



**The Daily Dish**

## December 19th Edition

DOUGLAS HOLTZ-EAKIN | DECEMBER 19, 2014

FSOC [designated MetLife](#) yesterday as a systemically important financial institution, or SIFI. The company said in a statement, “We are disappointed in the FSOC decision. We continue to believe that MetLife is not systemically important under the Dodd-Frank Act’s criteria...” In the past, AAF President Douglas Holtz-Eakin has referred to the classification as “[a mistake](#),” a “[fundamental error](#),” and “[bad news for consumers](#).”

House Republicans have created a new Subcommittee to supervise the administration’s environmental and energy policies. According to [The Hill](#), the new subcommittee, under the House Oversight and Government Reform Committee, will “cover the Environmental Protection Agency and the Energy, Interior and Agriculture departments.” After [some of the regulations](#) coming out of those agencies, additional oversight is a good step.

[Vermont will abandon](#) its push for a single payer health care system after budget analysts delivered the news that it would require “enormous” new taxes to work. The governor’s office concluded that to prosper the state would need to raise payroll tax to 11.5 percent and income tax to 9.5 percent. The \$2.6 billion price tag made it impossible for the state to move forward with its plans.

### ***Eakinomics: Trade Deals in 2015?***

Bloomberg [reports](#) that European officials are anxious to wrap up the Transatlantic Trade and Investment Partnership (TTIP) negotiations as rapidly as possible due to their concerns that the 2016 presidential elections could complicate negotiations. TTIP is intended to reduce tariffs and regulations that interfere with U.S.-Europe trade, which already reaches \$1 trillion a year in goods and services and roughly four times that in investment. At the same time, Asian nations have a comparable urgency regarding the Trans-Pacific Partnership (TPP).

The sticking point is the absence of Trade Promotion Authority (TPA) for President Obama. TPA permits administration-negotiated trade agreements to be considered by Congress without amendment — all that is permitted is an up or down vote. With TPA the Administration can negotiate effectively with trade partners, as provisions they agree upon will not be altered. Without TPA it is not possible to negotiate credibly, which means that without TPA significant trade agreements are simply not possible. Every president should have TPA.

In the previous Congress, then-Majority Leader Harry Reid flatly blocked consideration of TPA, so hopes are raised by the switch to Republican leadership in the Senate. The switch, by itself, is hardly a guarantee of success. Trade is a complicated issue that splits both parties. Getting TPA and trade deals in 2015 will require a concerted effort by leadership in the House, the Senate, *and* the White House.