



The Daily Dish

March 16th Edition

DOUGLAS HOLTZ-EAKIN | MARCH 16, 2015

The FCC has [new power to decide how much you pay](#) for Internet, but will they use it? Chairman Wheeler swears that the FCC will not impose “utility-style” requirements on Internet service providers meaning “no rate regulation.” However, one provision of Title II does just that, stating the charges must be “just and reasonable.” That line, according to some experts, opens the door for unprecedented FCC power. On other provisions, the FCC is unsure of the powers it has given itself. When asked what the “general conduct rule” covers, Chairman Wheeler answered “[We don’t really know...](#)” Echoing the now infamous “[We have to pass the bill so you can find out what is in it.](#)”

About 190,000 [Coloradans are set to lose their health care insurance](#) plans as they do not comply with standards set in the ACA. The plans were grandfathered in for 2015, but the Colorado Division of Insurance has decided that the plans will no longer be protected for 2016. As a refresher, here are 36 times that the president promised “[If you like your plan, you can keep it.](#)”

Eakinomics: Gainful Employment

The Department of Education (Education) recently released the [revised version](#) of its Gainful Employment regulation covering for-profit colleges and universities. They consist of two requirements: (a) the average annual student debt payment must be 12 percent or less than the average total annual income for graduates of the program, and (b) the median student loan payment must not be more than 30 percent of the students' median discretionary income. If institutions fail to reach these federal benchmarks, they will not receive federal funding.

Even as revised, these make [no sense](#). First, they will serve as a higher barrier against the education and employment of disadvantaged, non-traditional students. Second, there is no reason to expect a tight correlation between the level of student debt incurred, the income earned immediately after graduation, and the quality of the higher education. The entire gainful employment approach relies on a tight link among these attributes. In fact, a student would make an investment in a higher education based on the resulting lifetime of earnings, not just the beginning of the career. Finally, the gainful employment initiative is in direct contradiction to other aspects of administration policy.

For example, the Public Service Loan Forgiveness Program initiative permits federal direct student loans to be forgiven if the borrower works in a “public service” position. As it turns out, there are a lot of things that qualify as public service — a government organization or a private, not-for-profit organization that provides emergency management, military service, public interest law services, early childhood education, public health, public education, and others.

This initiative is based on the premise that a good education will lead to low lifetime earnings, and students should get a break. Gainful employment rules are based on the premise that a good education will lead to high lifetime earnings, and if not then colleges (and their students) should be punished. It is time to give up on the gainful employment regulation.

From the Forum

[Week in Regulation](#) by Sam Batkins, AAF Director of Regulatory Policy

[Net Neutrality's 400-Page Monstrosity](#) by Will Rinehart, AAF Director of Technology and Innovation Policy; and Sam Batkins, AAF Director of Regulatory Policy