The Daily Dish

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DOUGLAS HOLTZ-EAKIN | SEPTEMBER 30, 2014

More than 50 tax breaks worth over $85 billion are set to expire if Congress does not approve a legislative extension. Some of the breaks have already passed through the Senate Finance Committee and according to at least one staffer who spoke with Fox News, "the fate of the bill during the lame-duck session rests on the shoulders of Senate Majority Leader Harry Reid."

Keep an eye on the FCC today. The commission will vote on whether to end the NFL Blackout Rule that prohibits local television stations from playing home games when the stadium has not sold at least 85 percent of tickets. AAF has an insight explaining the rule.

After waiting more than 2 years and having more than 140 speakers weigh in, FERC has finally approved a Chesapeake Bay liquefied natural gas export terminal. The terminal already has plans to ship to India and Japan. FERC's lengthy and convoluted approval process holds up projects and should be reformed.

From the Forum

Institution Building for a Fact-Based Rulemaking Process by Douglas Holtz-Eakin, AAF President

Eakinomics: Energy and the Recovery

The conventional wisdom is that the energy sector has been a bright spot in an otherwise dull grey recovery. The conventional wisdom is right.

It has been a dull recovery. GDP growth averaged 2.2 percent (annual rate) between the 2nd quarter of 2009 (the recession trough) and the 2nd quarter of this year. The monthly data suggest that the pace of advance is strengthening, but the reasonable upside looks to be somewhere between 2.5 and 3.0 percent by the end of 2014. And the labor market — job growth, wage growth, unemployment, labor force participation — has been duller.

The energy sector —oil and gas extraction in particular — doesn't by itself change the job picture very much. From the trough to August 2014, the sector had a net employment rise of only 49,000 jobs, a small fraction of the 7.7 million net rise in payroll employment over the same period. But that understates the impact of the innovations (horizontal drilling and hydraulic fracturing) in energy production on the economy as a whole. Consider that from 2011 to 2013 the U.S. trade imbalance fell by $73 billion. At the same time, net imports of oil and gas fell by $98 billion. Energy alone more than offset the increase in the rest of the trade deficit. As a rough calculation, this raised GDP growth by 0.2 percentage points annually, a number that would be even larger if one were to assume "multiplier effects" from the export stimulus.

Both of these metrics miss the spillover effect of lower petroleum and, especially, natural gas products on the rest of the economy. The former has mitigated the impact of geopolitical events on oil and gasoline prices — a traditional achilles heel in the U.S. economy. The latter has been an essential part of the manufacturing recovery.

The overall impact is simply quite difficult to put a number on. But the policy lesson of strong innovation and market driven energy policy is one that should not be forgotten.