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GENERAL INTEREST

The American Dream Deferred

Brookings – Essay – June 2018

<https://www.brookings.edu/essay/senator-booker-american-dream-deferred>

“In a new Brookings Essay, Senator Cory Booker (D-N.J.) describes the corporate practices that are keeping American workers from rising into the middle class and presents solutions to restore and expand the American dream.”

Zheng Liu, Mark M. Spiegel, and Eric B. Tallman

Is GDP Overstating Economic Activity?

FRB San Francisco - Economic Letter - May 29, 2018 – 5 pages

<https://www.frbsf.org/economic-research/files/el2018-14.pdf>

“Since late 2015, growth in real GDP has consistently exceeded that in real GDI, a prominent alternative measure of aggregate output, with an average difference of about 0.65 percentage point. Is real GDP overstating the expansion? One way to address this question is by comparing the accuracy of these measures in forecasting a benchmark measure of economic activity, the Chicago Fed National Activity Index. The comparison suggests that GDP consistently outperforms GDI in predicting recent real economic activity. Therefore, the weaker GDI growth does not necessarily indicate slower economic growth.”

William A. Strauss and Thomas Haasl

Economic Growth to Accelerate in 2018 and Then Ease in 2019 as Auto Sales Downshift

FRB Chicago – Fed Letter – June 2018 – 7 pages

<https://www.chicagofed.org/publications/chicago-fed-letter/2018/399>

According to participants in the Chicago Fed’s annual Automotive Outlook Symposium (AOS), the nation’s economic growth is forecasted to improve this year and then moderate close to its long-term average in 2019. Inflation is expected to increase in 2018 and to pull back in 2019. The unemployment rate is anticipated to decrease to 3.8% by the end of 2018, but then tick back up next year. Light vehicle sales are predicted to decrease from 17.2 million units in 2017 to 17.0 million units in 2018 and then to 16.7 million units in 2019.”

INCOMES - INEQUALITY

Jason Furman and Peter Orszag

Slower Productivity and Higher Inequality: Are They Related?

Peterson Institute – Working Paper – June 2018 – 15 pages

<https://piie.com/system/files/documents/wp18-4.pdf>

“Reduced competition and dynamism explain the productivity slowdown and increase in income inequality that has dramatically slowed income growth for typical American families. The authors also explore scenarios under which government policies can help mitigate, or contribute to, declining competition and dynamism.”

Eleanor Krause and Isabel V. Sawhill Tuesday,

Seven Reasons to Worry About the American Middle Class

Brookings - Social Mobility Memo - June 5, 2018

<https://www.brookings.edu/blog/social-mobility-memos/2018/06/05/seven-reasons-to-worry-about-the-american-middle-class/>

“On May 8th, Brookings officially launched a new initiative on the Future of the Middle Class. Through this initiative, we will publish research, analysis, and insights that are motivated by a desire to improve the quality of life for those in America’s middle class and to improve upward mobility into its ranks... Here are seven of the reasons we are worried about the American middle class.”

W. Bradford Wilcox et al.

Black Men Making It in America: The Engine of Economic Success for Black Men in America

American Enterprise Institute - Report – June 2018 – 32 pages

https://www.aei.org/wp-content/uploads/2018/06/BlackMenMakingItInAmerica-Final_062218.pdf

“In their new report, Brad Wilcox et al. seek to answer two important sets of questions on the economic fortunes of black men in America. They explore what share of black men have reached the middle class or higher as adults versus what share are in poverty. And they seek to answer what are the key institutional and cultural engines of economic success for black men in America today. The authors find that the answers to these questions provide some good news about the economic standing of African American men.”

FISCAL AND TAX POLICIES

Tim Mahedy and Daniel J. Wilson

Fiscal Policy in Good Times and Bad

FRB San Francisco – Economic Letter – July 9, 2018 – 5 pages

<https://www.frbsf.org/economic-research/files/el2018-18.pdf>

“Thanks in large part to recently enacted tax cuts, U.S. fiscal policy has taken a decidedly procyclical turn—providing stimulus when the economy is growing. In fact, the projected increase in the federal deficit over the next few years would represent the most procyclical fiscal policy stance since the Vietnam War. This matters because many recent studies have found that fiscal stimulus has a smaller impact when the economy is strong, implying that the near-term boost to GDP growth could be two-thirds or less of that from previous tax cuts.”

William G. Gale, Hilary Gelfond, Aaron Krupkin, Mark Mazur, and Eric Toder

Effects of the Tax Cuts and Jobs Act: A preliminary analysis

Tax Policy Center - Brookings and Urban Institute – Report - Thursday, June 13, 2018 – 51 pages

https://www.brookings.edu/wp-content/uploads/2018/06/ES_20180608_tcja_summary_paper_final.pdf

“The Tax Cuts and Jobs Act may simplify some areas of the existing tax code and stimulate the economy in the short term, but over the long term it will reduce federal revenue, make many households worse off, and have adverse long-term effects on health care, the national debt, and income inequality.”

Program Spending Outside Social Security and Medicare Historically Low as a Percent of GDP and Projected to Fall Further

Low-Income Programs Not Driving Nation's Long-Term Fiscal Problem

Center on Budget Policy and Priorities – Reports – June 26, 2018 – 9 and 9

<https://www.cbpp.org/sites/default/files/atoms/files/2-29-12bud.pdf>

<https://www.cbpp.org/sites/default/files/atoms/files/5-10-12bud.pdf>

“Newly updated CBPP reports show that two main Republican arguments for deep cuts to programs for low-income Americans — that program growth across the federal budget is driving the nation’s fiscal problems and that programs for people of low or modest incomes are mushrooming in cost — don’t survive scrutiny. The first report finds that federal program spending outside Social Security and Medicare is below its 40-year average as a percent of the economy and is projected to keep falling. The second report finds that federal spending for low-income programs outside health care has fallen to its historical average as a percent of GDP and is projected to decline further.”

The 2018 Long-Term Budget Outlook

CBO – Report - June 26, 2018 – 57 pages

<https://www.cbo.gov/system/files/115th-congress-2017-2018/reports/53919-2018ltbo.pdf>

“If current laws remain generally unchanged, CBO projects, federal budget deficits and debt would increase over the next 30 years—reaching the highest level of debt relative to GDP in the nation’s history by far.”

MONETARY POLICY

Rethinking the Fed’s 2 Percent Inflation Target

Brookings - Hutchins Center on Fiscal & Monetary Policy – Report – June 2018 – 26 pges

https://www.brookings.edu/wp-content/uploads/2018/06/ES_20180607_Hutchins-FedInflationTarget.pdf

“A series of reports from David Wessel, Lawrence H. Summers, and John David Murray examine the arguments for maintaining the Federal Reserve's current inflation target and provide alternative monetary policy frameworks to consider.”

Daniel Sanchez

Bitcoin vs. the Buck: Is Currency Competition a Good Thing?

FRB Philadelphia - Economic Insights – Second Quarter – 6p

<https://www.philadelphiafed.org/-/media/research-and-data/publications/economic-insights/2018/q2/eiq218-bitcoin.pdf?la=en>

“Ever since the U.S. established a single currency in the 19th century, the idea of private money has evoked panics and bank failures. In the cryptocurrency era, can the dollar stay sound?”

Dorian Carloni

How Nominal Foreign Currency Depreciation Against the U.S. Dollar Affects U.S. Wealth

Congressional Budget Office - Working Paper - June 11, 2018 – 41 pages

<https://www.cbo.gov/system/files/115th-congress-2017-2018/workingpaper/53931-workingpaper.pdf>

“This paper examines how a 20 percent depreciation of foreign currencies with respect to the U.S. dollar affects the wealth of U.S. residents and evaluates how that effect would be distributed across U.S. households by income group.”

Rebecca M. Nelson

Debates over Exchange Rates: Overview and Issues for Congress

Congressional Research Service – Report - June 22, 2018 – 29 pages

<https://fas.org/sgp/crs/misc/R43242.pdf>

“Over the past decade, some Members of Congress have been concerned that foreign countries are using exchange rate policies to gain an unfair trade advantage against other countries, or “manipulating” their currencies. Congressional concerns have focused on China’s foreign exchange interventions over the past decade to weaken its currency against the U.S. dollar, although concerns have also been raised about a number of other countries pursuing similar policies.”

FINANCE

Combating Money Laundering and Other Forms of Illicit Finance: How Criminal Organizations Launder Money and Innovative Techniques for Fighting Them

Committee on Banking, Housing, and Urban Affairs – Hearing – June 20, 2018

<https://www.banking.senate.gov/hearings/combating-money-laundering-and-other-forms-of-illicit-finance-how-criminal-organizations-launder-money-and-innovative-techniques-for-fighting-them>

The witnesses are: Mr. Dennis Lormel, President and CEO, DML Associates (and former Chief, FBI Financial Crimes Program); Ms. Tracy S. Woodrow, Senior Vice President and BSA Officer/Anti-Money Laundering Director, M & T Bank; and Mr. Chip Poncy, President and Co-Founder, Financial Integrity Network.

Aaron Klein

No, Dodd-Frank Was Neither Repealed Nor Guttled. Here’s What Really Happened

Brookings – Report - May 25, 2018

<https://www.brookings.edu/research/no-dodd-frank-was-neither-repealed-nor-guttled-heres-what-really-happened>

“Aaron Klein debunks five myths that have emerged around the changes signed into law last week to the post-recession financial regulatory framework and makes a surprising conclusion: Dodd-Frank is likely here to stay.”

Eva Su

Capital Markets, Securities Offerings, and Related Policy Issues

Congressional Research Service – Report - June 8, 2018 – 46 pages

<https://fas.org/sgp/crs/misc/R45221.pdf>

“This report analyzes legislative proposals that would generally affect the terms and amounts of capital provided to companies by investors. It analyzes a number of current legislative proposals and agency actions to expand both public and private securities offerings through amendments to program design, investor access, and disclosure requirements, among other provisions.”

Pablo d’Erasmus

Are Higher Capital Requirements Worth It?

FRB Philadelphia - Economic Insights – Second Quarter – 8 pages

https://www.philadelphiafed.org/-/media/research-and-data/publications/economic-insights/2018/q2/eiq218-capital_requirements.pdf?la=en

“The studies I have reviewed suggest that for every 1 percent increase in capital minimums, lending rates will rise by 5 to 15 basis points and economic output will fall 0.15 percent to 0.6 percent. Despite this variation, it is reasonable to expect that increases in borrowing costs of this magnitude may curtail lending enough to create a lasting drag on overall economic activity. Less clear is what harm would ensue from another financial crisis without more well-capitalized banks.”

Matthew C. Plosser and João A.C. Santos

The Cost of Bank Regulatory Capital

FRB New York - Staff Report - June 2018 – 59 pages

https://www.newyorkfed.org/medialibrary/media/research/staff_reports/sr853.pdf

“The Basel I Accord introduced a discontinuity in required capital for undrawn credit commitments. While banks had to set aside capital when they extended commitments with maturities in excess of one year, short-term commitments were not subject to a capital requirement. The Basel II Accord sought to reduce this discontinuity by extending capital standards to most short-term commitments. We use these differences in capital standards around the one-year maturity to infer the cost of bank regulatory capital. Our results show that following Basel I, undrawn fees and all-in-drawn credit spreads on short-term commitments declined (relative to those of long-term commitments). In contrast, following the passage of Basel II, both undrawn fees and spreads went up. These results are robust and confirm that banks act to conserve regulatory capital by modifying the cost and supply of credit.”

Anna Kovner and Peter Van Tassel

Regulatory Changes and the Cost of Capital for Banks

FRB New York - Staff Report - June 2018 – 59 pages – 56 pages

https://www.newyorkfed.org/medialibrary/media/research/staff_reports/sr854.pdf

“The authors estimate the cost of capital for the banking industry and explore how it has changed over time. They find that while the cost of capital soared for banks during the financial crisis, after the passage of the Dodd-Frank Act, the value-weighted cost of capital for banks fell differentially more than did the cost of capital for nonbanks. They also find some evidence that stress testing has lowered the cost of capital for the largest stress-tested banks.”

Julapa Jagtiani and Raman Quinn Maingi

How Important Are Local Community Banks to Small Business Lending? Evidence from Mergers and Acquisitions

FRB Philadelphia - Working Paper – June 2018 – 30 pages

<https://www.philadelphiafed.org/-/media/research-and-data/publications/working-papers/2018/wp18-18.pdf>

“We investigate the shrinking community banking sector and the impact on local small business lending (SBL) in the context of mergers and acquisitions... Our results indicate that, relative to counties where the acquirer had operations before the merger, local SBL declined significantly more in counties where only the target had operations before the merger... Overall, we find evidence that local community banks have continued to play an important role in providing funding to local small businesses. The absence of local community banks that became a target of a merger or acquisition by nonlocal acquirers has, on average, led to local SBL credit gaps that were not filled by the rest of the banking sector.”

Andreas Fuster, Matthew Plosser, and James Vickery

How is Technology Changing the Mortgage Market?

FRB New York - Liberty Street Economics – June 25, 2018

<http://libertystreeteconomics.newyorkfed.org/2018/06/how-is-technology-changing-the-mortgage-market.html>

“The adoption of new technologies is transforming the mortgage industry. Our bloggers review their findings from a recent staff report that suggests technology is reducing frictions in mortgage lending, such as reducing the time it takes to originate a mortgage and increasing the elasticity of mortgage supply. These benefits do not seem to come at the cost of less careful screening of borrowers.”

Claire Greene and Joanna Stavins

The 2016 and 2017 Surveys of Consumer Payment Choice: Summary Results

FRB Boston - Research Data Report – June 2018 – 48 pages

<https://www.bostonfed.org/publications/research-data-report/2018/the-2016-and-2017-surveys-of-consumer-payment-choice-summary-results.aspx>

“The 2016 and 2017 Surveys of Consumer Payment (SCPC) are the ninth and tenth in a series of annual studies that examine the payment behavior of U.S. consumers. This paper describes the results, content, and methodology of these latest editions of the SCPC. It presents data measuring the adoption and use of the various payment instruments in a typical month, and it provides estimates of consumers’ banking and cash-management activities, their assessments of payment instruments, and individual and household demographic characteristics. In addition to reporting the latest SCPC results in detail, this paper presents major findings on consumer payment behavior from the SCPC’s inception in 2008 through 2017.”

HOUSING

Cecile Murray and Jenny Schuetz

Housing in the U.S. Is Too Expensive, Too Cheap, and Just Right. It Depends on Where You Live

Brookings – Report - June 21, 2018

<https://www.brookings.edu/research/housing-in-the-u-s-is-too-expensive-too-cheap-and-just-right-it-depends-on-where-you-live/>

“In this analysis, we investigate the distribution of neighborhood house price-to-income ratios across the U.S., focusing especially on locations with unusually high or low ratios.[2] Both incomes and housing market fundamentals—such as land availability, development costs, wages, and demographics—vary by geography. This analysis helps identify regions of the country where house prices are “too high” and “too low,” where middle-income households have to stretch to buy homes, and where homeowners find it difficult to build housing wealth.”

OTHER ECONOMIC POLICIES

Daniel A. Crane

Antitrust’s Unconventional Politics

Cato Institute – Regulation – Article – Summer 2018 – 5 pages

<https://object.cato.org/sites/cato.org/files/serials/files/regulation/2018/6/regulation-v41n2-2.pdf>

“The ideological and political motivations for antitrust policy do not neatly fit the standard left/right dichotomy.”

Marshall Steinbaum

How Airlines Explain Our Screwed-Up Economy

Washington Monthly - June 4, 2018

<https://washingtonmonthly.com/2018/06/04/how-airlines-explain-our-screwed-up-economy/>

“By now the nature of the economy’s market power problem is clear: decades of lax antitrust policy have permitted a concentration of economic power in the hands of dominant corporations, their executives, and their boards of directors not seen since the Gilded Age. This has disadvantaged the economy’s many other stakeholders: consumers, workers, entrepreneurs, communities, and everyone who benefits from economic growth as a whole. The question now is what to do about it. It’s instructive to look at the airline industry as a case study in policy gone awry.”

Robert D. Atkinson

Why the Postal Service Is Not Subsidizing Package Delivery

Information Technology & Innovation Foundation – Report – June 2018 – 13 pages

http://www2.itif.org/2018-postal-service.pdf?_ga=2.170844000.1776232692.1529411468-1562931536.1436366239

“Despite assertions by President Trump that the U.S. Postal Service is charging too little for package delivery, the evidence shows that package delivery is not subsidized. In fact, package revenue is playing a key role in shoring up USPS’s shaky finances. Packages provide a healthy surplus that reduces the net USPS losses from market dominant products. Rather than focus on the competitive products side, USPS needs to focus on cost cutting on the market dominant side.”

LOCAL ECONOMIC DEVELOPMENT

Building a Skilled Workforce for a Stronger Southern Economy

FRB Atlanta – Report – June 2018 – 36 pages

<https://www.frbatlanta.org/-/media/documents/community-development/publications/special/180612-building-a-skilled-workforce-for-a-stronger-southern-economy/report.pdf>

“This report examines the structural roots and policy decisions in the South that created the current skills gap, and it offers solutions to close that gap. The Atlanta Fed’s Center for Workforce and Economic Opportunity, St. Louis Fed, and National Skills Coalition collaborated on the report.”

Amy Liu

The Urgency to Achieve an Inclusive Economy in the Bay Area

Brookings – Report - June 7, 2018

<https://www.brookings.edu/research/the-urgency-to-achieve-an-inclusive-economy-in-the-bay-area>

“City leaders across the country are watching how this high-tech region grapples with the consequences of dizzying economic growth —expensive housing, stark inequalities, and congestion, to name a few. While the most obvious policy failures may lie with transportation and housing, focusing on the built environment alone is insufficient. The economy matters too. Increasing the availability of good-paying jobs and training more local workers for stable careers can help residents earn enough to keep pace with the region’s rising costs of living. This region is adept at attracting talented workers from across the world to take lucrative positions in fast-growing, tech-savvy companies. Yet more must be done to help existing residents access quality jobs in the innovation economy and in the industries that support it.”

BUSINESS

Building a More Dynamic and Competitive Economy

Brookings - The Hamilton Project Policy - June 13, 2018

http://www.hamiltonproject.org/events/building_a_more_dynamic_and_competitive_economy

“The Hamilton Project hosted a forum on “Building a More Dynamic and Competitive Economy,” which explored the most effective policy options to foster a more dynamic and competitive economy. The event included a fireside chat, research presentation, and roundtable discussions on topics including firm concentration and innovation; occupational licensing and scope of practice restrictions; and policies to support new, rather than big, firms. The forum coincided with the release of three new Hamilton Project policy proposals on topics including: exploring data and identity portability; removing anticompetitive policies in the health care system; and reforming state policies to support entrepreneurship rather than large incumbent firms.”

Jay Shambaugh, Ryan Nunn, Audrey Breitwieser, and Patrick Liu

The State of Competition and Dynamism: Facts about concentration, start-ups, and related policies

Brookings – Hamilton Project – Report - June 13, 2018 – 40 pages

https://www.brookings.edu/wp-content/uploads/2018/06/ES_THP_20180611_CompetitionFacts_20180611.pdf

“Over the past few decades there have been troubling indications that dynamism and competition in the U.S. economy have declined. This paper describes the state of competition in the economy, related patterns in entrepreneurship, and policies that promote or inhibit competition. Business dynamism and competition are inherently intertwined, though the linkages are complex. Dominant firms can crowd out new entrants and reduce entrepreneurship; at the same time, a lack of start-ups can reduce the entrants necessary to generate competition. Thus, we examine both growing market concentration and the reduced rate of entry by firms.”

Robert Jay Dilger and Sean Lowry

Small Business Administration: A Primer on Programs and Funding

Congressional Research Service – Report - June 27, 2018 – 39 pages

<https://fas.org/sgp/crs/misc/RL33243.pdf>

“The Small Business Administration (SBA) administers several types of programs to support small businesses, including loan guaranty and venture capital programs to enhance small business access to capital; contracting programs to increase small business opportunities in federal contracting; direct loan programs for businesses, homeowners, and renters to assist their recovery from natural disasters; and small business management and technical assistance training programs to assist business formation and expansion.”

Lawrence Mishel and Julia Wolfe

Non-Employer-Establishments

Economic Policy Institute – Blog - June 21, 2018

<https://www.epi.org/blog/nonemployer-establishments-grew-in-2016-but-their-real-revenues-were-stable-confirming-other-data-on-self-employment-showing-more-activity-but-little-economic-impact/>

Non-employer establishments grew in 2016 but their real revenues were stable: This confirms other data on self-employment showing more activity, but little economic impact.

SCIENCE – TECHNOLOGY – INNOVATION

John F. Sargent Jr.

U.S. Research and Development Funding and Performance: Fact Sheet

Congressional Research Service – Report - June 29, 2018 – 5 pages

<https://fas.org/sgp/crs/misc/R44307.pdf>

“This fact sheet begins by providing a profile of the U.S. R&D enterprise, including historical trends and current funding by sector and by whether the R&D is basic research, applied research, or development. The final section of this fact sheet includes data on R&D performance by sector.”

Tech Policy To-Do List

Information Technology & Innovation Foundation – Report – July 2018 – 41 pages

http://www2.itif.org/2018-tech-policy-to-do-list.pdf?_ga=2.18339581.519013701.1530630372-1562931536.1436366239

“Political realities may preclude sweeping legislation to enact a bold agenda that would spur innovation, productivity, and competitiveness in a single stroke. But there are myriad discrete actions the administration and Congress can take to advance those goals with little impact on the federal budget. The latest edition of ITIF’s Tech Policy To-Do List provides a menu of nearly 120 actionable ideas cutting across everything from advanced manufacturing to education and training, data innovation, e-government, broadband deployment, trade, and clean energy.”

John Wu

Why U.S. Business R&D Is Not as Strong as It Appears

Information Technology & Innovation Foundation – Report – June 2018 – 20 pages

http://www2.itif.org/2018-us-business-rd.pdf?_ga=2.256547724.609520580.1529610336-1562931536.1436366239

“While U.S. business investment in R&D jumped by two-thirds on an inflation-adjusted basis from \$328 billion in 2000 to \$458 billion in 2016, the rate of R&D growth as a share of GDP has been anemic— inching up from 2.61 percent to 2.74 percent. Moreover, businesses are investing less in riskier, early stage basic and applied research than in later-stage development, and the global share of business R&D performed in the U.S. has fallen significantly. This calls for stronger federal support for both business R&D and federal R&D.”

Joshua New and Daniel Castro

How Policymakers Can Foster Algorithmic Accountability

Information Technology & Innovation Foundation – Report – May 2018 – 40 pages

<http://www2.datainnovation.org/2018-algorithmic-accountability.pdf>

“Some uses of algorithms can cause harms, depending on where and how they’re implemented, such as exacerbating existing biases and inequalities. But instead of overregulating, as many activists and pundits call for, policymakers should embrace the principle of “algorithmic accountability.” By ensuring that human operators can verify algorithms work as intended—and can identify and rectify problems—it provides a model for enabling innovation, guarding against harms, and allowing laws governing human decisions to be applied effectively to algorithmic ones, too.”

Darrell M. West and Jack Karsten

Views of AI, Robots, and Automation Based on Internet Search Data

Brookings – Report - Thursday, June 7, 2018

<https://www.brookings.edu/research/views-of-ai-robots-and-automation-based-on-internet-search-data>

“Research shows Americans are increasingly going online to search for information about technology-related topics. Darrell West and Jack Karsten offer insight into what’s driving this growing interest in artificial intelligence, robots, and automation.”

Darrell M. West

Brookings Survey Finds 52 Percent Believe Robots Will Perform Most Human Activities in 30 Years

Brookings - TechTank - June 21, 2018

<https://www.brookings.edu/blog/techtank/2018/06/21/brookings-survey-finds-52-percent-believe-robots-will-perform-most-human-activities-in-30-years>

“Fifty-two percent of adult internet users believe within 30 years, robots will have advanced to the point where they can perform most of the activities currently done by humans, according to a survey undertaken by researchers at the Brookings Institution. The poll also found people divided 32 to 29 percent regarding whether the U.S. government should set up a Federal Robotics Commission to regulate robot development and usage.”

Robert E. Litan

Meeting the Automation Challenge to the Middle Class and the American Project

Brookings – Report - June 21, 2018

<https://www.brookings.edu/research/meeting-the-automation-challenge-to-the-middle-class-and-the-american-project>

“Our best hope for dealing with the anxieties triggered by automation is to ensure that all Americans have the financial means, and the information, to engage in productive life-long learning, both on and outside their jobs. I review several concrete proposals for doing precisely this, as well as some short-term ideas – more assistance for apprenticeships and “universal” wage insurance for all displaced workers who take pay cuts when finding new jobs – that can reinforce the training benefits of a more comprehensive lifetime skills upgrading program.”

TELECOMMUNICATIONS - INFORMATION TECHNOLOGIES

Nick Wallace, Alan McQuinn, Stephen Ezell, and Daniel Castro

How Canada, the EU, and the U.S. Can Work Together to Promote ICT Development

Information Technology & Innovation Foundation – Report – June 2018 – 59 pages

<http://www2.itif.org/2018-canada-eu-us-ict-development.pdf? ga=2.76638101.1441363453.1529500239-1562931536.1436366239>

“Both sides of the Atlantic want to harness information and communications technologies (ICT) to boost productivity and innovation. This report compares and contrasts ICT policies in the U.S., EU, and Canada in four key policy areas: IP rights, data protection, the wider regulatory environment, and support for digital innovation. It then lays out a policy agenda to promote a strong and competitive environment for ICT development, use, and cross-border trade.”

Angele A. Gilroy

The Net Neutrality Debate: Access to Broadband Networks

Congressional Research Service – Report - June 22, 2018 – 29 pages

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

Whether Congress will choose to address comprehensive legislation to amend the 1934 Communications Act, to provide a broad-based regulatory framework, remains to be seen. Congressional action in the 115th Congress has also focused on two aspects of the 2015 rules: privacy and transparency. Separately, legislation (S. 993) to nullify the FCC’s 2015 Open Internet Order has also been introduced.”

INFRASTRUCTURE AND TRANSPORTATION

Examining the Effects of Emerging Autonomous Technologies on America’s Roads and Bridges
Senate Committee on Environment and Public Works – Hearing - June 13, 2018
<https://www.epw.senate.gov/public/index.cfm/hearings?ID=FA6787B5-F941-4C2A-983D-2DE781560503>

Witnesses:

William “Bill” Panos, Director, Wyoming Department of Transportation
Shailen Bhatt, President and CEO, Intelligent Transportation Society of America
Dr. Zachary Doerzaph, Director, Center for Advanced Automotive Research
Polly Trottenberg, Commissioner, New York City Department of Transportation
Shaun Kildare, Director of Research, Advocates for Highway and Auto Safety

Susan Helper, Jason S. Miller, and Mark Muro

Why Undermining Fuel Efficiency Standards Would Harm the US Auto Industry
Brookings – The Avenue – July 2, 2018
<https://www.brookings.edu/blog/the-avenue/2018/07/02/why-undermining-fuel-efficiency-standards-would-harm-the-us-auto-industry>

The Trump administration’s proposal to weaken Obama-era fuel economy standards threatens to unravel the remarkable gains that the U.S. auto industry has enjoyed since the height of the financial crisis.

Lia Cattaneo

Plug-In Electric Vehicle Policy
Center for American Progress – June 7, 2018
<https://www.americanprogress.org/issues/green/reports/2018/06/07/451722/plug-electric-vehicle-policy/>

“Widespread use of plug-in electric vehicles (PEVs) can improve air quality and reduce greenhouse gas emissions. Yet these vehicles currently comprise only 1 percent of new vehicle registrations. Here are state policies that can help address challenges to PEV deployment and put more of these vehicles on the road.”

AGRICULTURE

James Williamson and Siraj Gustavo Bawa

Estimated Effects of the Tax Cuts and Jobs Act on Farms and Farm Households
USDA – ERS - Economic Research Report – June 2018 - 45 pages
<https://www.ers.usda.gov/publications/pub-details/?pubid=89355>

“The Tax Cuts and Jobs Act of 2017 made significant changes to the Federal income tax system. According to an ERS analysis of the potential impact of the law on family farms, average tax rates are

expected to decline across all farm sizes and commodity specializations, with effects on farm households varying by farm size. Estimates also suggest fewer farm estates will be subject to estate tax.”

Mark A. McMinimy, Coordinator

The House Agriculture Committee’s 2018 Farm Bill (H.R. 2)

Congressional Research Service – Report - June 29, 2018 – 121 pages

<https://fas.org/sgp/crs/misc/R45197.pdf>

“H.R. 2 would reauthorize most existing programs for five years through FY2023. Overall, the bill provides continuity with the existing framework of farm and food programs even as it modifies numerous programs, alters the amount and type of program funding certain programs receive, and exercises the committee’s discretion not to reauthorize others.”

Jim Monke

Farm Bills: Major Legislative Actions, 1965-2018

Congressional Research Service – Report - June 29, 2018 – 11 pages

<https://fas.org/sgp/crs/misc/R45210.pdf>

“The farm bill provides an opportunity for Congress to address agricultural and food issues comprehensively about every five years. Over time, farm bills have tended to become more complicated and politically sensitive. As a result, the timeline for reauthorization has become less certain, and in general recent farm bills have taken longer to enact than in previous decades.”

Tomislav Vukina and Xiaoyong Zheng

Agricultural Contracts and Competition Policies

American Enterprise Institute – June 2018 – 19 pages

<http://www.aei.org/wp-content/uploads/2018/06/Agricultural-Contracts-and-Competition-Policies.pdf>

“The objective of this paper is to provide insights and policy directions on the market-competition ramifications of agricultural contracts, also known as alternative marketing arrangements (AMAs). The value share of agricultural production under contracts stands around 35 percent. The use of contracts in agriculture varies significantly across commodities. Contracting is less common in major field crops and leans more heavily toward specialty crops, hogs, and poultry. There are also significant variations in the types of contracts used. The use of marketing contracts favors crops against livestock, whereas the share of production contracts is almost entirely exhausted by livestock production.”

EMPLOYMENT

Growth, Opportunity, and Change in the U.S. Labor Market and the American Workforce: A Review of Current Developments, Trends, and Statistics

House Subcommittee on Health, Employment, Labor, and Pensions – Hearing - June 21, 2018

<https://edworkforce.house.gov/calendar/eventsingle.aspx?EventID=402840>

“Today’s hearing presents an opportunity to delve into BLS’s most recent information on the U.S. labor market, its recently published data on workers engaging in contingent and alternative forms of work, and to gain a better understanding of BLS products and data to ensure we, as policymakers, and the public at-large can best utilize this information.”

Mark Muro, Jacob Whiton, and Patrick McKenna

Could ‘Mid-Tech’ Jobs Elevate More People and Non-Coastal Places?

Brookings – The Avenue - June 20, 2018

<https://www.brookings.edu/blog/the-avenue/2018/06/20/could-mid-tech-jobs-elevate-more-people-and-non-coastal-places>

“Despite tech employment’s reputation of being reserved for the coastal elite, the rise of mid-level tech jobs shows promise for making the industry more accessible to workers without a bachelor’s degree and in regions beyond the classic tech hubs.”

Drew DeSilver

The Share of Teens with Summer Jobs Has Plunged Since 2000, and the Type of Work They Do Has Shifted

Pew Research Center - Fact Tank - July 2, 2018

<http://www.pewresearch.org/fact-tank/2018/07/02/the-share-of-teens-with-summer-jobs-has-plunged-since-2000-and-the-type-of-work-they-do-has-shifted>

“As recently as the turn of the 21st century, roughly half of U.S. teens could expect to spend at least part of their summer vacation lifeguarding, dishing up soft-serve ice cream, selling T-shirts or otherwise working. But the share of teens working summer jobs has tumbled since 2000: Despite some recovery since the end of the Great Recession, about a third of teens (35%) had a job last summer.”

Warren Meyer

How Labor Regulations Harm Unskilled Workers

Cato Institute – Regulation – Summer 2018 – 7 pages

<https://object.cato.org/sites/cato.org/files/serials/files/regulation/2018/6/regulation-v41n2-1.pdf>

“As government expands regulation of employers, they will increasingly turn to fewer, higher-skilled workers and automation.”

WAGES

Anna Stansbury (Harvard Kennedy School) and Lawrence H. Summers

Productivity and Pay: Is the Link Broken?

Peterson Institute – Working Paper – June 2018 – 51 pages

<https://piie.com/system/files/documents/wp18-5.pdf>

Stansbury and Summers, using regression analysis, find substantial evidence that productivity and wage growth are associated with each other, which suggests that other factors are contributing to the divergence observed between the two growth rates in recent decades. If technological progress is a factor, then periods of higher productivity growth should be associated with periods of faster productivity-pay divergence. However, the authors do not find substantial evidence that this is the case.”

Sushant Acharya and Shu Lin Wee

Replacement Hiring and the Productivity -Wage Gap

FRB New York - Staff Report - June 2018 – 59 pages – 51 pages

https://www.newyorkfed.org/medialibrary/media/research/staff_reports/sr860.pdf

Real compensation per hour has failed to keep up with labor productivity since the 1980s. At the same time, an upward trend in the fraction of total hires that are replacement hires—hires in excess of net

employment change—has emerged. The authors analyze how increased replacement hiring can contribute to the productivity-wage gap.”

Anat Bracha and Mary A. Burke

Wage Inflation and Informal Work

FRB Boston - Current Policy Perspectives – June 2018 – 28 pages

<https://www.bostonfed.org/publications/current-policy-perspectives/2018/wage-inflation-and-informal-work.aspx>

While U.S. unemployment has fallen to a very low rate, wage inflation has remained modest. Indeed, recent year-over-year wage growth values have fallen short of their predicted values by 0.5 to 1 percentage point, and recent acceleration in wage growth relative to declines in unemployment also has fallen short of historical norms. The authors examine one possible explanation for this wage-growth puzzle: The labor market is not as tight as the unemployment rate indicates. Specifically, they investigate the possibility that informal “gig” work embodies an economically significant amount of labor market slack that is not captured in the U-3 unemployment rate and other standard estimates of slack.

Celine McNicholas and Heidi Shierholz

Supreme Court Decision in Janus Threatens the Quality of Public-Sector Jobs and Public Services

Economic Policy Institute - Report - June 13, 2018 – 7 pages

<https://www.epi.org/files/pdf/149780.pdf>

“As a previous EPI report explained, the corporate interests backing the plaintiffs in Janus are seeking to weaken the bargaining power of unions by restricting the ability of public-sector unions to collect “fair share” (or “agency”) fees for the representation they provide. In this new report, we argue that the decision in Janus will have significant impacts on public-sector workers’ wages and job quality as well as on the critical public services these workers provide.”

The Hispanic–White Wage Gap Has Remained Wide and Relatively Steady for Decades

Economic Policy Institute – Report – July 2, 2018 – 47 pages

<https://www.epi.org/files/pdf/147311.pdf>

“Professors Maria Mora and Alberto Dávila examine the Hispanic–white wage gap among full-time workers, including how it is affected by gender, Hispanic origin, education level, birthplace, immigrant status, and generational status. In 2017, Hispanic men working full time made 14.9 percent less in hourly wages than comparable white men, while Hispanic women made 33.1 percent less than comparable white men. This gap has remained wide and relatively steady since 2000, for Hispanic men and women overall and for most of the largest subgroups by Hispanic origin.”

RETIREMENT

Martin Neil Baily and Benjamin H. Harris

The Retirement Revolution: Regulatory Reform to Enable Behavioral Change

Brookings – Report – June 2018 – 18 pages

<https://www.brookings.edu/wp-content/uploads/2018/06/The-Retirement-Revolution.pdf>

“Americans, in aggregate, have accumulated nearly \$15 trillion in 401(k)s, IRAs and related retirement vehicles, but these savings have not translated into retirement security. The de facto retirement paradigm has become to save as much as possible and hope you don’t live too long.” The

authors “lay out some of the challenges involved for households as they save for retirement and draw down their assets after they’ve left the workforce. Despite these challenges, the authors argue that several targeted regulatory reforms can improve the experience of saving for retirement for millions of middle-class households.”

HEALTH ECONOMIC ISSUES

How to Reduce Health Care Costs: Understanding the Cost of Health Care in America

Senate Committee on Health, Education, Labor, and Pensions – Hearing - June 27, 2018

<https://www.help.senate.gov/hearings/how-to-reduce-health-care-costs-understanding-the-cost-of-health-care-in-america>

Melinda Buntin, Department of Health Policy, Vanderbilt University School of Medicine, Nashville
 Ashish Jha, Director, Harvard Global Health Institute, Harvard Medical School, Cambridge, MA
 Niall Brennan, President and Executive Director, Health Care Cost Institute, Washington, DC
 David Hyman, Professor, Georgetown University Law Center, Washington, DC

The Potential for Health Care Savings Accounts to Engage Patients and Bend the Health Care Cost Curve

US Congress - Joint Economic Committee – Hearing - June 7, 2018

<https://www.jec.senate.gov/public/index.cfm/hearings-calendar?ID=F5C36697-435D-4A45-AB94-6B285D327033>

Witnesses:

Scott W. Atlas, Hoover Institution, Stanford University

Kevin McKechnie, Executive Director, HSA Council, Senior Vice President, American Bankers Association, Washington, DC

Tracy Watts, Senior Partner, Mercer, Board of Directors, American Benefits Council, Washington, DC

Kavita Patel, Primary Care Physician, Johns Hopkins Medicine, Fellow, Brookings Institution

INTERNATIONAL ECONOMIC RELATIONS

Advancing U.S. Business Investment and Trade in the Americas

House Foreign Affairs Committee – Hearing – June 7, 2018

<https://foreignaffairs.house.gov/hearing/subcommittee-hearing-advancing-u-s-business-investment-and-trade-in-the-americas/>

“The U.S. accounted for nearly one-third of all foreign direct investment flows into Latin America and the Caribbean over the last decade and today is the largest individual source of foreign investment in the region. The region’s economic landscape provides tremendous opportunities for further growth and investment, especially in technology and energy sectors, and many U.S. businesses are beginning to explore the new opportunities. However, challenges with rampant corruption, poor regulatory frameworks, and a lack of transparency and accountability in government processes threaten the sustainability of future regional economic growth and make it difficult for greater U.S. commercial investment.”

Richard B. McKenzie

Brain-Focused Economics: More than Just Comparative Advantage

Cato Institute – Regulation – Summer 2018 – 7 pages

<https://object.cato.org/sites/cato.org/files/serials/files/regulation/2018/6/regulation-v41n2-3.pdf>

“Economists since Adam Smith have underestimated the welfare gains from free trade.”

Brian Reinbold and Yi Wen

Understanding the Trade Imbalance and Employment Decline in U.S. Manufacturing

FRB Saint Louis – Economic Synopsis – May 25, 2018 – 3 pages

<https://files.stlouisfed.org/files/htdocs/publications/economic-synopses/2018/05/25/understanding-the-trade-imbalance-and-employment-decline-in-u-s-manufacturing.pdf>

“Economic analysis suggests that a trade war with China can neither stop the decline in American manufacturing employment nor eliminate the U.S. trade deficit, but it could significantly reduce the welfare of American consumers by making U.S. imports of Chinese goods more expensive. Moreover, it could cause the United States to lose its global leadership in free trade and globalization and facilitate China’s rise as a world leader in trade and commerce. A better approach may be for policymakers to design policies that can ensure fair redistribution of the gains from free trade among American citizens and to reform the education system to prepare students for future jobs that require knowledge of automation and artificial intelligence.”

The Need for U.S. Leadership on Digital Trade

US Congress - Joint Economic Committee – Hearing - June 27, 2018

<https://www.jec.senate.gov/public/index.cfm/hearings-calendar?ID=A54D2CF1-76F4-4C3D-BCCB-B096CC663D6F>

Witnesses:

Sean Heather, Vice President, Center for Global Regulatory Cooperation, U. S. Chamber of Commerce, Washington, DC

Mr. Ryan Radia, Research Fellow and Regulatory Counsel, Competitive Enterprise Institute, Washington, DC

Ms. Rachel Fefer, Analyst, International Trade and Finance Section, Congressional Research Service Washington, DC

Ambassador Robert Holleyman, Former Deputy U.S. Trade Representative, Office of the United States Trade Representative (USTR), Washington, DC

Robert D. Atkinson and Stephen Ezell

10-Point User Guide to the Trump Tariff Wars

Information Technology & Innovation Foundation – Report – July 2018 – 10 pages

http://www2.itif.org/2018-guide-trump-tariff-wars.pdf?_ga=2.258402826.1882147931.1531231704-1562931536.1436366239

“With the tariff wars now underway, President Trump’s approach has drawn widespread criticism, sparking heated debate among advocates for and against his policies. This briefing untangles the prevailing arguments and sets the record straight on 10 important points. It concludes that the U.S. needs a new “third way” trade approach, which will require both sides to become “strategic globalists”—embracing global integration while also forcefully pressing scofflaws and mercantilists to shape up or be excluded.”

Sherman Robinson, Karen Thierfelder, Jeffrey J. Schott, Euijin Jung; Zhiyao (Lucy) Lu and Melina Kolb

Trump's Proposed Auto Tariffs Would Throw US Automakers and Workers Under the Bus

Peterson Institute – Blog - May 31, 2018

<https://piie.com/blogs/trade-investment-policy-watch/trumps-proposed-auto-tariffs-would-throw-us-automakers-and>

“New PIIIE analysis shows that tariffs on imported autos and parts—which the Trump administration has threatened to impose—would cause 195,000 US workers to lose their jobs and the American auto industry to shed nearly 2 percent of its workforce. Total job losses could triple if countries retaliate in-kind.”

CHINA

Martin Chorzempa

Confronting China through CFIUS Reform: Improved, But Still Problematic

Peterson Institute – Trade & Investment Policy Watch – June 2018

<https://piie.com/blogs/trade-investment-policy-watch/confronting-china-through-cfius-reform-improved-still>

“Although Congress has improved its bill designed to curb the forced transfer of US technology to China, the Foreign Investment Risk Review Modernization Act (FIRRMA) still risks chilling investment from allies and giving too much discretion to the executive branch.”

U.S. Tools to Address Chinese Market Distortions

US-China Economic and Security Review Commission – Hearing - June 8, 2018

<https://www.uscc.gov/Hearings/us-tools-address-chinese-market-distortions-video>

Panel I: A Coordinated Policy Response to Chinese State Capitalism

Panel II: A Coordinated Policy Response to China’s Techno-nationalism

Lee G. Branstetter

China’s Forced Technology Transfer Problem—And What to Do About It

Peterson Institute - Policy Brief - June 2018 – 10 pages

<https://piie.com/system/files/documents/pb18-13.pdf>

“At the core of the Trump administration’s dispute with China lies a real problem—China’s persistent misappropriation of foreign technology... Instead of indiscriminate tariffs, carefully targeted sanctions should be imposed on the Chinese entities directly involved in technology misappropriation. This Policy Brief proposes a new structure, based on a current bill with bipartisan support in Congress, that can equip policymakers with the data they need to impose target sanctions, outlines existing policy tools they can use, and points to ways to engage Western allies in taking this more targeted approach.”

Ana Maria Santacreu and Heting Zhu

What Does China’s Rise in Patents Mean? A Look at Quality vs. Quantity

FRB Saint Louis – Economic Synopsis – May 5, 2018 – 3 pages

<https://research.stlouisfed.org/publications/economic-synopses/2018/05/04/what-does-chinas-rise-in-patents-mean-a-look-at-quality-vs-quantity>

“Using three measurements of patent quality, we have argued that there is still room for China to improve its innovative activities. Comparing the number of patent applications and patent grants across countries, we see that although the United States and Japan have been global leaders in innovation for a long time, South Korea and China are catching up fast. If China sustains its large innovation investment and shifts its focus from quantity to quality, together with an improvement in intellectual property rights, the likelihood of becoming one of the next innovation leaders could be much higher.”

Peter Buxbaum

US-China Auto Business Growing but Chinese Market Reforms Won't Much Impact US Brands

Global Trade – Article – June 19, 2018

<http://www.globaltrademag.com/special-reports/us-china-auto-business-growing>

“US auto and auto part exports to China increased in 2017, although the value of auto imports from China continues to outpace the value of auto exports to China. In 2017, United States auto exports to China (including auto parts) reached \$13.2 billion, up 21.2 percent from 2016. Auto imports (including parts) from China also grew, rising 6.3 percent to \$15.8 billion. Through the first quarter of 2018, the value of US auto exports to China declined.”

Chad P. Bown, Euijin Jung and Zhiyao (Lucy) Lu

Trump, China, and Tariffs: From Soybeans to Semiconductors

Peterson Institute – Trade Policy Watch – June 18, 2018

<https://piie.com/blogs/trade-investment-policy-watch/trump-china-and-tariffs-soybeans-semiconductors>

“After weeks of on-again, off-again threats, the Trump administration on June 15 produced its list of specific Chinese products on which it plans to impose 25 percent tariffs. The targeted products are almost exclusively intermediate inputs and capital equipment that American companies import to remain competitive in the global marketplace. The decision will raise prices for American consumers and hurt American-based companies dependent on imports from China. China's planned retaliation against mostly American agricultural products will impose costs on American workers, ranchers, and farmers associated with lost agricultural sales.”

ENERGY

Joe Kennedy

How Induced Innovation Lowers the Cost of a Carbon Tax

Information Technology & Innovation Foundation – Report – June 2018 – 28 pages

http://www2.itif.org/2018-carbon-tax-report.pdf?_ga=2.120349256.1540563390.1530287891-1562931536.1436366239

“Evidence shows raising the cost of carbon-intensive activity through a carbon tax will give firms stronger incentives to innovate and develop more carbon-efficient technologies. By inducing innovation in new technologies, the cost of achieving a given amount of emission reductions will be reduced. If the revenues are then recycled to expand tax incentives for research and capital investment, a modest carbon tax would likely lead to faster economic growth.”

The Benefits of Tax Reform on the Energy Sector and Consumers

House Committee on Energy and Commerce - Hearing - June 20, 2018

<https://energycommerce.house.gov/hearings/the-benefits-of-tax-reform-on-the-energy-sector-and-consumers/>

“This hearing will explore the economic impacts of the Tax Cuts and Jobs Act of 2017, particularly on small businesses, consumers, and the energy sector.”

Corrie E. Clark

Renewable Energy R&D Funding History: A Comparison with Funding for Nuclear Energy, Fossil Energy, Energy Efficiency, and Electric Systems R&D

Congressional Research Service – Report - June 18, 2018 – 10 pages

<https://fas.org/sgp/crs/misc/RS22858.pdf>

“Over the 41-year period from the Department of Energy’s (DOE’s) inception at the beginning of fiscal year (FY) 1978 through FY2018, federal funding for renewable energy R&D amounted to about 18% of the energy R&D total, compared with 6% for electric systems, 16% for energy efficiency, 24% for fossil, and 37% for nuclear. For the 71-year period from 1948 through 2018, nearly 13% went to renewables, compared with nearly 5% for electric systems, 11% for energy efficiency, 24% for fossil, and 48% for nuclear.”

The Electric Grid of the Future

House Subcommittee on Energy – Hearing - June 7, 2018

<https://science.house.gov/legislation/hearings/subcommittee-energy-hearing-electric-grid-future>

“Today, the Subcommittee on Energy will examine the Department of Energy’s (DOE) effort to modernize the electrical grid. DOE, our national laboratories and universities across the country are working to develop next generation technologies that will make up our future electric grid. This critical research and development will help address vulnerabilities that range from cyberattacks to natural disasters. Another challenge is developing grid-scale battery storage and incorporating it into our electric grid.”

Colin Cunliff

Maintaining Federal Commitment to Energy Research, Development, and Demonstration

Information Technology & Innovation Foundation – Report – June 2018 – 30 pages

http://www2.itif.org/2018-energy-rdd-appropriations-2019.pdf?_ga=2.16736114.519013701.1530630372-1562931536.1436366239

In its budget agreement for fiscal year 2018, Congress wisely rejected extreme cuts the Trump administration had proposed for the Energy Department’s research, development, and demonstration (RD&D) programs. Congress is now poised to sustain these positive trends in federal support of energy innovation for FY 2019. The House and Senate both have passed appropriations bills, which differ in how they allocate funding across programs and now must be reconciled.

Read the report. | Read detailed analysis of federal energy RD&D budget.

The Shifting Geopolitics of Oil and Gas

House Committee on Energy and Commerce - Hearing - June 26, 2018

<https://energycommerce.house.gov/hearings/the-shifting-geopolitics-of-oil-and-gas/>

This hearing will examine the current state of U.S. oil and gas development and production, and the associated geopolitical, security, and economic impacts.”

Advanced Biofuels Under the Renewable Fuel Standard: Current Status and Future Prospects

House Committee on Energy and Commerce - Hearing - June 22, 2018

<https://energycommerce.house.gov/hearings/advanced-biofuels-under-the-renewable-fuel-standard-current-status-and-future-prospects/>

“The following issues may be examined at the hearing: the current status of and future issues with the advanced biofuels component of the RFS; ideas for reforming the advanced biofuels provisions in the RFS; the impact of various proposed RFS reform efforts on advanced biofuels; the consumer impacts of advanced biofuels.”