



The Daily Dish

May 14th Edition

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The [International Energy Agency](#) expects the oil glut to continue as Saudi Arabia is pumping out more oil in an attempt to gain market share over the US's shale production. Currently global production of oil is exceeding demand by 2 million barrels per day. [Another study](#), by the IMF, has taken a look into what the economy could look like if the US continued on its path and became energy self-sufficient. In short, the US GDP would grow quicker and prices domestically would be lower than the rest of the world.

After negotiations, the Senate has agreed to move forward with Trade Promotion Authority, or fast track. Under the agreement, the Senate will vote first on two trade related bills and then TPA. According to the [Associated Press](#), this still leaves weeks or months until a final vote which would give the White House this negotiating authority.

Eakinomics: Impact of King: Lost Subsidies Only Part of the Story

A pivotal moment in health policy looms with the Supreme Court's decision in *King v. Burwell*, the case that hinges on whether the Internal Revenue Service overstepped its legal authority by paying subsidies to individuals who use the federal exchange in 37 states. If the court rules for *King* the flow of subsidies will stop to about 7.7 million individuals. In the absence of the subsidies, insurance would become "unaffordable" for some, earning them an automatic exemption from the individual mandate. New AAF [research](#) indicates that this further implies:

- \$3,156 in lost subsidies per impacted individual,
- 11.1 million individuals freed of the individual mandate, and
- \$1,200 in average mandate penalties that will be avoided per impacted individual.

Similarly, in the absence of subsidies employers could no longer be penalized if their workers went to the exchanges for insurance; i.e., a *de facto* waiver of the employer mandate. Because the employer mandate is an onerous labor cost with poor incentives, unwinding it would (over the long term):

- Free 262,000 businesses from the employer mandate,
- Permit the creation of up to 237,000 new jobs,
- Bring 1,270,000 people into the labor force,
- Increase pay by up to \$940 per worker and up to \$13.6 billion overall, and
- Offer the opportunity for more hours to up to 3.3 million part-time workers.

Much of the focus on the decision has centered on the loss of subsidies — and properly so. But the range of impacts is a reminder of the pervasive influence of the Affordable Care Act on labor supply, employment, economic growth, the budget, and insurance coverage.

From the Forum

[Jobs, Pay, Retirement, and Employee Ownership: The Case of S ESOPs](#) by Ben Gitis, AAF Director of Labor Market Policy

[New IMF Study Finds The U.S. Can Be Energy independent in 12 Years. The Path Forward May Surprise You.](#)
By Doug Hochberg, AAF Press Secretary

[TaKing Stock: The Potential Impact of King v. Burwell](#) by Brittany La Couture, AAF Health Policy Counsel;
and Douglas Holtz-Eakin, AAF President

[The Past, Present, and Future of Congress on Regulatory Reform](#) by Sam Batkins, AAF Director of Regulatory Policy