



The Daily Dish

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[Small businesses are struggling to adapt to rising costs of health care](#) for their employees. A recent survey found that 90 percent of small business will see costs rise during the next enrollment period. On the rising problem, the CEO of the Arizona Small Business Association said, “Although business owners are adjusting and staying afloat right now, rising health-care costs are the single biggest threat to profitability and are limiting economic growth.”

[Attention is now on a federal court to determine the fate of the administration’s new onerous net neutrality rules.](#) On December 4, the U.S. Circuit Court of Appeals for the District of Columbia will take up the challenge. The Wall Street Journal reports that Judge David Tatel, a Clinton appointed judge who shot down two previous versions of the rule, will be pivotal in the final decision. This decision has the potential to affect how all individuals use the internet.

With all the new regulations over the past seven years, “The American economy has just said ‘Uncle, please quit,’” [says AAF’s President Douglas Holtz-Eakin](#). However, the administration doesn’t seem to be slowing down with a slew of expensive regs planned for before the end of President Obama’s term. Many that need to be finalized are remnants of expensive laws, such as Dodd-Frank and the ACA. According to [RegRodeo’s counter](#), the administration nearly hit \$100 billion in new regulations this month.

Eakinomics: International Climate Pacts

The Hill is [reporting](#) that “President Obama heads to Paris Monday seeking to clinch an international climate pact that would help define his legacy.” Taking that claim at face value, how should one evaluate that legacy?

First, put aside your views of whether the climate is warming or not.

Second, put aside your views of whether human activity is the cause of global warming or not.

The reason that these don’t matter — independent of your views — is that they are central to the benefits of the potential agreement. And there will be few. Why? The basic framework — ignore the White House declarations of victory and general diplomatic doublespeak — that was set up for the Paris talks has two gaping holes in it. First, countries are supposed to commit to carbon (greenhouse gas, more generally) emissions reductions. BUT, to identify reductions, one must first have a “baseline” — what would happen in the absence of policies to reduce carbon emissions — and a policy forecast — what would happen in the presence of the policies. For the Paris talks, every country gets to submit its own baseline and its own policy forecast. Put in the worst light, a country can achieve *any* level of emissions reductions by gaming its baseline. In terms of emissions reductions, concentrations of carbon dioxide in the atmosphere, and temperature rise any agreement in Paris will be utterly vacuous.

The second problem is that there will be *no* enforcement of the agreement. None. There cannot be effective global carbon emissions reductions without a combination of monitoring and enforcement. The absence of these

provisions from the Paris agreement undercuts The Hill reporting that “the Paris meeting presents a rare opportunity to make significant headway in fighting climate change.”

Get ready for an onslaught of publicity regarding the administration's success in Paris. If you want to identify real success in reducing emissions, there needs to be a global agreement on real — not fictional — commitments to cuts and an enforcement regime to match.

From the Forum

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

Fact of the Day

[On average, house prices in major energy producing states began increasing after the housing crisis more than a year earlier than the national average and energy importing states.](#)