



The Daily Dish

July 30th Edition

DOUGLAS HOLTZ-EAKIN | JULY 30, 2014

A large part of the new \$17 billion Veterans Affairs improvement bill will rely on an increased use on technology systems to prevent long wait times and secret lists at the hospitals. According to [Politico](#), the bill will require more use of telemedicine and for the VA to quickly fix their scheduling software. The combination of these two technology improvements is meant to ease some of the burden on hospitals and increase accountability.

[AAF has new research](#) out on the EPA's wage garnishment regulation. Earlier this month the EPA released a final rule granting itself the ability to garnish up to 15 percent of an individual's earnings, only to put the rule on hold when it received negative feedback. The AAF study finds no need for this power grab citing, on average, "delinquent" debts are paid within the first three months.

Eakinomics: Summer Sampler

It often appears that Congress is doing nothing. Yet, at the same time, some days there is a lot going on. Here's a sampler of legislative activity as Congress heads toward its August recess.

The Border Crisis. House Republicans debuted their version of a [bill](#) to address the mess the Obama Administration has created at the southern border. The bill would cover operations through the end of the fiscal year and cost \$659 million — \$405 million for Border Patrol and Immigration and Customs Enforcement, about \$200 million for care of the migrant children, and the remainder to hire judges and deploy the National Guard. Unlike the Senate and the administration, the House does not increase the deficit; its spending is offset by cuts elsewhere in the budget. The bill would also equalize the treatment of all migrant children and thus expedite their return to their country of origin.

The bill represents an opportunity for Republicans to engage productively in the broader immigration debate. In its absence, they will continue to be subject to the president's use of executive authority. While his use of those powers have generated policy problems — notably the influx of child migrants — they have consistently put the Republicans on the political defense. In the absence of this bill, it will be more of the same.

The Highway Trust Fund. The Senate [passed](#) its version of a patch to the broken Highway Trust Fund ([HTF](#)). The major difference from the House version is that funding is provided only into December, rather than through May 2015. This is a misstep. As Eakinomics has noted [before](#), Congress needs a new approach to the HTF. It seems wise to buy the time for a new Congress to develop such a fix in early 2015, rather than jam such a deliberation into the final days of this Congress.

Inversions. Inversions occur when U.S. firms acquire a smaller global firm, but place the headquarters of the new firm abroad to take advantage of a more modern tax code. The loss of headquarters is only one aspect of the [damage](#) from the antiquated U.S. tax code. Enter Senator Dick Durbin, Senator Carl Levin, Representative Rosa DeLauro, and Representative Llyod Doggett, who introduced [legislation](#) in the House and Senate to punish inverted corporations by banning those firms from federal contracts.

This is classic fuzzy thinking. Inversions are a problem created by the tax code that can be fixed only by reforming the tax code. Government contracting is intended to provide needed public services at the lowest possible cost. The Congressional Democrats approach would do nothing to the tax code, while guaranteeing that the best contractor is shut out of the process. No progress on inversions, but damage to the contracting process. Maybe it is time for Congress to go home.

From the Forum

[EPA Rule to Hit Dozens over Paperwork Violations](#) by Sam Batkins, AAF Director of Regulatory Policy, and Catrina Rorke, AAF Director of Energy and Environmental Policy