



The Daily Dish

Next Steps in the Policy Agenda

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In keeping with President Trump's directive to cut burdensome and duplicative regulations the Consumer Product Safety Commission (CPSC) has announced that they will begin focusing on reducing regulatory burdens. The CPSC has asked for the public's input in finding ways to reduce regulatory burdens and costs, and announced the public comment period will last until September 30th. The CPSC said that while the President's one-in, two-out regulatory executive order did not pertain to independent agencies like CPSC they would like to join other agencies in cutting overly burdensome regulations.

On Friday President Trump announced new U.S. policies on Cuba effectively overturning many of the changes issued under President Obama. The president's changes did not fully overturn changes made by the Obama Administration but focused on restricting travel and cutting funds going towards the Cuban military. Additionally, President Trump stated the U.S. would refrain from lifting sanctions on Cuba until they reached certain benchmarks set by the administration.

Eakinomics: Next Steps in the Policy Agenda

The heart of the policy agenda is the tripartite set of reforms to the regulatory state, health policy and the tax code. While progress has been made, there are important next steps in all three areas. The House has passed the [Regulatory Accountability Act](#) (RAA). RAA defines a "high-impact" rule as a measure that would impose annual costs of \$1 billion and require an advanced notice of proposed rulemaking for any high-impact rule. It would also require a public hearing before adoption and for agencies to adopt rules on the basis of the best evidence and the least cost to the economy. In short, the RAA would transform the regulatory state. As yet, there is no evidence that there are enough Democrats supporting the RAA to reach the 60 votes needed for Senate passage.

On health care, the ball is squarely — and publicly — in the Senate's court. Key areas in which the House-passed American Health Care Act (AHCA) will be modified are emerging. The tax credits for those purchasing in the individual market will be reformed — this can be done in a revenue neutral fashion that helps older workers more and leads to more individual market coverage. Also the the rollback of the Medicaid expansion will likely be slowed, the exchange markets stabilized, and the high-risk coverage provisions enhanced. All of those objectives will require more money. Because the AHCA is being passed in [reconciliation](#), the Senate has to reduce the deficit by the same amount (or more) as the House; that means to cover these three items fewer Obamacare taxes will be repealed, or will be repealed slower. Threading the needle on the AHCA remains a challenge.

Tax reform is farthest away on the agenda; in part because it requires that consideration of the AHCA must be completed and a Fiscal 2018 Budget Resolution must be passed and agreed to before tax legislation can be voted on. The Budget Resolution is intended to contain a new reconciliation instruction to permit tax reform to pass the Senate with only 51 votes, and the Fiscal 2017 reconciliation instructions expire the moment that the Fiscal 2018 instruction is agreed upon. So, AHCA first, resolution 2nd, and tax reform 3rd. The budget resolution challenge will be the same as in [years past](#): how to construct a budget that comes to balance through

some combination of faster growth (attributable to the tax and other reforms), spending restraint and entitlement reform.

The Congressional policy agenda has the potential to transform the sluggish, underperforming economy. But until key steps are completed, it will be only potential.