



The Daily Dish

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DOUGLAS HOLTZ-EAKIN | AUGUST 15, 2014

The Department of Energy has revamped the [approval process](#) for natural gas exports. But, it is not yet time to celebrate. The agency will still issue a final ruling on the ambiguous merits of whether exports are in the “public interest.” According to Reuters, companies spend up to \$100 million to complete the approval process. AAF Solutions has delved into this issue with a BuzzFeed post on “[A Better Way for Natural Gas Exports](#).”

Americans are still hesitant to take out home loans. The [Washington Examiner](#) details how consumers are becoming more likely to take on debt for school and from credit cards, but the housing market is still weak. Home loans dipped slightly in the last quarter. According to the Examiner, “That is exactly the outcome that the Obama administration is trying to avoid in its push to expand mortgage credit to more families...”

Eakinomics: An ounce of problem-solving is worth a pound of shaming

Another day, another effort to shame American companies who have decided to pursue tax inversion. This week, six Members of Congress [sent a letter](#) to the president asking him to “use [his] executive authority, to the maximum extent possible, to deny contracts to corporate deserters.” This represents merely the latest attempt to avoid addressing the underlying problems in the tax code, and is reminiscent of the [Treasury Department's appeal to patriotism](#) rather than sensible tax policy. Written by supporters of a bill that would keep companies from incorporating overseas from accessing federal contracts, the letter specifically names companies that have “renounced their American citizenship,” but purports that Congress doesn't have what it takes to move this legislation forward as soon as necessary.

This is a problem on two fronts. First, as AAF has [examined](#), this proposed solution to the issue of U.S. companies incorporating in foreign countries with more favorable tax policies is really no solution at all. Instead, current efforts could cost up to [50,000 pharmaceutical sector jobs alone](#). This effort would address none of the underlying problems in the U.S. corporate tax code, and do nothing to make our domestic economy more competitive.

Second, and perhaps more troubling, the letter is a plea for the president to use his pen and his phone to avoid the legislative process altogether in order to score a political win. This should set off alarm bells for anyone who still values the notion of separation of powers and regular order.

Rather than washing their hands of the legislative process in favor of expanded executive power, a better solution would be for Congress to lower the overall corporate rate, change the way that the government taxes worldwide income, and make the U.S. more competitive.

From the Forum

[Doc Shortage or Maldistribution?](#) By Conor Ryan, AAF Health Care Data Analyst