



The Daily Dish

March 27th Edition

DOUGLAS HOLTZ-EAKIN | MARCH 27, 2015

Senator McConnell proposed an amendment yesterday to block the administration from linking highway funding to states' compliance with EPA regulations. It passed 57-43. The Majority Leader said, "It says that Washington bureaucrats shouldn't be allowed to punish innocent Americans by threatening the roads and bridges they use..." According to [AAF's Reg Rodeo](#), since the president has taken office, energy and environmental regulations have topped \$437 billion in costs and 23 million paperwork hours.

U.S. officials are [hoping to finish talks](#) on the Trans-Pacific Partnership trade deal soon. Though there is no firm deadline, U.S. Trade Representative Michael Froman felt confident that "...we can close this out in a very small number of months." The deal could be a boost for the [American economy](#) by adding \$77 billion and creating 550,000 jobs over the next ten years.

Eakinomics: The Lazarus Congress

Congress is broken. Gridlock is permanent. A House divided cannot rule. Senate rules are unworkable. There have been a zillion variants of the diagnosis with the same ultimate bottom line: nothing gets done in Washington.

Except suddenly exactly the opposite happens. In the past two days, both the House and the Senate have passed budgets — budgets that actually come to balance instead of the president's approach of tax, borrow, spend; repeat. The House and Senate budgets are sufficiently similar that it should be straightforward for each to appoint conferees, iron out the differences, and pass a single, joint budget resolution by the end of April. That would mean a functional budget process and the opportunity to use so-called "[reconciliation](#) instructions" — fast-track procedures for spending reductions.

On top of that, the House passed a permanent [repeal](#) of the broken [Sustainable Growth Rate](#) mechanism — a bill that garnered nearly 400 bipartisan votes in the House. President Obama indicated his willingness to sign the bill, which means two important things: (a) Senator Reid will be under pressure to not filibuster the bill, so it will pass the Senate, and (b) the president will have agreed to an important (if not earthshaking) entitlement reform without demanding tax increases in the bargain.

Of course, the momentum of this week may well dissipate in the months to come. But it also may not and effective governance may return to Washington.

From the Forum

[Prescription Drug Follies](#) by Douglas Holtz-Eakin, AAF President

[Explaining the Medicare Sustainable Growth Rate](#) by Conor Ryan, AAF Senior Health Care Data Analyst