



The Daily Dish

September 24th Edition

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[CBO scoring of the Stream Act](#), legislation requiring the Department of the Interior to rewrite a rule from 1983, finds the bill would actually save \$1 million per year. The bill proposed by Rep. Alex Mooney requires a study of the rule and then after a year of review, a rewrite of the regulation. The bill cleared the Natural Resources Committee earlier this year.

Some enrollees of Medicare Part B may be looking at a 50 percent spike in their premiums. A quarter of those in the program will be affected as a result an interaction between the Social Security Cost of Living Adjustment and Part B's 'hold harmless' provision. According to the [AAF report](#), "This shift will cause monthly premiums to increase from \$104.90 to \$159.30? for some beneficiaries.

[Rep. Paul Ryan is bringing up concerns](#) over the tax implications of the Iran Nuclear Deal. In a letter to the president, the Congressman wrote, "Your policy raises serious questions about whether you intend to keep in place tax rules that discourage conducting business with Iran." As a reminder, the deal could amount to a \$140 billion windfall for Iran in sanctions relief and unfrozen assets. [AAF research](#) found that \$3.1 billion would likely go directly to terror financing.

Eakinomics: Near-Divine Intervention and Climate Change

Pope Francis is visiting Washington DC and drew [attention](#) for his remarks on climate change with President Obama, saying "I find it encouraging that you are proposing an initiative for reducing air pollution. Accepting the urgency, it seems clear to me also that climate change is a problem which can no longer be left to a future generation."

Will the papal intervention change the politics of U.S. greenhouse gas policy? Putting aside the fact that the sale has never been made at the level of retail politics (or we would have legislation to prove it), I don't think so. Progressives like to characterize anyone not in lock-step agreement with the president's climate plan as a science-denier who is likely also brain damaged and in the pocket of big oil and big coal. But there are three good reasons why even a firm believer in the quality of climate science might hesitate to sign on the Obama dotted line:

1. Failure to act globally. The key feature of climate science is the concentration of greenhouse gases in the atmosphere. Future concentrations could come from additional emissions anywhere on the globe and that occur (roughly) at any time in the future. The first aspect means that even if the United States radically chops its greenhouse gas emissions, there is no guarantee that ultimate concentrations will be lower. In the absence of a strong global agreement, unilateral action is simply guaranteed costs but questionable benefits. It is fair to ask whether it makes sense for the U.S. to shoulder a big economic bill in return for nothing.

2. Doing too much too quickly. The second aspect (above) implies that the same ultimate concentrations can be achieved by sharp immediate reductions, the same reduction every year, or a ramp up in reductions over time. Overly front-loading the reductions will have the greatest economic cost as growth is impaired; the costs of

shifting power sources, fuel sources, and employment patterns are incurred; and the ability to bring new and innovative technologies to bear is limited. Notice that to the extent there is scientific disagreement about the pace of change, there will be corresponding disagreement about the timing of policy.

3. Using the wrong policy tools. For years, there were three broad policy approaches to reducing greenhouse gas emissions: (1) a cap-and-trade framework, (2) a carbon/greenhouse gas tax, and (3) regulation under the Clean Air Act. The Waxman-Markey bill (the American Clean Energy and Security Act of 2009) embedded a cap-and-trade framework within a terrible piece of legislation. Even with Democrats in firm control of both houses of Congress, it never got a vote in the Senate and left the cap-and-trade approach as politically toxic. Of the two remaining, there is widespread agreement that regulation under the Clean Air Act and similar statutes is the [worst and most expensive](#) way to limit emissions; nevertheless that is the path the president has chosen.

Genuinely important reforms must be durable, which requires that they be embedded in legislation that has bipartisan support. Unless the Pope kicks this up one level in the chain of command, that is nowhere on the horizon.

From the Forum

[VIDEO: The Regulation That Will Lead To Retirement Savers Paying \\$1500 in Duplicative Fees](#)

[Funding Increases in Basic Research Illuminate Changing Nature of Innovation](#) by Will Rinehart, AAF Director of Technology and Innovation Policy

[2016 Medicare Part B Premium Spike](#) by Brittany La Couture, AAF Health Policy Counsel

Fact of the Day

If \$375 million is allocated to the Housing Trust Fund, just two states—California and New York—stand to receive 26 percent of the funding in accordance with the Department of Housing & Urban Development funding formula.