



The Daily Dish

October 1st Edition

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When speaking on lifting the 1970s era crude oil export ban yesterday, a White House spokesman said “The administration does not support efforts to move this bill.” Today, [AAF released a new study](#) finding that the 40 year crude ban has cost the U.S. over \$1 trillion in lost revenue. This is while the White House has brokered a deal with Iran allowing the country to resume crude exports. Prior to international sanctions, Iran was grossing \$100 billion a year from crude oil.

ICYMI: Yesterday, [Congress passed a continuing resolution](#) to avoid a shutdown and fund the government through December 11. The CR easily passed the House with a vote of 277-151. Read Douglas Holtz-Eakin’s [Eakinomics](#) below for what happens next.

Today the administration must release their final ozone standards rule. When [AAF reviewed the proposed rule late last year](#), it found that 100 state and federal parks (including Yellowstone, Joshua Tree, and Great Smoky Mountains) would not comply to the new rule. If parks can’t comply, how can we expect businesses to survive?

Eakinomics: Now Comes the Hard Part

Whew. [No government shutdown](#). The Senate passed a funding bill yesterday morning, the House imposed “[martial law](#)” and sent it to the president’s desk later in the day. Now comes the hard part.

It simply makes no sense for the Congress and administration to live with the current caps (enforced by the [sequester](#)). Everyone is painfully aware that in an ever-more-dangerous world, funding for the Pentagon has to be [increased](#) above the planned caps. The continuing resolution passed yesterday does not do that; indeed, the increases should be for more than just fiscal year 2016 so that sensible defense planning can take place. A [case](#) can also be made — and the president is making it — that non-defense spending must rise as well.

But even more to the point is the fact that discretionary spending is not the budgetary threat. The growth in government spending is centered in the entitlement programs (so-called mandatory spending) and is driven largely by retiring baby boomers and rising health care costs. With large (and projected even larger) budget deficits, the basic budget math is simple: increase the caps on discretionary spending and more than offset the increase by reducing mandatory spending. Spending priorities are realigned and the deficit is reduced.

That is the task that the White House and Congress must complete in the next months. To get over the finish line, the left has to give up on its fantasies of soak-the-rich taxes and entitlement expansions and the hard right has to acknowledge the political reality of more non-defense spending. That is the hard part.

From the Forum

[The U.S. Crude Export Ban and the Iran Deal](#) by Kimberly VanWyhe, AAF Director of Energy Policy

[Ex-Im’s Closure Precludes U.S. Companies from Bidding on Projects Abroad](#) by Meghan Milloy, AAF Director

of Financial Services Policy

[EPA Cutting Reg Tape?](#) by Sam Batkins, AAF Director of Regulatory Policy

[Lifting The Ban On Internet Taxes Can Cost Consumers \\$16.4 Billion](#) by Will Rinehart, AAF Director of Technology and Innovation Policy

[Poor Policy Disguised as Consensus Proposals: The Progressive Approach to High Cost Medications](#) by Douglas Holtz-Eakin, AAF President; and Christopher Holt, AAF Director of Health Care Policy

Fact of the Day

In 2014 and 2015, military service members received 1 percent pay raises – the smallest in the history of the all-volunteer force.