

The Daily Dish

July 15th Edition

DOUGLAS HOLTZ-EAKIN | JULY 15, 2014

The FCC will be bracing itself for the final day of comments on the contentious network neutrality debate. In the 60-day period the website has crashed and the Commission has accepted over 677,000 comments. According to the Wall Street Journal, the massive total still comes in second to the backlash felt after the infamous Super Bowl "wardrobe malfunction." Yancey Strickler, CEO of Kickstarter Inc told the WSJ, "We fear the chilling effect these rules would have on innovation, the negative impact they would have on our culture, and the real harm they would do to companies like ours."

The Department of Veterans Affairs was once again under the microscope at the House of Representatives. The hearing focused on the backlog of patients waiting to be seen and the 125-day standard for seeing veterans. Concerned of manipulated statistics, lawmakers are hesitant to come up with any solution that will depend on self-reporting. From The Hill, "Errors included roughly 8,000 claims were removed even though no final decision had been rendered, millions in improper payments and misplacing thousands of claims and claims-related documents."

Eakinomics: The Border Crisis

House Appropriations Chair Hal Rogers made news when he deemed the president's emergency funding request for the border crisis to be "too high." As a policy analyst — and as readers of policy analysis — it is frustratingly difficult to understand whatwould be the right policy. After all, as Senator Tom Coburn pointed out \$3.7 billion is more than enough to put the estimated number of illegal border crossers in first-class seats back to Central America!

Looking at the taxpayer money, it may be reasonable to spend more on border related issues, buy why spend more overall? After all, isn't this simply a situation in which the border has become a greater priority while — by definition — others have become lower priorities? Put differently, why not offset this expenditure with another cut, thereby forcing the federal government to adhere to a budget. Chairman Rogers has pointed out that many of these issues could be dealt with in the usual funding process. This would avoid the "emergency" designation and keep the budget totals capped, but rob the White House of a clear, delineated response to the crisis.

Turning to the spending itself, it is directed at the kinds of needs — lawyers, housing, food, health services, border personnel — that the current response strategy dictates (although it is hard to tell if it is the right amount). But is this the right strategy? As was learned after Katrina (a natural crisis) and the financial crisis (an economic crisis), the private sector is often far more nimble than the federal government in meeting these needs. Why not take greater advantage of private charities, churches, and other manifestations of America's basic good will? Why lock into a bureaucratic DHS and HHS-led approach?

At the same time, why is there so little transparency? It's difficult to find good information from the agencies working on this. DHS continually releases statements from Secretary Johnson, but HHS, the agency in charge of the minors until they are released to a parent or legal guardian, hasn't put out even the most generic information,

leading to fears about communicable diseases and the state of emergency housing facilities.

Finally, why focus only on the border? As many have pointed out, the pace of returning minors to their home countries is constrained by a law designed to respond to human trafficking. This is in part a human trafficking problem and not just immigration. The crisis stems in part from the proximity to the U.S. of failed states in Central America. The violence, poverty, and a misinformation campaign permits coyotes and cartels to take advantage of desperate people. Can you recall any serious prolonged foreign policy effort in that region? (Do not include the botched involvement in Honduras.)

Republicans have objected to Obama's spending proposal because it isn't targeted towards detainment and deportation of the unaccompanied minors. The real problem, however, is that the president hasn't fully articulated how his \$3.7 billion spending proposal will actually help solve the crisis. He has refused to visit the border, refused to talk to aid workers, and refused to take public ownership of the crisis.

The problem is not the money. The problem is no plan. The problem is no leadership.

From the Forum

CMS' Independence Day Regulation Rundown by Brittany La Couture, AAF Health Care Policy Analyst