



The Daily Dish

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Regulatory Review: The final rule on vehicular rearview cameras was released by the National Highway Traffic Safety Administration. The rule would require all vehicles under 10,000 pounds to include greater rear-end visibility measures, including rearview camera systems by 2018. The NHTSA explains the nearly \$1 billion in annual costs, stating “unquantifiable benefits in the form of reducing a safety risk.” AAF found that “the rule itself also notes that full compliance ‘in all vehicles operated on the public roads’ won’t happen until 2054. During the rulemaking, market forces have taken the lead in remedying a problem that this regulation will take 40 years to reach its ultimate goal.”

New AAF insight: What is Network Neutrality?— A new insight and video explains what network neutrality is and its effects on consumers. AAF’s Director of Technology Policy, William Rinehart, explains, “Network neutrality is the idea that networks should not speed up, slow down, or deny content. In other words, networks should stay neutral to content that flows over their system.”

Eakinomics: Equal Pay

The administration announced yesterday that President Obama will sign two executive orders regarding equal pay and federal contractors, the most significant of which will require that contractors report to the government salary data broken down by gender and race. What should one think of these? First, the clear political angle is to appeal to women in an election year. A little gender-based pandering is no surprise for this administration.

Second, they will matter. Federal contractors are large employers and roughly one-fourth of all workers will be affected. Thus, the policy foundations are important. Simplistic reporting by gender and race invites naive and mechanistic comparisons that ignore issues like experience and intangibles like effort and ingenuity. That means, conditional on your gender or race, extra effort must be paid like poor effort; extra ingenuity must be paid like lack of ingenuity. That is, unobserved productivity will be (relatively) taxed and unobserved unproductively will be (relatively) subsidized.

Third, the effort fits into a theme. The administration does not pursue policies that generate *more* income, choosing instead to value redistributing income. The minimum wage would transfer income from customers, shareholders, and small business owners to workers. Equal pay would transfer income in exactly the same way. Neither would raise productivity. Neither would increase jobs.

Gender discrimination is a real problem that deserves a real case-by-case remedy. The executive orders do nothing to further that goal.