



**The Daily Dish**

## October 8th Edition

DOUGLAS HOLTZ-EAKIN | OCTOBER 8, 2015

Just a few short years ago then-Secretary of State Hillary Clinton praised State Department and USTR's work on the Trans-Pacific Partnership as "the gold standard." Now a dozen nations have signed on to eliminate 18,000 taxes to level the playing field for trade, and the former head of [the State Department is against the deal](#). [Click here for more information on the potential benefits of this deal](#).

While trying to defend his policy of raising the minimum wage to over \$10 an hour, President Obama admitted that it may price some people out of going out to dinner. When referring to paying more for a burger [the president said](#), "Some people might not be able to afford it..." This is just one of the consequences of raising the minimum wage. Previous [AAF research found](#) that raising the minimum wage to \$12 an hour could result in the loss of 3.8 million jobs.

There is bipartisan support to open up federally controlled spectrum to private companies. Spectrum is what all of our iPhones, iPads, Androids, etc, use to send and receive information. [Rep. Greg Walden explains](#), "While the speed of innovation and technology is blindingly fast, the timeline for reallocating spectrum often is reflective of the tangled bureaucracy of government and the fiscal and operational restraints on agencies." The two bills seek to solve that very problem.

### ***Eakinomics: Obama and the Defense Budget #LLPOF***

President Obama has repeatedly stressed that the problem in Washington is a Congress, not his administration, that is unable to act effectively on national problems. He has pointed the finger at Republicans and emphasized that lack of legislation is the result of partisanship. He has repeatedly seen his annual budget proposals declared "dead on arrival" in the Congress.

So, you would think he would be tap-dancing around the Oval Office after Congress embraced one of his budget proposals, embodied it in important legislation, passed it in the House on a bipartisan basis, passed it in the Senate on a bipartisan basis, settled differences in a bipartisan conference committee, and sent the bill to the White House for signature. [Despite Congress doing exactly that, the president still isn't happy](#). The administration's budget proposed defense spending that is \$38 billion over the cap set in the Budget Control Act. Congress embedded the higher level of spending in the National Defense Authorization Act (NDAA) which passed out of the Senate yesterday. And the president? He has promised to veto the NDAA.

Why? The administration claims to object to the fact that the funding is channeled through the accounts for Overseas Contingency Operations (OCO) as a way to bypass the cap on defense spending. The president's position is that using OCO this way is a budget gimmick and does not permit the Pentagon to use the funds in the most efficient manner. Perhaps so, but it would have been easy enough to use the NDAA to amend the defense cap to a level \$38 billion higher.

Unfortunately, despite the bipartisan agreement that the military is underfunded and increasingly unable to maintain adequate readiness to meet national security objectives, increasing defense spending was never in the

cards. The president promised to veto any such effort that did not increase non-defense spending as well. If the public supported an economy festooned with excess government, the non-defense proposal could pass on its own. They do not, so the president is blockading progress on defense issues to get his wishes.

The veto is about holding U.S. national security hostage to an unpopular domestic spending agenda. It is not about budgetary integrity or efficiency of Pentagon funding. Liar, liar, pants on fire.

### ***From the Forum***

[The Cost of Paid Family Leave Law](#) by Ben Gitis, AAF Director of Labor Market Policy

[INFOGRAPHIC: White House Threatens to Veto Defense Bill Over Dispute About 1% of the Budget](#) by Rachel Hoff, AAF Director of Defense Analysis

[The Broad Implications of the Newly Invalid US-EU Data Pact](#) by William Rinehart, AAF Director of Technology and Innovation

[TPP: “The Gold Standard”](#) by Doug Hochberg, AAF Press Secretary

### ***Fact of the Day***

[Though the ACA was intended to reduce the need for DSH funding, the expansion of Medicaid may actually increase the number of DSH eligible hospitals.](#)