The Daily Dish

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The EPA retroactively lowered the standards for cellulosic biofuels late Tuesday. This adjustment for 2013 means the refiners will not have to pay penalties or use credits for failing to reach the 0.0005 percent blend level for cellulosic biofuel.

New reports show the IRS has given about $1 million in bonuses and overtime pay to employees with tax issues over the past two years. From CNN: "The tax problems include willful understatement of tax liabilities, late payments and under-reporting of income, according to the report issued by the Treasury Inspector General for Tax Administration."

Weekly Checkup– Without Permanent Reduction in Medicare Spending Growth, Budget Outlook Even Worse: "The Congressional Budget Office (CBO) estimates that in 25 years, the debt held by the public will be equal to the entire annual output of the American economy, which they warn will have 'significant negative consequences for both the economy and the federal budget.' And still, some of the assumptions CBO uses to make that prediction may be too optimistic. Medicare spending per beneficiary typically grows by 1 to 2 percent faster than gross domestic product (GDP) every year, exacerbating the costs associated with an aging population."

Eakinomics: Trade Agreements

President Obama is in Japan, in part to try to finalize the Trans-Pacific Partnership (TPP) trade agreement. His administration got off to a rocky start on trade agreements. He threatened to re-open the highly successful North American Free Trade Agreement (NAFTA) during the 2008 presidential campaign and then slow-walked the signing of the South Korea, Colombia, and Panama agreements at the behest of his union masters.

Since the 2012 re-election, however, the administration has attempted to rehabilitate the U.S. in the eyes of global trading partners, and do the right thing by future generations of Americans. Its pursuit of TPP and the Trans-Atlantic Trade and Investment Partnership

(TTIP) would enhance U.S. competitiveness, raise growth, and most importantly put future U.S. workers on a more level playing field with their global competitors.

Unfortunately, effective pursuit of TPP and TTIP is hamstrung by the fact that the president has not secured Trade Promotion Authority (TPA) — the guarantee that a Congress will take an up-or-down vote on any trade agreement without modification. Without TPA, it is impossible to negotiate effectively with international counterparts because there is no guarantee that the negotiated terms will stick. The administration is late in its push for TPA, making the conclusion of TPP and TTIP in this Congress more problematic.

Even more problematic, both wings of the ideological spectrum oppose TPA. Conservatives are loathe to transfer such power to the president, largely for parochial and political reasons. The progressive wing views any trade agreement as bad for U.S. workers and – differently, but more importantly – unions. Neither claim is in accord with the broad research support for expanded trade agreements on grounds of competitiveness and growth.

Trade agreements are good economic policy and TPA is necessary to achieve TPP and TTIP. It is essential that the facts trump the political claims in the opposing camps.