The Daily Dish

Celebrity Endorsements and the IRA

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If you have also trained your pet to spend the day refreshing speaker.gov, then you too will have immediately noticed the press release trumpeting: "Today, 126 of our nation's top economists — including 7 Nobel Laureates, 2 former Treasury Secretaries, 2 former Fed Vice Chairs and 2 former CEA Chairs — sent a letter to Congressional leaders urging swift passage of the Inflation Reduction Act [IRA]." Yowzer!

Or maybe not. Just as the content of the IRA is recycled from the Build Back Better Act, the seven Laureates are what is left over from the letter 17 prize winners signed supporting the BBBA. The budget size of the effort is shrinking, the support is shrinking, and the quality of the policy is shrinking. But the outlandish claims are not. Let's consider a few:

This legislation represents the single biggest step to date in tackling the climate crisis. It makes key investments to incentivize the transition to cleaner energy sources and greater efficiency. Really? The Biden strategy is simple: Regulate the greenest electricity sector on a timetable that is completely unrealistic and ship that electricity across a nationwide grid that has never existed using technologies that do not exist for distribution to every home, business, and vehicle in the United States. That is an unhedged, risky bet on a single path that shows no hope of succeeding. And we are supposed to praise putting hundreds of billions of taxpayer dollars on the table?

This legislation will quickly and noticeably bring down health care costs for families. It allows Medicare to negotiate lower prices with pharmaceutical companies, reduces Medicare out-of-pocket costs for drugs, and reduces insurance costs for 13 million Americans by building on provisions in the Affordable Care Act. Okay, one more time. It is not a negotiation when the legislation specifies a maximum price. It is not negotiation when the secretary of Health and Human Services can impose a 95 percent tax on the sales of a drug if he or she does not like a price offered by a manufacturer. This is price-fixing, plain and simple – and price-fixing has the greatest historical record of failure. And "building on

provisions in the Affordable Care Act" means writing bigger checks for insurance subsidies. None of this is genuinely making health care costs lower.

And because it is deficit-reducing, it does so while putting downward pressure on inflation. Eakinomics pointed out that no single bill determines the impact on inflation – the overall tax and spending stance does, and the combination of the IRA and the CHIPS Act does not reduce deficits until 2028. The IRA alone does nothing to reduce deficits for five years.

Celebrity endorsement didn't pass the BBBA because the BBBA didn't deserve passage.