cancel the Securities and Exchange Commission’s Resource Extraction Rule (discussed below), lawmakers repeatedly suggested that the SEC “go back to the drawing board” and craft a new rule. In contrast, when Congress used the CRA to cancel the Interior Department’s Stream Protection Rule, no supporters of the resolution expressed interest in the agency rewriting the regulation, suggesting that Congress’s purpose in that instance was to cancel the rule based on its general subject matter.”

*Rachel Augustine Potter*

### **How The Trump Administration Can Use Benefit Cost Analysis to Justify Deregulation**

Brookings – Report - August 1, 2017

<https://www.brookings.edu/research/how-the-trump-administration-can-use-benefit-cost-analysis-to-justify-deregulation>

“As the Trump administration plans to cut back Obama-era rules, there are several ways in which benefit-cost analysis and other quantitative analyses could be manipulated to justify deregulation.”

*Raj Gnanarajah*

### **Accounting and Auditing Regulatory Structure: U.S. and International**

Congressional Research Service – Report - July 19, 2017 – 47 pages

<https://fas.org/sgp/crs/misc/R44894.pdf>

“Two policy issues might be of particular interest to Congress and investors. The first is the relationship between accounting and auditing standards in the United States and in other countries. In particular, there is debate over whether or to what degree international accounting and auditing standards should influence U.S. GAAP and U.S. Generally Accepted Auditing Standards (U.S. GAAS), respectively. The second is to what degree business risk should be evaluated based on sustainability issues. Increasingly, investors expect firms to respond to environmental, social, and governance (ESG) issues.”

### **Land-Use Regulation: What’s It Worth Anyway?**

Urban Institute – Policy Debate – July 19, 2017

<http://www.urban.org/debates/land-use-regulation-whats-it-worth-anyway>

“A century after the US Supreme Court endorsed zoning in *Euclid v. Ambler*, questions about the value of zoning and other land-use regulations are more central, in more conversations, than they have been for decades. Do land-use regulations hurt housing affordability more than they help achieve other goals? Would high-income metropolitan areas like the San Francisco Bay Area contribute more to economic growth if they weren’t so regulated? What benefits do land-use regulations still offer us? Many of these questions still generate disagreement. And even when people agree that land-use regulations have negative effects, they often can’t agree on what to do about it. To shed some light—and maybe even generate some heat—on this issue, the Urban Institute and the Cato Institute collaborated to frame a policy debate on land-use regulation.”

### **America’s Affordable Housing Crisis: Challenges and Solutions**

Senate Committee on Finance – Hearing – August 1, 2017

<https://www.finance.senate.gov/imo/media/doc/080117%20Wyden%20Statement%20at%20Finance%20Committee%20Hearing%20on%20Affordable%20Housing.pdf>

“Our country’s housing policy needs an urgent remodel. Today millions of Americans struggle to pay the rent, and they can’t even dream of purchasing a home. To get into a bit of Introduction to Economics, a key housing

challenge is increasing supply. When housing is scarce in the communities where people want to live and work, prices get bid up, and working people get pushed out. Rent increases faster than people's incomes, even among people who earn a decent wage. There are few incentives to build affordable housing near schools, public transit and amenities like parks and retail."

## STATE POLICIES - LOCAL ECONOMIC DEVELOPMENT

*Elaine S. Povich*

### **Why States Are Struggling to Tax Services**

The Pew Charitable Trust - Stateline - June 27, 2017

<http://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2017/06/27/why-states-are-struggling-to-tax-services>

"As states struggle to align their tax codes with the modern service economy, expanding sales taxes to include activities like personal care, home repair, funeral services, computer maintenance and similar enterprises would seem to be a logical move. But states are finding it's not so easy. Twenty-three state legislatures considered proposals this year to impose taxes on at least some services. But so far, none has made it into law intact — and most died outright."

*Alan D. Viard and Alex Brill*

### **Shop Online? Internet Retailers Have a Tax Advantage Congress Must End**

American Enterprise Institute - The Hill – Article - August 9, 2017

<http://www.aei.org/publication/shop-online-internet-retailers-have-a-tax-advantage-congress-must-end>

"Alan Viard and Alex Brill explore the effect that increased internet sales have had on states' sales tax base. Because sellers without a physical presence in a state are not required to collect that state's sales tax, online sellers have an artificial competitive advantage over local brick-and-mortar sellers, who must collect sales tax from their customers. The authors argue that Congress needs to end this unfair tax advantage, especially as it could facilitate more pro-growth state policy by limiting states' need to raise revenues from income taxes."

*Sage Belz and Louise M. Sheiner*

### **Key Changes in the Municipal Bond Market Since 2007**

<https://www.brookings.edu/blog/up-front/2017/07/14/key-changes-in-the-municipal-bond-market-since-2007>

"A new paper, which will be presented at the 6th annual Municipal Finance Conference, highlights the changes in the municipal market related to primary market insurance and secondary market trading trends, bond ownership composition, and more."

*Matt McKillop and Jessica Carges*

### **Nearly 17 Cents of Each State Revenue Dollar Goes to Medicaid**

Pew Charitable trust - July 14, 2017

<http://www.pewtrusts.org/en/research-and-analysis/analysis/2017/07/14/nearly-17-cents-of-each-state-revenue-dollar-goes-to-medicaid>

"The share of states' own money spent on Medicaid health care coverage for low-income Americans fell slightly in the second year of the program's expansion under the Affordable Care Act (ACA), even as enrollment grew. Still, a post-recession spike in states' costs persisted. In fiscal year 2015, Medicaid consumed 16.7 cents of each state-generated dollar—4.5 cents more per dollar than in fiscal 2000."

### **A Tale of Two Rust Belts: Diverging Economic Paths Shaping Community Politics**

Brookings - The Avenue - June 30, 2017

<https://www.brookings.edu/blog/the-avenue/2017/06/30/a-tale-of-two-rust-belts-diverging-economic-paths-shaping-community-politics>

“Why are some Rust Belt communities thriving, while many others are shrinking, aging, and feeling left behind? John Austin examines Michigan to highlight how economic divergence is shaping local politics.”

*Charles Davidson*

### **Transportation Has Long Fueled Atlanta**

FRB Atlanta – July 13, 2017

<https://www.frbatlanta.org/economy-matters/regional-economics/2017/07/13/transportation-has-long-fueled-atlanta.aspx>

“From its relatively modest origins as the nexus of railroad lines, Atlanta has blossomed into the Southeast's economic titan. This article looks at the factors that propelled its growth.”

## **BUSINESS**

*Patrick Kiernan and Huiyu Li*

### **What's Holding Back Business Formation?**

FRB San Francisco - Economic Letter - July 10, 2017 – 5 pages

<http://www.frbsf.org/economic-research/files/el2017-20.pdf>

“The pace of business start-ups in the United States has declined over the past few decades. Economic theory suggests that business creation depends on the available workforce, and data analysis supports this strong link. By contrast, the relationship between start-ups and labor productivity is less well-defined, in part because entrepreneurs face initial costs that rise with productivity, specifically their own lost income from alternative employment. Overall, policies that incorporate improving labor availability may help to boost new business growth.”

*Robert Jay Dilger*

### **Small Business Administration Microloan Program**

Congressional Research Service – Report - August 9, 2017 – 26 pages

<https://fas.org/sgp/crs/misc/R41057.pdf>

“The Small Business Administration’s (SBA’s) Microloan program provides direct loans to qualified nonprofit intermediary lenders who, in turn, provide “microloans” of up to \$50,000 to small businesses and nonprofit child care centers. It also provides marketing, management, and technical assistance to microloan borrowers and potential borrowers. Authorized in 1991 as a five-year demonstration project, it became operational in 1992, and was made permanent, subject to reauthorization, in 1997.”

## **The Cost of Being a Public Company in Light of Sarbanes-Oxley and the Federalization of Corporate Governance**

House Subcommittee on Capital Markets, Securities, and Investment – Hearing - July 18, 2017

<https://financialservices.house.gov/calendar/eventsingle.aspx?EventID=402116>

“The Subcommittee will conduct an overview of current issues public companies face in light of the Sarbanes-Oxley Act of 2002, which turns 15 years old this month, federal corporate governance mandates, and other factors that may impact a company’s decision to go or remain public. The hearing will examine the benefits, as well as the costs and burdens realized by public companies and the impact that these costs and burdens have on investors and economic growth. The hearing will provide the Subcommittee with the background and foundation to consider legislative proposals to promote capital formation and ease

unnecessary regulatory burdens faced by U.S. public companies to ensure that the U.S. capital markets remain the “gold standard” and the preferred venue for companies to raise capital.”

### **The Impact of Bad Patents on American Businesses**

House Judiciary Committee – Hearing – July 13, 2017

<https://judiciary.house.gov/hearing/impact-bad-patents-american-businesses/>

“Well, in just the past 3–4 years the patent world has been turned upside down. The combination of how the Patent and Trademark Office’s Patent Trial and Appeal Board shaped and implemented procedures governing the AIA reviews, unintended consequences of a few design feature in the AIA itself, continuing, aggressive interventions by the Supreme Court, particularly on eligibility, and Rules and practice changes in the lower courts has totally changed perceptions of the current patent system. It is no longer viewed as reliable. Our system dropped from its customary first place in the annual Chamber of Commerce global ranking to an embarrassing tenth place, tied with former Soviet Bloc country, Hungary.”

## **INDUSTRY**

### **The Changing Input-Output Network Structure of the U.S. Economy**

FRB Kansas City - Economic Review – Second Quarter 2017 – 28 pages

<https://www.kansascityfed.org/publications/research/er/articles/2017/2q17foersterchoi-changing-input-output-network-structure>

“The U.S. economy is a collection of varied industries linked through input-output relationships. Andrew Foerster and Jason Choi review the network structure of the U.S. economy and examine how industry connections and their relative importance have changed over time.”

*James Manyika, Gary Pinkus, Sree Ramaswamy, Katy George, John Warner, and Andrea Serafino*

### **Making it in America**

McKinsey Global Institute – Report - June 2017

<http://www.mckinsey.com/global-themes/employment-and-growth/making-it-in-america>

“The United States needs to regain its competitive edge in manufacturing while also grappling with its two-tiered labor market and finding ways to make economic growth more inclusive.”

## **SCIENCE -TECHNOLOGY**

*Robert D. Atkinson*

### **Forging Transatlantic Cooperation on the Next Wave of Innovation**

Information Technology & Innovation Foundation – Friends of Europe – June 29, 2017 – 5 pages

[http://www2.itif.org/2017-forging-transatlantic-cooperation.pdf?mc\\_cid=0a695f8a01&mc\\_eid=c56f7c6ab9](http://www2.itif.org/2017-forging-transatlantic-cooperation.pdf?mc_cid=0a695f8a01&mc_eid=c56f7c6ab9)

“There is considerable buzz about the ‘4th Industrial Revolution’ that is purportedly set to transform the U.S. and European economies and labor markets. But it is way too early in the evolution of technologies such as artificial intelligence and robotics for policymakers to fully understand all the implications. In a chapter of a new Friends of Europe discussion paper, Rob Atkinson argues that while there is little risk in waiting to intervene, there is considerable risk in regulating prematurely.”

*Robert D. Atkinson, Daniel Castro, And Stephen Ezell*

### **Why Expanding the R&D Tax Credit Is Key to Successful Corporate Tax Reform**

Information Technology & Innovation Foundation – Report - July 2017 – 26 pages

[http://www2.itif.org/2017-federal-innovation-agenda.pdf?mc\\_cid=57d6c6a1c7&mc\\_eid=c56f7c6ab9](http://www2.itif.org/2017-federal-innovation-agenda.pdf?mc_cid=57d6c6a1c7&mc_eid=c56f7c6ab9)

“As the White House and Congress craft corporate tax reform, a key question is how to pay for it. Some suggest that, among other “pay-fors,” lawmakers should reduce or eliminate the R&D tax credit. This would be a serious mistake as the United States continues to fall behind many of its competitors in the generosity of its research incentives. To boost productivity and competitiveness, Congress should lower the corporate rate and raise the Alternative Simplified Credit for R&D from 14 to 20 percent.”

*Daniel Castro, Josh New, and John Wu*

### **The Best States for Data Innovation**

Center for Data Innovation - Report – July 2017 - 85 pages

[http://www2.datainnovation.org/2017-best-states-data.pdf?mc\\_cid=876e528114&mc\\_eid=c56f7c6ab9](http://www2.datainnovation.org/2017-best-states-data.pdf?mc_cid=876e528114&mc_eid=c56f7c6ab9)

“Widespread adoption of data analytics is expected to contribute hundreds of billions of dollars to the U.S. economy in coming years while addressing myriad social challenges—but not all states are equally well positioned to benefit. In this report, ITIF’s Center for Data Innovation assesses states’ relative strength on 25 key indicators covering three categories of assets: the availability of high-value datasets, the creation of important technologies, and the development of human and business capital. The findings point to a range of opportunities for state governments to maximize their potential for data-driven growth and progress.”

### **Where the Robots Are**

Brookings - The Avenue - August 14, 2017

<https://www.brookings.edu/blog/the-avenue/2017/08/14/where-the-robots-are>

“Mark Muro charts the distribution of industrial robots across America and discusses where the rise in automation may have contributed to economic anxiety during the 2016 election.”

## **INFORMATION TECHNOLOGIES**

*Patricia Moloney Figliola*

### **The Federal Communications Commission: Current Structure and Its Role in the Changing Telecommunications Landscape**

Congressional Research Service – Report - August 14, 2017 – 20 pages

<https://fas.org/sgp/crs/misc/RL32589.pdf>

“The Federal Communications Commission (FCC) is an independent federal agency with its five members appointed by the President, subject to confirmation by the Senate. It was established by the Communications Act of 1934 (1934 Act) and is charged with regulating interstate and international communications by radio, television, wire, satellite, and cable. The mission of the FCC is to ensure that the American people have available—at reasonable cost and without discrimination—rapid, efficient, nation- and world-wide communication services, whether by radio, television, wire, satellite, or cable.”

*Angele A. Gilroy*

### **The Net Neutrality Debate: Access to Broadband Networks**

Congressional Research Service – Report - August 15, 2017 – 26 pages

<https://fas.org/sgp/crs/misc/R40616.pdf>

“The FCC’s move to reexamine its existing open Internet rules has reopened the debate over whether Congress should consider a more comprehensive measure to amend existing law to provide greater regulatory stability and guidance to the FCC. Whether Congress will choose to address more comprehensive legislation to amend the 1934 Communications Act, to provide a broad-based framework for such regulation, remains to be seen.”

*Alan McQuinn And Daniel Castro*

### **How Law Enforcement Should Access Data Across Borders**

Information Technology & Innovation Foundation – Report - July 2017 – 38 pages

[http://www2.itif.org/2017-law-enforcement-data-borders.pdf?mc\\_cid=1b2b0f92b1&mc\\_eid=c56f7c6ab9](http://www2.itif.org/2017-law-enforcement-data-borders.pdf?mc_cid=1b2b0f92b1&mc_eid=c56f7c6ab9)

“Outdated laws, court decisions, and treaties make it unnecessarily difficult for law enforcement to access data as part of lawful investigations that traverse borders. These gaps not only present barriers to solving crimes and preventing terrorism, but they also have led to policies that put U.S. companies at a competitive disadvantage. To address this problem, ITIF proposes a new framework to navigate cross-border jurisdictional disputes and offers recommendations for how governments can use this framework to settle questions of jurisdiction in the global digital economy.”

*Tom Wheeler*

### **EU Fine Signals a Wake-Up Call for the US**

Brookings – TechTank – July 3, 2017

<https://www.brookings.edu/blog/techtank/2017/07/03/who-should-lead-internet-policy>

“The European Union's recent decision to fine Google \$2.7 billion for their search practices signals a movement away from the America's historic role in policy leadership—and raises the question of who is at the forefront of global technology regulation. Tom Wheeler argues that by failing to enact regulations domestically, the U.S. is spurring this policy action abroad, and sacrificing an opportunity to advance and protect American economic influence, consumer interests, and innovation.”

### **Comments to the Federal Communications Commission on Restoring Internet Freedom**

Information Technology & Innovation Foundation – Filing – July 17, 2017 – 25 pages

[http://www2.itif.org/2017-comments-restoring-internet-freedom.pdf?mc\\_cid=f628223b39&mc\\_eid=c56f7c6ab9](http://www2.itif.org/2017-comments-restoring-internet-freedom.pdf?mc_cid=f628223b39&mc_eid=c56f7c6ab9)

“ITIF submitted comments to the Federal Communications Commission (FCC) on how best to ensure an open Internet. ITIF argued that the Commission is right to return broadband to a lighter-touch regulation by classifying broadband as an information service. The alternative, utility-style regulation, unnecessarily limits innovation in networks, and risks opening the door to price regulation here and abroad. ITIF also argued, however, that the FCC should retain authority over open internet issues, and not abdicate its jurisdiction to the Federal Trade Commission. The FCC should establish clear guidelines for predictable case-by-case oversight of traffic differentiation, allowing experimentation with commercially reasonable deals that do not harm the openness of the Internet. Courts have recognized that the FCC has great latitude in protecting the open Internet, and tailored regulation allows for flexible oversight specific to the goal of promoting an evolving, innovative, but fundamentally open, Internet.”

*Lee Rainie and Janna Anderson*

### **The Internet of Things Connectivity Binge: What Are the Implications?**

Pew Research Center - June 6, 2017

<http://www.pewinternet.org/2017/06/06/the-internet-of-things-connectivity-binge-what-are-the-implications>

“Despite wide concern about cyberattacks, outages and privacy violations, most experts believe the Internet of Things will continue to expand successfully the next few years, tying machines to machines and linking people to valuable resources, services and opportunities

## INFRASTRUCTURE – TRANSPORTATION

*Jeffrey M. Stupak*

### **Economic Impact of Infrastructure Investment**

Congressional Research Service – Report - July 18, 2017 – 19 pages

<https://fas.org/sgp/crs/misc/R44896.pdf>

“Infrastructure investment has received renewed interest as of late, with both President Trump and some Members of Congress discussing the benefits of such spending. Infrastructure can be defined in a number of ways depending on the policy discussion; in general, however, the term refers to longer-lived, capital-intensive systems and facilities, such as roads, bridges, and water treatment facilities. Over the past several decades, government investment in infrastructure as a percentage of gross domestic product (GDP) has declined.”

### **The Potential Macroeconomic Benefits from Increasing Infrastructure Investment**

Economic Policy Institute – Report – July 18, 2017 – 19 pages

<http://www.epi.org/files/pdf/130111.pdf>

“Josh Bivens finds that public investment in infrastructure could contribute significantly to solving two pressing macroeconomic problems facing the U.S. economy: a severe and chronic shortfall of aggregate demand, which has kept growth in both jobs and wages too slow, and a rapid deceleration in the pace of productivity growth, which provides the potential ceiling on how fast average income can rise. According to Bivens, there is strong evidence that a period of increased infrastructure investment effort could provide the fiscal expansion and capital deepening needed to boost both aggregate demand and productivity growth.”

### **The State of Infrastructure in Rural America**

House Committee on Agriculture – Hearing - July 19, 2017

<https://agriculture.house.gov/calendar/eventsingle.aspx?EventID=3974>

“From broadband and transportation, to energy, water and research, public investment in infrastructure has been vital to the success and stability of our rural communities and has helped American agriculture thrive. As we seek to maintain these successes over the next century, I look forward to hearing from our witnesses about their ideas for strategic investments to grow opportunities in rural America.”

*Adie Tomer and Ranjitha Shivaram*

### **Modernizing Government’s Approach to Transportation and Land Use Data: Challenges and Opportunities**

Brookings – Report – July 20, 2017 – 32 pages

[https://www.brookings.edu/wp-content/uploads/2017/07/modernizingapproachtodata\\_report1.pdf](https://www.brookings.edu/wp-content/uploads/2017/07/modernizingapproachtodata_report1.pdf)

“Using a mix of primary research and expert interviews, this report catalogs emerging data sets related to transportation and land use, and assesses the ease by which they can be integrated into how public agencies manage the built environment. It finds that there is reason for the hype; we have the ability to know more about how humans move around today than at any time in history. But, despite all the obvious opportunities, not addressing core challenges will limit public agencies’ ability to put all that data to use for the collective good.”

## AGRICULTURE

### **The Future of Farming: Technological Innovations, Opportunities, and Challenges for Producers**

House Subcommittee on General Farm Commodities and Risk Management –Hearing - July 13, 2017

<https://agriculture.house.gov/calendar/eventsingle.aspx?EventID=3963>

Today, our subcommittee will explore how promising new information technologies and the increasing utilization of data in agriculture is influencing the future of farming. It is a critical time for everyone involved in production agriculture as we face tough choices ahead. Given tight margins and a continued slump in prices at the farm gate, even routine, day-to-day decision-making can determine whether the farmer will turn an annual profit. These challenges in farm country underscore the importance of the decisions we make in the next Farm Bill, which we will have to write with fewer resources than we had the last go-round.”

### **Opportunities in Global and Local Markets, Specialty Crops, and Organics: Perspectives for the 2018 Farm Bill**

Senate Committee on Agriculture – Hearing - July 13, 2017

[https://www.agriculture.senate.gov/hearings/opportunities-in-global-and-local-markets-specialty-crops-and-organics\\_perspectives-for-the-2018-farm-bill](https://www.agriculture.senate.gov/hearings/opportunities-in-global-and-local-markets-specialty-crops-and-organics_perspectives-for-the-2018-farm-bill)

Witnesses:

Dr. Kenneth Dallmier, President and Chief Operating Officer, Clarkson Grain Company, Inc., Cerro Gordo , IL  
Theojary Crisantes Jr., Organic Specialty Crop Farmer and Vice President of Operation, Wholesum Harvest Amado , AZ

Haile Johnston, Director, The Common Market, Philadelphia , PA

Eric Halverson, Potato Farmer and Chief Executive Officer, Black Gold Farms, Grand Fords , ND

Mr. Greg Hanes, U.S. Meat Export Federation, Rock Rapids , IA

### **The Next Farm Bill: Technology & Innovation in Specialty Crops**

House Committee on Agriculture – Hearing - July 12, 2017

<https://agriculture.house.gov/calendar/eventsingle.aspx?EventID=3962>

"Specialty crop production is a pivotal and growing sector of our agriculture industry. As we look at the farm bill through the lens of the current farm economy, innovation and technology will remain essential for farmers and ranchers to continue producing more food and fiber with fewer resources. I look forward to hearing from our witnesses on ways to build upon public-private partnerships and innovation to benefit specialty crop producers.”

### **Commodities, Credit, and Crop Insurance: Perspectives on Risk Management Tools and Trends for the 2018 Farm Bill**

Senate Committee on Agriculture – Hearing - July 25, 2017

<https://www.agriculture.senate.gov/hearings/commodities-credit-and-crop-insurance-perspectives-on-risk-management-tools-and-trends-for-the-2018-farm-bill->

Testimonies by farmers and professional associations.

### **Agricultural Guestworkers: Meeting the Growing Needs of American Agriculture**

House Judiciary Committee – Hearing – July 19, 2017

<https://judiciary.house.gov/hearing/agricultural-guestworkers-meeting-growing-needs-american-agriculture/>

“As you know farming in California is extremely labor intensive... However, our agriculture industry faces a serious shortage of immigrant agriculture workers and, the truth is, most Americans are unwilling to fill these positions. The shortcomings of the H-2A program have exacerbated this shortage. A major issue facing California’s farms and ranches, is the program’s inability to meet the needs of year-round farmers, including dairy farms and ag operations with multiple crops and harvests. We must repair the system, both for the current workforce and in order to ensure our agricultural communities have access to the workers they desperately need for years to come.”

## EMPLOYMENT

*Diane Whitmore Schanzenbach Ryan Nunn Lauren Bauer Audrey Breitwieser*

### **The Closing of the Jobs Gap: A Decade of Recession and Recovery**

Brookings – The Hamilton Project - Report - August 4, 2017 – 13 pages

[http://www.hamiltonproject.org/assets/files/closing\\_the\\_jobs\\_gap\\_decade\\_recession\\_recovery.pdf](http://www.hamiltonproject.org/assets/files/closing_the_jobs_gap_decade_recession_recovery.pdf)

“With today’s employment report, we can report that the national jobs gap relative to November 2007 has closed (see figure 1). This indicates that, by our calculations, nearly a full decade after the start of the recession, employment has returned to its demographically adjusted pre-recession level. This does not mean that all harm to the labor market resulting from the Great Recession has dissipated, nor that the economy is at full employment. It does mean, though, that the economy has added enough jobs to make up for the losses during the Great Recession.”

### **A Record Six Million U. S. Job Vacancies: Reasons and Remedies**

US Congress – Joint Economic Committee – Hearing - July 12, 2017

<https://www.jec.senate.gov/public/index.cfm/hearings-calendar?ID=FF0CEBFA-AEC1-463F-9448-C3D82DABF2FB>

“Witnesses will address the reasons for the record-setting number of job vacancies in the United States and how American workers could be matched better to the available job opportunities. Increased workforce participation and productivity are critical for accelerating economic growth and improving opportunities for American families.”

*Harris Eppsteiner (PIIE), Jason Furman (PIIE), and Wilson Powell III (PIIE)*

### **An Aging Population Explains Most—But Not All—of the Decline in the US Labor Force Participation Rate since 2007**

Peterson Institute – Blog - July 7, 2017

<https://piie.com/blogs/realtime-economic-issues-watch/aging-population-explains-most-not-all-decline-us-labor-force>

“The US labor force participation rate—the share of the civilian population ages 16 and older working or actively seeking work—has fallen in recent years, largely because older unemployed Americans have stopped looking for work. But a stronger US economy would bring at least some workers back into the job market. The US labor force participation rate fell from 66.0 percent in the fourth quarter of 2007 (the peak of the business cycle prior to the Great Recession) to 62.8 percent in the second quarter of 2017, a 3.1 percentage-point decline. In total, 79 percent of this decline is attributable to the aging of the US population. The remaining 21 percent of the decline reflects a combination of trends, including permanent scarring as a result of the sustained high unemployment associated with the recession.”

### **Behind the Increase in Prime-Age Labor Force Participation**

FRB Atlanta – Blog – July 31, 2017

<http://macroblog.typepad.com/macroblog/2017/07/whats-behind-increase-in-prime-age-labor-force-participation.html>

“So what's behind the increase in prime-age (defined as people between 25 and 54) participation in the last year? Changes in the labor force participation rate (LFPR) either can be the result of changes in the mix of demographic groups in the population with different average rates of participation (for example, across education and race/ethnicity), or they can result from changes in average participation rates within demographic groups. It turns out that most of the increase in the prime-age LFPR has been because of increased LFPR within demographic groups—in particular, prime-age women and especially women without a college degree. Prime-age men have not contributed much to the rise in participation beyond the increased participation associated with a more educated population.

### **The Changing Cyclicity of Labor Force Participation**

Federal Reserve Bank of Kansas City – Economic Review – Article - Third Quarter 2017 – 30 pages

<https://www.kansascityfed.org/~media/files/publicat/econrev/econrevarchive/2017/3q17vanzandweghe.pdf>

“The U.S. labor force participation rate declined sharply after the 2007-09 recession, raising questions about its relationship with the business cycle. Willem Van Zandweghe finds that the participation rate has become increasingly cyclical since 1984, particularly for workers age 25-54.”

*Anat Bracha and Mary A. Burke*

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

FRB Boston – Working Paper – July 2017

<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... Using original survey data, this paper investigates the implications of informal work for the measurement of employment status and labor market slack and considers whether the official BLS estimates may underestimate the U.S. labor force participation rate.”

*Regis Barnichon and Christian Matthes*

### **The Natural Rate of Unemployment over the Past 100 Years**

FRB San Francisco – Economic Letter – August 14, 2017 – 5 pages

<http://www.frbsf.org/economic-research/files/el2017-23.pdf>

“The natural rate of unemployment, or  $u^*$ , is used by economists and policymakers to help assess the overall state of the labor market. However, the natural rate is not directly observable and must be estimated. A new statistical approach estimates the natural rate over the past 100 years. Results suggest the natural rate has been remarkably stable over history, hovering between 4.5 and 5.5% for long periods, even during the Great Depression. Recent readings on the unemployment rate have been running slightly below the natural rate estimate.”

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

### **Who Is Out of the Labor Force**

Brookings – The Hamilton Project - Report - August 17, 2017 – 11 pages

[https://www.brookings.edu/wp-content/uploads/2017/08/es\\_81717who\\_is\\_out\\_of\\_the\\_labor\\_force\\_analysis.pdf](https://www.brookings.edu/wp-content/uploads/2017/08/es_81717who_is_out_of_the_labor_force_analysis.pdf)

The report provides a detailed snapshot of those who remain out of the labor force today. In this analysis, we explore the following questions about the approximately 24 million men and women of prime working age who were not in the labor force in 2016:

- What are the reasons nonparticipants give for not working or seeking work?
- With whom are nonparticipants living?
- How are nonparticipants making ends meet?

## WAGES – LABOR

*Elise Gould*

### **First Half 2017 Data Reveal Broadly Based Wage Growth, But Inequality Persists**

Economic Policy Institute – Blog - August 1, 2017

<http://www.epi.org/blog/first-half-2017-data-reveal-broadly-based-wage-growth-but-inequality-persists/>

“In the table below, I present EPI’s most up-to-date real (inflation-adjusted) hourly wage series from the Current Population Survey (CPS) across the wage distribution. I compare the most recent six months of wage data with FH2016, FH2007, and FH2000... Preliminary findings from 2017 suggest more broadly based wage growth—with significant gains at the 10th percentile—associated with an economy approaching full employment as well as state-level increases in the minimum wage. That good news is tempered by the fact that the vast majority of workers are, in reality, only beginning to make up for lost ground, rather than getting ahead, and wage inequality is still far greater today than in 2007 or 2000.”

*San Cannon and José Mustre-del-Río*

### **Dissecting Wage Dispersion**

FRB Kansas City – Economic Review -Third Quarter 2017 – 18 pages

<https://www.kansascityfed.org/~media/files/publicat/econrev/econrevarchive/2017/3q17cannonmustredelrio.pdf>

“At any time, wages differ dramatically across U.S. workers. Some differences in the wages workers earn may be due to differences in characteristics such as age, race, or education level. But wages are substantially dispersed across individuals even after accounting for these differences, suggesting additional factors may play a role. San Cannon and José Mustre-del-Río investigate the sources of wage dispersion for different demographic groups as well as how these sources have changed over time. They find that “where you work”—also known as the match-specific component of residual wages—accounts for a substantial portion of residual wage differences across individuals. Moreover, they find that the sources of wage dispersion are similar across sexes and education levels.”

*Daniel Costa*

### **H-2B Visas and Labor Shortages - Latest Data Do Not Justify A Cap Increase**

Economic Policy Institute - Report - July 17, 2017 – 12 pages

<http://www.epi.org/files/pdf/131896.pdf>

“The latest data on wages and unemployment suggest that the labor market still has a lot of slack in the biggest H-2B occupations, which points to the high likelihood that there are many United States workers who are willing, qualified, and able to perform H-2B jobs. Given this likelihood, the Department of Homeland Security’s fiscal 2017 expansion—by 15,000 visas—of a guestworker program as flawed as the H-2B program is ill-advised. The Department of Homeland Security and the Department of Labor should be focusing their resources and staff time on program oversight, on rooting out bad-actor employers who violate H-2B rules, and on protecting the migrant workers who come to the United States in search of better opportunities through the H-2B program—not on processing more visas for H-2B employers.”

### **Expanding Options for Employers and Workers Through Earn-and-Learn Opportunities**

House Subcommittee on Higher Education and Workforce Development – Hearing – July 26, 2017

<https://edworkforce.house.gov/calendar/eventsingle.aspx?EventID=401905>

This hearing explored “earn-and-learn opportunities for workers through apprenticeship programs. The Subcommittee also heard how changes to the Registered Apprenticeship program may improve opportunities

for employees and lead to greater employer participation. Today’s hearing builds on the committee’s ongoing efforts to strengthen workforce development and education, while continuing to raise awareness of apprenticeships, as the White House did with the executive order of June 15, 2017... Witnesses before the subcommittee included workers and employers who have found success in apprenticeship programs, and encouraged Congress to continue its efforts to promote workforce development programs.”

*Justin Miller*

**Nissan Union Loss Underscores Labor’s Big Dilemma**

American Prospect – Article - August 8, 2017

<http://prospect.org/article/nissan-union-loss-underscores-labor-big-dilemma>

“The United Auto Workers’ failed union drive at a Mississippi car plant points to core challenges for a labor movement working within a rigged system... For decades, industrial unions have tried to make headway in the South, where manufacturers both foreign—like Airbus, Mercedes Benz, Toyota, and Volkswagen— and domestic—like Boeing—have set up shop, drawn by the region’s low wages and historic aversion to unions.”

**RETIREMENT**

*Andrew G. Biggs*

**How Hard Should We Push The Poor To Save For Retirement?**

AEI - Working Paper - July 2017 – 21 pages

<https://www.aei.org/wp-content/uploads/2017/07/Biggs-Retirement-Savings-072017.pdf>

“Andrew Biggs discusses the concern among policymakers that low-income individuals are not saving enough for retirement. Biggs argues that low-income individuals who have been auto-enrolled in retirement plans, regardless of their desire for them, often reduce their savings elsewhere to offset the higher saving rate of these plans. Biggs makes several recommendations for auto-enrollment retirement plans that would make them more appealing for low-income workers. With more than half of US states working to establish auto-enrollment programs, policymakers should reconsider the design of these programs before committing to them.”

*Leora Friedberg, Michael T. Owyang, Wei Sun, and Anthony Webb*

**How Do Local Labor Markets Affect Retirement?**

FRB Saint-Louis –Review- Third Quarter 2017 – 20 pages

<https://files.stlouisfed.org/files/htdocs/publications/review/2017/07/05/how-do-local-labor-markets-affect-retirement.pdf>

“The biggest effect of a higher local unemployment rate on older workers is to raise their propensity to stay in their current job. Older workers have fewer voluntary transitions to new jobs when the unemployment rate rises, but they especially have fewer voluntary transitions out of the labor force. Thus, the direct effect of job loss in inducing earlier retirement during recessions is outweighed by retirement delays among those with jobs.”

**INTERNATIONAL ECONOMIC RELATIONS**

**Adding Insult to Injury: How bad policy decisions have amplified globalization’s costs for American workers**

Economic Policy Institute – Report - July 11, 2017 – 24 pages

<http://www.epi.org/files/pdf/130569.pdf>

“Josh Bivens explains how globalization has harmed the majority of U.S. workers and how trade deals have exacerbated this damage. Trade agreements have eroded American workers’ economic leverage and ability to claim higher wages while bolstering protections for the profits of U.S. corporations. Bivens outlines a

progressive response to globalization that would protect workers' wages and give the manufacturing sector a chance to reclaim some of the jobs lost to trade deficits in recent decades.”

*Chad P. Bown (PIIE), Cathleen Cimino-Isaacs (PIIE) and Melina Kolb (PIIE)*

### **Will Trump Invoke National Security to Start a Trade War?**

Peterson Institute – Policy Watch – July 5, 2017

<https://piie.com/blogs/trade-investment-policy-watch/will-trump-invoke-national-security-start-trade-war>

“The Trump administration's tough stance on trade includes consideration of an unusual strategy: labeling steel and aluminum imports as a threat to national security and thus subject to steep tariffs. The conclusion of PIIE studies is that such measures would undermine the rules-based trading system by invoking national security to justify trade barriers beyond what has been considered acceptable in the past. New trade restrictions on these grounds would likely damage the US economy and lead to retaliation against US exports by trading partners.”

### **Investigating U.S. Trade Agreements**

Information Technology & Innovation Foundation - Filing With the Office of the U.S. Trade Representative – July 2017 – 33 pages

[http://www2.itif.org/2017-comments-ustr-violations-abuses-agreements.pdf?mc\\_cid=876e528114&mc\\_eid=c56f7c6ab9](http://www2.itif.org/2017-comments-ustr-violations-abuses-agreements.pdf?mc_cid=876e528114&mc_eid=c56f7c6ab9)

“The administration is conducting a welcome review of U.S. trade agreements. Most trading partners tend to play by the rules, but some have discriminated against U.S. firms in defiance of their commitments. China stands out for the way it systemically breaks, ignores, and games the world trading system to advance its own development, to the detriment of key sectors of the U.S. economy. These unfair trade policies deserve greater scrutiny and action.”

*C. Fred Bergsten and Monica de Bolle, editors*

### **A Path Forward for NAFTA**

PIIE Briefing - July 2017 – 142 pages

<https://piie.com/publications/piie-briefings/path-forward-nafta>

“The Peterson Institute for International Economics (PIIE) has detailed the gains and costs of the North American Free Trade Agreement (NAFTA) in numerous publications. Now that President Donald Trump has launched a renegotiation of agreement, the fundamental question is: Can such a renegotiation produce a positive result? A broad range of experts who have contributed to this PIIE Briefing say "yes." NAFTA can be modernized only if President Trump's zero-sum "America First" agenda is replaced by one that seeks to benefit all three countries and improve their competitiveness in an increasingly competitive global economy.”

### **Renegotiating NAFTA: Opportunities for Agriculture**

House Committee on Agriculture – Hearing - July 26, 2017

<https://agriculture.house.gov/calendar/eventsingle.aspx?EventID=4003>

“As the administration prepares to renegotiate NAFTA, agriculture needs to keep its foot on the gas to ensure their interests are known and reflected in the agreement. The administration has already outlined key objectives for ag, such as expanding market opportunities and tightening enforcement, and I look forward to hearing from our witnesses about opportunities to achieve the best deal possible for American agriculture.”

## CHINA - DEVELOPING COUNTRIES

*Daniel J. Ikenson*

### **Cybersecurity or Protectionism? Defusing the Most Volatile Issue in the U.S.–China Relationship**

Cato Institute – Policy Analysis – July 13, 2017

<https://www.cato.org/publications/policy-analysis/cybersecurity-or-protectionism-defusing-most-volatile-issue-us-china>

“For more than a decade, the United States and China have been engaged in a low-profile trade war that has been conducted in the name of protecting critical economic and national security infrastructure from cyber malfeasance. Cato scholar Daniel J. Ikenson argues that the trade restrictions and subsidies suggest that the objectives of both governments have less to do with cybersecurity than they do with industrial policy and protectionism.”

*Michael T. Owyang , Hannah Shell*

### **China's Economic Data: An Accurate Reflection, or Just Smoke and Mirrors?**

FRB Saint-Louis – The Regional Economist – Second Quarter 2017 – 6 pages

[https://www.stlouisfed.org/~media/Publications/Regional-Economist/2017/Second\\_quarter\\_2017/China.pdf](https://www.stlouisfed.org/~media/Publications/Regional-Economist/2017/Second_quarter_2017/China.pdf)

“Skepticism for Chinese official economic data is widespread, and it should be. Even if every Chinese economic number were reported truthfully and accurately to the best of an individual’s understanding, the official numbers would still fail to fully capture the evolution of an economy growing and changing so quickly. China’s economic data system is a work in progress and a hurdle that statisticians have yet to overcome. The Chinese NBS could improve its system by offering greater transparency behind the data-gathering process and statistical procedures, allowing data users to better identify weaknesses in the official numbers. But the heavy criticism of Chinese officials and accusations of intentional falsification or manipulation are likely misplaced. The truth is more likely that economic growth in China is too challenging to capture as effectively as growth in developed countries.”

### **U.S. Foreign Assistance Under Challenge**

2017 Brookings Blum Roundtable – Report (6 essays) - July 31, 2017

<https://www.brookings.edu/multi-chapter-report/u-s-foreign-assistance-under-challenge/>

“President Trump’s 2018 budget proposal would cut America’s International Affairs Budget by 29 percent, leaving the legacy and sustainability of many global development programs in serious doubt. In a new collection of essays commissioned for the August 2-5 2017 Brookings Blum Roundtable, experts discuss the future of U.S. foreign aid and outline policy opportunities to minimize damage from budget cuts.”

### **Beyond Microfinance: Empowering Women in the Developing World**

House Foreign Affairs Committee – Hearing – July 12, 2017

<https://foreignaffairs.house.gov/hearing/hearing-beyond-microfinance-empowering-women-developing-world/>

“Despite significant progress in recent years, more than one billion women remain excluded from the formal financial system, and more than half the world’s countries limit women’s ownership or management of property. This harms entire communities, economies, and U.S. interests. This hearing will explore the barriers to women’s economic participation in the developing world, and new technologies that hold tremendous promise for women’s empowerment and economic growth.”

## ENERGY

### **Status and Outlook for U.S. And North American Energy and Resource Security**

Senate Committee on Energy and Natural Resources – Hearing – July 18, 2017

<https://www.energy.senate.gov/public/index.cfm/hearings-and-business-meetings?ID=91D81CE4-47FE-45CD-B272-33A32B6D696C>

“Due to tremendous innovation and technological advances, our nation has moved away from energy scarcity and isolation... Today, we are far more energy secure than at any point in recent memory, and have reached a point where energy dominance, to borrow the administration’s phrase, has become a real and legitimate policy goal... This morning’s hearing is also an opportunity to recognize our close ties with our neighbors, Canada and Mexico, which also have dynamic energy sectors... I want to welcome our distinguished panel, who will help us understand what is happening in global markets and with geopolitics. From domestic production and export policies to potential sanctions on other nations, there is a lot to consider, understand, and work through right now.”

*David Ribeiro and Tyler Bailey*

### **Indicators for Local Energy Resilience**

American Council for an Energy-Efficient Economy - White Paper – June 2017 - 22 pages

<http://aceee.org/sites/default/files/resilience-indicators-0817.pdf>

“This paper deals with the interconnection of community resilience and various aspects of energy supply and consumption—what we call local energy resilience. We discuss nine dimensions of local energy resilience (for example, transportation connectivity and thermal performance of buildings) and provide indicators for each of them. Decision makers can use these concepts to set goals, inform plans, and develop policies to increase the energy resilience of their communities.”

*Steven Nadel*

### **How Many Billions Do US Businesses and Individuals Invest In Energy Efficiency Each Year?**

#### **Who Invests in Energy Efficiency and Why?**

#### **How Can We Increase Energy Efficiency Investments? Here Are 10 Suggestions**

The American Council for an Energy-Efficient Economy- Blog - July 18 & 24, 2017

<http://aceee.org/blog/2017/07/how-many-billions-do-us-businesses>

<http://aceee.org/blog/2017/07/who-invests-energy-efficiency-and-why>

<http://aceee.org/blog/2017/08/how-can-we-increase-energy-efficiency>

“This is the final post in a three-part series on understanding and increasing investments in energy efficiency by businesses and individuals. In the first post, we estimated these US investments total about \$60-115 billion per year. In the second post, we discussed what motivates many households and businesses to invest in energy efficiency. This post builds on the first two and discusses approaches that could increase such investments in the future.”

### **Powering America:**

#### **Examining the State of the Electric Industry through Market Participant Perspectives**

House Subcommittee on Energy – Hearing – July 18, 2017

<https://energycommerce.house.gov/hearings-and-votes/hearings/powering-america-examining-state-electric-industry-through-market>

#### **A Review of the Operation and Effectiveness of the Nation’s Wholesale Electricity Markets**

House Subcommittee on Energy – Hearing - July 26, 2017

<https://energycommerce.house.gov/hearings-and-votes/hearings/powering-america-review-operation-and-effectiveness-nation-s-wholesale>

The “Powering America” series will provide committee members the opportunity to explore electricity markets, learn more about electricity generation, distribution, consumption, and the resiliency of the electric grid.

*Peter Folger*

**Carbon Capture and Sequestration (CCS) in the United States**

Congressional Research Service – Report - July 24, 2017 – 20 pages

<https://fas.org/sgp/crs/misc/R44902.pdf>

“Globally, two fossil-fueled power plants currently generate electricity and capture CO<sub>2</sub> in large quantities: the Boundary Dam plant in Canada and the Petra Nova plant in Texas. Both plants retrofitted post-combustion capture technology to units of existing plants. A third fossil-fueled electricity-generating operation, the Kemper County Energy Facility in Mississippi, was scheduled to begin CCS operations by now, but cost overruns and delays in construction and operations led to the suspension of the plant’s CCS component on June 28, 2017.”

**Does the U.S. Nuclear Industry Have a Future?**

Carnegie Endowment for International Peace – Article – August 10, 2017

<http://carnegieendowment.org/2017/08/10/does-u.s.-nuclear-industry-have-future-pub-72797>

“Mark Hibbs writes that the United States must consider possible steps for restoring and growing its nuclear industry, as the pending bankruptcy of nuclear vendor Westinghouse threatens to impact U.S. nuclear power installations and exports... Adding to pressure from loss of know-how and high costs, U.S. nuclear power plant vendors are now challenged by Chinese and Russian exporters whose government owners view nuclear energy in strategic, not commercial terms...”

*Alan J. Krupnick, Amin Asadollahi, Juan Carlos Belausteguigoitia Rius, Kristin Hayes, Isabel Echarte, Philip Gass, and Daniella Echeverria*

**North American Energy Integration: Assessing Oil and Gas Policy Issues ahead of NAFTA Renegotiation**

Resources for the Future – Report - August 2017 - 61 pages

[http://www.rff.org/files/document/file/RFF-Rpt-NA%20Oil%20and%20Gas\\_NAFTA.pdf](http://www.rff.org/files/document/file/RFF-Rpt-NA%20Oil%20and%20Gas_NAFTA.pdf)

“Mexico, Canada, and the United States stand to benefit from increasing energy sector interconnectedness and coordination. What key environmental and fiscal policy areas related to oil and gas development provide opportunities for further harmonization?”

*Clayton Munnings and Alan J. Krupnick*

**Comparing Policies to Reduce Methane Emissions in the Natural Gas Sector**

Resources for the Future – Report – July 10, 2017 – 42 pages

<http://www.rff.org/research/publications/comparing-policies-reduce-methane-emissions-natural-gas-sector>

“We compare several policies aimed at reducing methane emissions from the natural gas sector, which threaten to erode the advantages that gas holds over coal in terms of climate change.”

**CLEAN ENERGIES**

**Developing and Deploying Advanced Clean Energy Technologies**

Senate Committee on Environment and Public Works - Hearing - Tuesday, July 25, 2017

<https://www.epw.senate.gov/public/index.cfm/hearings?ID=B65EC8DE-D144-4109-A469-5B5F77A16540>

Testimonies by representatives of energy institutes.

*David M Har*

**Across the “Second Valley of Death”: Designing Successful Clean-Energy Demonstration Projects**

Information Technology & Innovation – Report – July 2017 – 35 pages

[http://www2.itif.org/2017-second-valley-of-death.pdf?mc\\_cid=e20bad3a04&mc\\_eid=c56f7c6ab9](http://www2.itif.org/2017-second-valley-of-death.pdf?mc_cid=e20bad3a04&mc_eid=c56f7c6ab9)

“To build an adequate portfolio of clean-energy options that can be deployed on a mass scale, the U.S. government must improve how it shepherds new technologies through the critical demonstration phase—often called “the valley of death”—between early R&D and full-scale commercialization. The Obama administration made progress in some respects, but there is a continuing need to significantly reform the Energy Department’s approach. Congress should consider setting up a new agency to run some of these projects instead of DOE.”

*Joan Fitzgerald*

**Tilting at Windmills - Why the Green Jobs Promise Is Still Unfulfilled**

The American Prospect magazine - Summer 2017

<http://prospect.org/article/tilting-windmills>

“The government’s National Renewable Energy Lab estimates that more than 100,000 megawatts of wind energy could be generated on the Great Lakes. That, in turn, offers the potential for thousands of good jobs in the manufacturing supply chain for turbines, their components, and maintenance. The American Wind Energy Association estimates that wind power has already stimulated 3,000 jobs and \$900 million in wind investment in Ohio. But a closer look suggests how offshore wind epitomizes the unrealized promise of economic redevelopment policies for America’s heartland based on renewable energy.”