

The Daily Dish

November 17th Edition

DOUGLAS HOLTZ-EAKIN | NOVEMBER 17, 2014

According to Senator Dick Durbin, the Democratic majority whip, the chamber is only one vote short to bring the Keystone XL bill to the floor for a vote. With all Senate Republicans likely voting "yea," it has been left up to Democrats to round up the final few in favor. Last week, the House easily passed approval for the pipeline. Though Sen. Durbin continued to explain that the president is likely veto any action on Keystone XL before Nebraska's Supreme Court renders a verdict.

The second open enrollment period for the ACA has now begun, but only 34 percent approve of the law. A high of 56 percent disapprove of the legislation, marking the largest gap between the two since Gallup started tracking in December of 2012. Gallup's "Bottom Line," "Americans have never been overly positive toward the ACA, at best showing a roughly equal division between approval and disapproval early on in the law's implementation."

Eakinomics: Rough Sailing for the Holidays?

Quietly a threat to the holiday season is brewing on the West Coast. The International Longshore and Warehouse Union (ILWU) has been working the ports without a contract since July 1, while negotiations have been continuing with the management group — the Pacific Maritime Association. (PMA). Recently, however, the PMA has accused the ILWU of deliberately slowing work at the critical ports of Los Angeles and Long Beach. The prospect of labor unrest, or even a work stoppage, in the heart of the holiday shipping season is a near-term economic threat. In work commissioned by the National Association of Manufacturers and the National Retail Federation, the modeling group InForum estimates that the damage from a work stoppage would be roughly \$2 billion a day.

Former president George W. Bush faced such a challenge in 2002, when 29 West Coast ports were closed for 11 days. At the time, estimates of damages were closer to \$1 billion daily. Ultimately, Bush chose to invoke his powers under the Taft-Hartley Act, ordering the ports opened. At the time, the president expressed his concern over the ability to move military supplies, as well as damage to jobs and the economy.

Politically, Republicans feared union backlash against their candidates in the upcoming midterm elections. President Obama faces no such threat. His dilemma, as a union supporter, is the tradeoff between that support and broader damage to the economy. The labor situation around the West Coast ports bears close watching.