



The Daily Dish

April 14th Edition

DOUGLAS HOLTZ-EAKIN | APRIL 14, 2015

[The middle class is worse](#) off than it was in the late 80s. New research from St. Louis Fed's Center for Household Financial Stability separated households into three categories (thrives, middle class, and stragglers) finding that the highest and lowest groups saw incomes raise by 2 percent and 8 percent, respectively. However, the middle class's income has declined by a whopping 16 percent.

[The president's veto threats are back](#). This time the White House pledged to veto two bills out of the House that would change Dodd-Frank. [AAF's regulation rodeo](#) has found that since its passage, Dodd-Frank regulations have mounted to nearly \$21 billion in costs and over 60 million paperwork hours.

[The U.S. set a new record](#) for the number of applications for H-1B visas. The popular visa for highly-skilled workers had 233,000 applications even though the cap for the visas is stuck at 85,000. [AAF research found](#) that a small business looking to obtain this visa could spend up to \$2,200 per hire and have to fill out 118 pages of paperwork.

Eakinomics: Regulating Energy Exploration

Federal regulators [announced](#) a new rule regarding the “blowout protectors” required for offshore drilling rigs. The failure of the blowout protector was a key part of the 2010 Deepwater Horizon spill. However, in the wake of the incident stakeholders collaborated to improve oversight, best practices, and technology. Offshore oil development is already safer and more reliable than ever before. The industry has withheld comment, saying it wants to study the new rule.

This suggests that the rule may or may not satisfy a benefit-cost test. But it is also a reminder that the energy sector — a bright spot in the otherwise lackluster economic recovery — has been subject to increasing regulation. AAF's [Regulation Rodeo](#) indicates that the energy and environment sector has been hit with 331 finalized regulations with a total compliance cost of \$447.1 billion and paperwork requirements of 25.9 million hours. The Obama Administration is hardly a strong advocate of oil and gas development. It is committed to closing all development in an oil-rich portion of Alaska's North Slope (over the objection of Alaskans). Oil and gas leasing activity on federal lands has declined by a third. Finally, its Outer Continental Shelf (OCS) Oil and Gas Leasing Draft Proposed [Program](#) excludes 90 percent of the OCS from development.

Energy resources are an enormous economic and geopolitical asset for the United States. There are many ways that the U.S. could improve its [leadership](#) in this area, including giving the states a bigger role, clarifying the rules that will be put in place, better managing the federal lands, and keeping government managers on track. Those issues should be the focus of the administration in the years to come.

From the Forum

[How Many Americans are Really Newly Insured?](#) By Robert Book, AAF Health Care and Economic Expert