



The Daily Dish

July 21st Edition

DOUGLAS HOLTZ-EAKIN | JULY 21, 2014

Happy fourth birthday to Dodd-Frank. The legislation passed in 2010 as a response to the financial crisis has yet to hold up to [promises made](#). So far, the act has imposed 398 new regulations that added more than \$21.8 billion in costs and 60.7 million paperwork burden hours. [AAF's research](#) on Dodd-Frank at four years old takes an in depth look into the act that has been “saddled by an unconstitutional recess appointment, several setbacks in federal courts, and an expensive regulatory portfolio.”

[The Washington Post](#) is reporting that the Obama Administration was briefed on the border crisis nearly one year ago. The experts that arrived last year saw first hand the growing numbers arriving at the border and identified it as a “local problem.” According to Michelle Brané, director of migrant rights at the Women’s Refugee Commission, “I think the administration was dealing with it at a minimal scale, putting a Band-Aid on something they should have been thinking about holistically.”

[Week in Regulation](#): Just this past week, regulators published \$144 million in annualized costs this week with more than 2.4 million associated paperwork burden hours.

Eakinomics: Net Neutrality, Again

The “net neutrality” debate rages on. Unfortunately, it has from the beginning been a triumph of good intentions over sound thinking. Certainly, one would not want a legal framework that allowed companies to discriminate at the expense of consumers. Mind you, that does not mean that companies will not in the end discriminate. Nobody should want a legal framework that says we should all drive the same car (would it be a Prius, Lexus, Hyundai, Mercedes, Ford F150.....) or buy the same computer (HP, Dell, Apple, notebook, laptop, desktop.....); the goal is to empower consumers to drive firms to discriminate in favor of the things that are the most valuable to them.

Unfortunately, [too many people](#) take misguided steps toward this end. As Will Rinehart [points out](#) the technical features of the broadband market make onerous regulation unwise. Broadband has flourished — as evidenced by speed increases, usage, and prices, both wireless and wired are competitive markets that in turn compete with each other — because it has been subject to light regulation and intermodal competition.

Sadly, what is being contemplated is a move from regulating Internet providers as “Title I” or “information” services to being classified (like phone companies) as “Title II” or “telecommunications” services, meaning they are regulated more like utility companies. This is a [bad idea](#). This burdensome new regulatory regime could hinder growth and insert regulatory uncertainty into countless companies, including small startups. Title II reclassification would place broadband under heavy-handed anti-innovation regulation in order to ban certain network practices. But the ensuing legal morass is not likely to achieve the intended goals.

A better path forward would be for the Federal Communications Commission to take a page from the Federal Trade Commission and instead monitor the actual consumer benefits of actual competition. If there is evidence of misconduct producing consumer harm, then the FCC should work to resolve this concern and prior to

imposing remedies. If not, it should not pretend to be smart enough to anticipate the next harm and dictate business models through its regulatory powers.

From the Forum

[Weekly Checkup: Wide Variation In Prescription Drug Prices](#) by Conor Ryan, AAF Health Care Data Analyst