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**N° 129 – November 2010**

**GENERAL INTEREST**

*Sylvain Leduc*

**Confidence and the Business Cycle**

Federal Reserve Bank of San Francisco – Economic Letter - November 22, 2010

<http://www.frbsf.org/publications/economics/letter/2010/el2010-35.html>

“The idea that business cycle fluctuations may stem partly from changes in consumer and business confidence is controversial. One way to test the idea is to use professional economic forecasts to measure confidence at specific points in time and correlate the results with future economic activity. Such an analysis suggests that changes in expectations regarding future economic performance are important drivers of economic fluctuations. Moreover, periods of heightened optimism are followed by a tightening of monetary policy.”

*Gary Gorton, Andrew Metrick*

**Haircuts**

Federal Reserve Bank of St. Louis – Review – November/December 2010 – 14 pages

<http://research.stlouisfed.org/publications/review/10/11/Gorton.pdf>

“When confidence is lost, liquidity dries up.” The authors investigate the meaning of “confidence” and “liquidity” in the context of the recent financial crisis, which they maintain is a manifestation of an age-old problem with private money creation: banking panics. The authors explain this problem and provide some evidence with respect to the recent crisis.”

*Willem Van Zandweghe*

**Why Have the Dynamics of Labor Productivity Changed?**

Federal Reserve Bank of Kansas City – Economic Review – Third Quarter 2010 - 26 pages

<http://www.kansascityfed.org/publicat/econrev/pdf/10q3VanZandweghe.pdf>

“Van Zandweghe examines the shift in the behavior of labor productivity over the business cycle and assesses the supply shock and structural change explanations for the shift. He finds that the importance of supply shocks in the business cycle has been stable over time. However, the behavior of productivity over the business cycle has shifted in response to both supply and demand shocks. Together, these results imply the shift in the business cycle behavior of productivity is most likely the result of structural changes in the labor market.”

**The Power of the President - Recommendations to Advance Progressive Change**

Center for American Progress – Report - November 2010 – 54 pages

[http://www.americanprogress.org/issues/2010/11/pdf/executive\\_orders.pdf](http://www.americanprogress.org/issues/2010/11/pdf/executive_orders.pdf)

“Concentrating on executive powers presents a real opportunity for the Obama administration to turn its focus away from a divided Congress and the unappetizing process of making legislative sausage. Instead, the administration can focus on the president’s ability to deliver results for the American people on the things that matter most to them: job creation and economic competitiveness, educational excellence, a clean energy future and energy independence, quality affordable health care, consumer protection, the home foreclosure crisis, accountable government delivering results at lower cost, sustainable security for the nation. In addition, the key legislative accomplishments of President Obama’s first two years in office, most notably health care and financial reform, now need to be implemented effectively.”

### **Rising above the Gathering Storm, Revisited: Rapidly Approaching Category 5**

Members of the 2005 "Rising above the Gathering Storm" Committee, Prepared for the Presidents of the National Academy of Sciences, National Academy of Engineering, and Institute of Medicine - Book- 2010 – 104 pages

[http://www.nap.edu/catalog.php?record\\_id=12999#toc](http://www.nap.edu/catalog.php?record_id=12999#toc)

“Five years ago, the National Academies prepared *Rising above the Gathering Storm*, a book that cautioned: "Without a renewed effort to bolster the foundations of our competitiveness, we can expect to lose our privileged position."... So where does America stand relative to its position of five years ago when the *Gathering Storm* book was prepared? The unanimous view of the authors is that our nation's outlook has worsened...The book provides a snapshot of the work of the government and the private sector in the past five years, analyzing how the original recommendations have or have not been acted upon, what consequences this may have on future competitiveness, and priorities going forward. In addition, readers will find a series of thought- and discussion-provoking factoids--many of them alarming--about the state of science and innovation in America.”

*Sabina Dewan*

### **After the Midterms, What Next for International Economic Policy?**

Center for American Progress – Article - November 8, 2010

[http://www.americanprogress.org/issues/2010/11/intl\\_econ\\_policy.html](http://www.americanprogress.org/issues/2010/11/intl_econ_policy.html)

“To restore our lost economic luster, our economic policy must become more international in its focus. We must once again think beyond our own borders. The Obama administration and Congress must focus on three priorities: recognizing that the dichotomy between the domestic and international economies is not straightforward, addressing its complicated and co-dependent relationship with China and bolstering exports to create more jobs here at home while simultaneously cultivating new markets and consumers for our products and services.”

### **Current Economic Conditions: The Beige Book**

The Federal Reserve Board — December 1, 2010

<http://www.federalreserve.gov/fomc/beigebook/2010/20101201/default.htm>

“Summaries of current economic conditions in the nation and in each Federal Reserve District from the Beige Book are available on the Federal Reserve Board’s Web site. The Beige Book is part of the economic information prepared by the 12 Federal Reserve Banks for use by the Federal Open Market Committee (FOMC) in its deliberations on national monetary policy on December 14, 2010.”

## **FISCAL AND TAX POLICIES**

### **The Federal Government's Long-Term Fiscal Outlook: Fall 2010 Update**

U.S. Government Accountability Office – Report – November 2010 - 13 pages

<http://www.gao.gov/new.items/d11201sp.pdf>

“GAO's annual fall update of its long-term simulations underscores the need to address the long-term sustainability of the federal government's fiscal policies. While the economy is still fragile and in need of careful attention, there is wide agreement on the need to look not only at the near-term but also at steps that begin to change the long-term fiscal path as soon as possible without slowing the recovery...The federal government faces long-term fiscal pressures that predate the economic downturn and are driven on the spending side largely by rising health care costs and an aging population. GAO's simulations show continually increasing levels of debt that are unsustainable over the long-term...”

*Jeffrey M. Jones*

**Americans Prioritize Deficit Reduction as an Economic Strategy**

Gallup – Article - November 30, 2010

<http://www.gallup.com/poll/144956/Americans-Prioritize-Deficit-Reduction-Economic-Strategy.aspx>

“Americans are most likely to choose deficit and debt reduction as the best approach for dealing with the economy over three widely discussed alternatives: raising taxes on the wealthy, cutting taxes, and increasing stimulus spending”

**The Moment of Truth**

The National Commission on Fiscal Responsibility and Reform – Report - December 2010 – 66 pages

[http://www.fiscalcommission.gov/sites/fiscalcommission.gov/files/documents/TheMomentofTruth12\\_1\\_2010.pdf](http://www.fiscalcommission.gov/sites/fiscalcommission.gov/files/documents/TheMomentofTruth12_1_2010.pdf)

President Obama created the bipartisan National Commission on Fiscal Responsibility and Reform to address United States' fiscal challenges. The Commission is charged with identifying policies to improve the fiscal situation in the medium term and to achieve fiscal sustainability over the long run. Specifically, the Commission proposes recommendations designed to balance the budget, excluding interest payments on the debt, by 2015. In addition, the Commission proposes recommendations that improve the long-run fiscal outlook, including changes to address the growth of entitlement spending and the gap between the projected revenues and expenditures of the Federal Government. In December 2010, the Commission voted on this final report containing a set of recommendations to achieve its mission.

*Michael Linden*

**History Is a Poor Guide for Future Federal Budgets**

Center for American Progress – Issue Brief - November 2010 – 10 pages

[http://www.americanprogress.org/issues/2010/11/pdf/future\\_fed\\_budgets.pdf](http://www.americanprogress.org/issues/2010/11/pdf/future_fed_budgets.pdf)

“Many people turn to history as a guide when making budget decisions. Indeed, it is common to see lawmakers, pundits, and commentators cite the last 60 years as a factor in their thinking about what to do between now and 2070. However there are many good reasons to be skeptical that averages from the last 60 years are appropriate benchmarks for the next 60. First and foremost, these averages are highly misleading.”

*James R. Horney, Paul N. Van de Water, Robert Greenstein*

**Rivlin-Domenici Deficit Reduction Plan Is Superior to Bowles-Simpson in Most Areas But Health Proposal Is Very Troubling**

Center on Budget and Policy Priorities – Study - November 30, 2010 – 8 pages

<http://www.cbpp.org/files/11-30-10bud.pdf>

“The Rivlin-Domenici deficit reduction plan, which a commission of the Bipartisan Policy Center unveiled last week, marks a significant improvement over a plan from the co-chairs of President Obama's fiscal

commission — with the exception of health care, in which the Rivlin-Domenici plan actually is more problematic.”

*Jeffrey Miron*

**The Negative Consequences of Government Expenditure**

Mercatus Center - Mercatus on Policy - November 2010 - 4 pages

[http://mercatus.org/sites/default/files/publication/Negative%20Consequences%20Government%20Expenditure.MoP\\_Miron\\_11.9.10.pdf](http://mercatus.org/sites/default/files/publication/Negative%20Consequences%20Government%20Expenditure.MoP_Miron_11.9.10.pdf)

“Both macroeconomic and microeconomic perspectives suggest that tax increases cannot address the debt problem because higher taxes mean slower economic growth, reducing the scope for increased tax revenue. If tax increases cannot restore fiscal balance, the United States must slow the path of expenditure, starting with reforming entitlement spending, to avoid fiscal Armageddon. Expenditure cuts can simultaneously improve fiscal balance while enhancing economic growth.”

*Chris Edwards*

**A Plan to Cut Spending and Balance the Federal Budget**

The Cato Institute – Essay - November 2010 – 13 pages

[http://www.downsizinggovernment.org/sites/default/files/balanced\\_budget\\_plan.pdf](http://www.downsizinggovernment.org/sites/default/files/balanced_budget_plan.pdf)

“The results of the 2010 elections indicate that there is already widespread disapproval of big government. It is also unlikely that the government would be able to raise taxes much above current levels to support higher spending because of our increasingly globalized economy. The upshot is that we will have to make major spending cuts sooner or later, and it would be better to make them sooner, before we accumulate even more debt. Policymakers can start with the menu of cuts presented here, and then they should pursue other reforms such restructuring Medicare. Leaders of other industrial nations have pursued vigorous cost-cutting when their nations’ debt started getting out of control, and there is no reason why our political leaders shouldn’t do the same.”

Michael Ettlinger, Michael Linden, Reece Rushing

**The First Step - A Progressive Plan for Meaningful Deficit Reduction by 2015**

Center for American Progress - Paper - December 2010 – 42 pages

[http://www.americanprogress.org/issues/2010/12/pdf/deficit\\_reduction.pdf](http://www.americanprogress.org/issues/2010/12/pdf/deficit_reduction.pdf)

“We can do this. Addressing the long-term federal budget deficit is a daunting challenge, no doubt, but it is not an insurmountable one. In this paper, we offer plans to take the first big step toward a fiscally sound budget—the step needed to get the federal budget into primary balance in 2015. Bringing total government revenues to equal total government spending, with the exception of interest payments on the national debt, is achievable and would pave the way for a federal budget on a sustainable, responsible, path.”

*Raj Sharma*

**A \$400 Billion Opportunity - 10 Strategies to Cut the Fat Out of Federal Procurement**

Center for American Progress – Study - November 16, 2010 – 31 pages

[http://www.americanprogress.org/issues/2010/11/pdf/federal\\_procurement.pdf](http://www.americanprogress.org/issues/2010/11/pdf/federal_procurement.pdf)

“The federal government can save between \$25 billion and \$54 billion a year by changing the way it buys goods and services... That’s roughly \$400 billion in savings over 10 years on average, or a 7.5 percent annual reduction from current federal procurement spending levels of more than \$500 billion a year. As the White House and Congress fight over how to reduce the budget deficit amid growing demand for government services, the reduction of procurement costs offers an attractive path forward for all sides, especially in light of private sector successes in this arena.”

William A. Galston, Maya MacGuineas

**The Politics of Entitlement Reform and the Budget Deficit**

Brookings Institution – Event transcript - November 17, 2010 – 56 pages

[http://www.brookings.edu/~media/Files/events/2010/1117\\_entitlement\\_reform/20101117\\_entitlement\\_reform.pdf](http://www.brookings.edu/~media/Files/events/2010/1117_entitlement_reform/20101117_entitlement_reform.pdf)

“With a renewed focus on the budget deficit and national debt, due in part to the midterm election results, attention now turns to two important reports: the first by the Bipartisan Policy Center’s Debt Reduction Task Force and the second two weeks later by the President’s National Commission on Fiscal Responsibility and Reform [the commission’s co-chairs issued their preliminary report earlier]. Will there finally be a consensus among federal policymakers on how to increase revenues or cut spending?”

*Stephen J. Entin and John C. Goodman*

**A Progrowth Agenda for Congress**

National Center for Policy Analysis - Brief Analysis - November 12, 2010 – 2 pages

<http://www.ncpa.org/pdfs/ba730.pdf>

Uncertainty about future public policies coming out of Washington, D.C., and the prospect of huge tax increases is stifling potential recovery and job creation. Business owners do not know what capital, labor or facilities will cost if they expand — or what their personal tax rates will be. The most important step Washington can take to spur recovery is to immediately and permanently reduce taxes on capital and labor.

## **FINANCE**

**Report on the Troubled Asset Relief Program—November 2010**

Congressional Budget Office – Study – November 2010 - 14 pages

<http://www.cbo.gov/ftpdocs/119xx/doc11980/11-29-TARP.pdf>

“In October 2008, the Emergency Economic Stabilization Act of 2008 established the Troubled Asset Relief Program (TARP) to enable the Department of the Treasury to purchase or insure troubled assets as a way to promote stability in financial markets. Section 202 of that legislation requires the Congressional Budget Office (CBO) to prepare a report on those transactions within 45 days of a report issued by the Office of Management and Budget (OMB) on the TARP’s activities. This fourth statutory report from CBO on the TARP’s transactions follows the report that OMB submitted to the Congress on October 15, 2010.”

**Restoring Global Financial Stability: Part 2**

Cato Journal - 10 Articles - Fall 2010

<http://www.cato.org/pubs/journal/>

Leland B. Yeager - Privatizing Money; Bennett T. McCallum - Alternatives to the Fed?; Lawrence H. White - The Rule of Law or the Rule of Central Bankers? ; George A. Selgin - The Futility of Central Banking; Miranda Xafa - Role of the IMF in the Global Financial Crisis; Swaminathan S. Anklesaria Aiyar - Crisis Prevention through Global Surveillance: A Task beyond the IMF; Judy Shelton - The IMF and Its Barbarous Relic; James Grant - Down with Stability; Richard W. Rahn - A Constant Unit of Account ; Luigi Zingales - A Market-Based Regulatory Policy to Avoid Financial Crises.

*Sumit Agarwal, Jacqueline Barrett, Crystal Cun, and Mariacristina De Nardi*

**The Asset-backed Securities Markets, the Crisis, and TALF**

Federal Reserve Bank of Chicago - Economic Perspectives - 4Q/2010 - 15 pages

[http://www.chicagofed.org/digital\\_assets/publications/economic\\_perspectives/2010/4qtr2010\\_part1\\_agarwal\\_barrett\\_cun\\_denardi.pdf](http://www.chicagofed.org/digital_assets/publications/economic_perspectives/2010/4qtr2010_part1_agarwal_barrett_cun_denardi.pdf)

“The authors explain the role of asset-backed securities markets in generating credit and liquidity and how this role was disrupted during the financial crisis. They discuss the implementation of the Term Asset-Backed Securities Loan Facility (TALF) and argue that this program helped reestablish the ABS markets and the credit supply.”

*Harold Bradley and Robert E. Litan*

**Choking the Recovery: Why New Growth Companies Aren't Going Public and Unrecognized Risks of Future Market Disruptions**

Kauffman Foundation – Paper - 88 pages - November 12, 2010

[http://www.kauffman.org/uploadedFiles/etf\\_study\\_11-8-10.pdf](http://www.kauffman.org/uploadedFiles/etf_study_11-8-10.pdf)

“A form of indexed securities known as "exchange traded funds"--or ETFs--are distorting the markets to such an extent that they are threatening the growth of new companies by effectively curtailing their access to capital, according to this report issued by Harold Bradley and Robert Litan of the Kauffman Foundation. Moreover, it is these derivatives and not the phenomenon known as high-frequency trading (HFT)--commonly critiqued as contributing to the "flash crash" of May 6, 2010--that pose serious threats to market stability in the future.”

*Jacob Funk Kirkegaard*

**Will It Be Brussels, Berlin, or Financial Markets that Check Moral Hazard in Europe's Bailout Union? Most Likely the Latter!**

Peterson Institute for International Economics – Policy Brief - October 2010 - 15 pages

<http://www.piie.com/publications/pb/pb10-25.pdf>

The brief contains proposals for the EU to develop a solid long-term plan for reforming the EU fiscal policy and surveillance framework.

*Sumit Agarwal, Hesna Genay, Robert McMenamin*

**Why Aren't Banks Lending More? The Role of Commercial Real Estate**

The Federal Reserve Bank of Chicago – Chicago Fed Letter - December 2010 – 4 pages

[http://www.chicagofed.org/digital\\_assets/publications/chicago\\_fed\\_letter/2010/cfldecember2010\\_281.pdf](http://www.chicagofed.org/digital_assets/publications/chicago_fed_letter/2010/cfldecember2010_281.pdf)

“Today, most financial market segments have stabilized and are operating under near-normal conditions. However, loan growth at commercial banks has yet to resume after a large contraction during the crisis. There are numerous reasons for the lack of loan growth at commercial banks. In this article, we focus on one possible factor: whether the large CRE exposure of some banks prior to the crisis and the severe contraction in CRE markets during the crisis adversely affected banks' willingness or ability to extend loans to other sectors of the economy.”

*Kristopher Gerardi and Wenli Li*

**Mortgage Foreclosure Prevention Efforts**

FRB Atlanta – Economic Review – October 2010 – 15 pages

[http://www.frbatlanta.org/documents/pubs/economicreview/er10no2\\_gerardi\\_li.pdf](http://www.frbatlanta.org/documents/pubs/economicreview/er10no2_gerardi_li.pdf)

“This article begins with an overview of the different loss mitigation tools that mortgage lenders and policymakers have used in the past to combat foreclosure and then briefly summarizes the main U.S. programs of the past few years. The authors then review both the theoretical academic literature of the 1990s

and early 2000s and the more recent empirical literature generated by the recent foreclosure crisis. Many of the recent studies have focused on loan modification as a loss mitigation tool.”

*Ed Nosal and Randall Wright*

**Summer Workshop on Money, Banking, Payments and Finance: An Overview**

Federal Reserve Bank of Chicago – Summary - November 23, 2010 – 20 pages

[http://chicagofed.org/digital\\_assets/publications/working\\_papers/2010/wp2010\\_15.pdf](http://chicagofed.org/digital_assets/publications/working_papers/2010/wp2010_15.pdf)

“The annual Summer Workshop on Money, Banking, Payments and Finance met again in August 2010. The theme was on institutions that facilitate the exchange process, including money, credit, banks, asset markets, and related topics. Most of the work uses the branch of economic theory recently dubbed New Monetarist Economics in surveys by Stephen Williamson and Randall Wright, and extensively described in the book by Ed Nosal and Guillaume Rocheteau. The goal in this framework is to take micro-foundations of the exchange process seriously, as opposed to resorting to ad-hoc shortcuts (such as imposing cash-in-advance constraints or inserting money into utility functions), or simply ignoring institutions meant to facilitate exchange (as in most New Keynesian models).”

## LOCAL ECONOMIC DEVELOPMENT

*Bruce Katz, Jennifer Bradley, and Amy Liu*

**Delivering the Next Economy: The States Step Up**

Brookings Institution - Paper - November 2010 - 16 pages

[http://www.brookings.edu/~media/Files/rc/papers/2010/1117\\_states\\_next\\_economy/1117\\_states\\_next\\_economy.pdf](http://www.brookings.edu/~media/Files/rc/papers/2010/1117_states_next_economy/1117_states_next_economy.pdf)

“This brief explains how the imperatives of the next economy will create a new balance of federalism in the years ahead, with a particular focus on the relationship between states and metropolitan areas. First, it details why states are likely to be on the front lines of laying the foundation for the next economy. Second, it describes a three-part playbook for states, noting that the most effective states will act as partners with their metros. Finally, the brief notes what the federal government must do to secure the next economy and how it can support state and metropolitan action, particularly if Congress is reluctant to act in the near term.”

*Christopher B. Leinberger*

**The Next Real Estate Boom**

The Brookings Institution – Article- November 2010

[http://www.brookings.edu/articles/2010/11\\_real\\_estate\\_leinberger.aspx](http://www.brookings.edu/articles/2010/11_real_estate_leinberger.aspx)

“Meeting rising demand for walkable urban communities could reshape the country's economic landscape and prevent downturns driven by overdevelopment... The authors call on metropolitan leaders to overhaul infrastructure that continues to accommodate sprawl and to embrace strategies for sustainability.”

## **Kansas City Fed Brings Experts Together to Discuss Economic Development in Underserved Communities**

Federal Reserve Bank of Kansas City – Community connections –Report - Fall 2010 – 9 pages

<http://www.kansascityfed.org/publicat/community/connections/2010-11.pdf>

“More than 120 people, including top research and development experts, gathered from across the nation to discuss critical issues facing low- and moderate-income populations at the Federal Reserve Bank of Kansas City’s September 9-10 conference, *Economic Development in Underserved Communities: Where Research and Practice Meet*.”

## **BUSINESS - INDUSTRY**

*Mark Boroush*

### **NSF Releases New Statistics on Business Innovation**

National Science Foundation - Info Brief - October 2010 – 8 pages

<http://www.nsf.gov/statistics/infbrief/nsf11300/nsf11300.pdf>

“Preliminary data from the National Science Foundation’s 2008 Business R&D and Innovation Survey (BRDIS) provide a map of the incidence of innovation by businesses located in the United States. These data are based on respondents to the survey and represent an estimated 1.5 million for-profit companies, publicly or privately held, with 5 or more employees, active in the United States in 2008.”

### **Young People Dream of Becoming Entrepreneurs, despite America’s Lingering Recession**

Kauffman Foundation – Fact Sheet – November 2010 - 4 pages

[http://www.kauffman.org/uploadedFiles/youth\\_eship\\_factsheet\\_2010.pdf](http://www.kauffman.org/uploadedFiles/youth_eship_factsheet_2010.pdf)

“A substantial number of youth lean toward entrepreneurship to build something for their futures, to use their skills and abilities, and for the promise of making a better living, Kauffman Foundation study shows.”

### **Women-Owned Businesses in the 21st Century**

U.S. Department of Commerce - October 2010 – 41 pages

<http://www.esa.doc.gov/WOB/>

The report documents the changes in women-owned businesses over time, explores disparities in the characteristics of business owned by women as compared to those owned by men, and discusses potential reasons for these disparities and the different outcomes that are associated with them. The focus is on proprietorships, partnerships, or any type of privately-held corporation with one or more owners. Publicly-held companies are not included.

*Andrew Sherrill*

### **Women in Management: Female Managers’ Representation, Characteristics, and Pay**

U.S. Government Accountability Office - Testimony before the Joint Economic Committee, U.S. Congress-September 28, 2010 - 10 pages

<http://www.gao.gov/new.items/d101064t.pdf>

“The testimony discusses issues related to women in management. Although women's representation across the general workforce is growing, there remains a need for information about the challenges women face in advancing their careers. In 2001, using 1995 and 2000 data from the Current Population Survey, the report finds that women were less represented in management than in the overall”

*James Bradbury*

### **EPA, Clean Air Act, and U.S. Manufacturing**

World Resources Institute – Fact Sheet – November 10, 2010 – 4 pages

[http://pdf.wri.org/factsheets/factsheet\\_epa\\_clean\\_air\\_act\\_us\\_manufacturing.pdf](http://pdf.wri.org/factsheets/factsheet_epa_clean_air_act_us_manufacturing.pdf)

“As U.S. manufacturers look for ways to cut costs without cutting jobs, protect the climate and improve public health for workers and nearby communities, investments into energy efficiency upgrades remain a promising option. The Clean Air Act would spur energy efficiency upgrades, boosting competitiveness for many U.S. manufacturers.”

## **Assessing the Regulatory and Administrative Burdens on America's Small Businesses**

Senate Committee on Small Business and Entrepreneurship - Hearing - Nov 18, 2010

[http://sbc.senate.gov/public/index.cfm?p=Hearings&ContentRecord\\_id=5fc22597-9f55-4970-81fb-fb8348712bec&ContentType\\_id=14f995b9-dfa5-407a-9d35-56cc7152a7ed&Group\\_id=43eb5e02-e987-4077-b9a7-1e5a9cf28964&MonthDisplay=11&YearDisplay=2010](http://sbc.senate.gov/public/index.cfm?p=Hearings&ContentRecord_id=5fc22597-9f55-4970-81fb-fb8348712bec&ContentType_id=14f995b9-dfa5-407a-9d35-56cc7152a7ed&Group_id=43eb5e02-e987-4077-b9a7-1e5a9cf28964&MonthDisplay=11&YearDisplay=2010)

Witnesses:

Winslow Sargeant , Chief Counsel for Advocacy, U.S. Small Business Administration

James R. White, Director, Tax Issues, U.S. Government Accountability Office

James Gattuso, Senior Research Fellow, Regulatory Policy, The Heritage Foundation

Roger Harris, President and C.O.O., Padgett Business Services@/SmallBizPros, Inc.

Andrew Langer, President, The Institute for Liberty

Lawrence S. Nannis, Chair, National Small Business Association

## **TRANSPORTATION**

*Dave Smallen*

### **North American Transportation Statistics: Over 97 Million Personal Vehicles Entered the U.S. in 2009.**

U.S. Department of Transportation - November 18, 2010

<http://nats.sct.gob.mx/nats/sys/index.jsp?i=3>

More than 97 million personal vehicles entered the United States in 2009, 26.7 million from Canada, and 70.3 million from Mexico, according to the U.S. Department of Transportation's Bureau of Transportation Statistics' (BTS) (Table 1). Additionally, 9.3 million trucks, 344,809 buses, and 31,509 trains entered the U.S. in 2009 (NATS database, Table 12-3).

### **Public Spending on Transportation and Water Infrastructure**

Congressional Budget Office – Study - November 2010 – 62 pages

<http://www.cbo.gov/ftpdocs/119xx/doc11940/11-17-Infrastructure.pdf>

“In fiscal year 2007—the most recent year for which data on combined spending by the federal government and by state and local governments are available—total public spending for transportation and water infrastructure was \$356 billion, or 2.4 percent of the nation’s economic output as measured by its gross domestic product...Between 2003 and 2007, real (inflation-adjusted) public spending on transportation and water infrastructure declined by \$23 billion, or 6 percent. That decline, which reflects a decrease in real capital spending, especially by the federal government, stands in contrast to the fairly steady increase in spending for such infrastructure during the previous two decades...”

### **Public Transportation: Transit Agencies' Actions to Address Increased Ridership Demand and Options to Help Meet Future Demand**

U.S. Government Accountability Office - Report to the Committee on Banking, Housing, and Urban Affairs, U.S. Senate - November 2010 - 64 pages

<http://www.gao.gov/new.items/d1194.pdf>

“Demand for public transportation in the United States reached record highs in 2008 and rose in the decade prior to 2008. Increased demand for public transportation can create opportunities and challenges for communities working to meet demand, improve service, and maintain transit systems, while operating within budgetary constraints. Transit agencies rely on a variety of funding sources, including federal, state, and local entities, and other sources, such as fares. The U.S. Department of Transportation's (DOT) Federal Transit Administration administers federal grant programs transit agencies can use to help meet ridership demand, such as for purchasing buses and modernizing rail systems. As requested, this report addresses (1) trends in

transit ridership and services from 1998 through 2008, (2) challenges, if any, transit agencies faced during this period to address increased ridership and actions they took in response, and (3) factors that might affect future ridership demand and the ability of transit agencies to meet that demand.”

*Randal O’Toole*

**Fixing Transit: The Case for Privatization**

The Cato Institute - Policy Analysis - November 10, 2010 – 28 pages

<http://www.cato.org/pubs/pas/PA670.pdf>

“Largely because of government ownership, the transit industry today is beset by a series of interminable crises. Recent declines in the tax revenues used to support transit have forced major cuts in transit services in the vast majority of urban areas. Transit infrastructure—especially rail infrastructure—is steadily deteriorating, and the money transit agencies spend on maintenance is not even enough to keep it in its current state of poor repair. And transit agencies have agreed to employee pension and health care plans that impose billions of dollars of unfunded liabilities on taxpayers. Transit advocates propose to solve these problems with even more subsidies. A better solution is to privatize transit. Private transit providers will provide efficient transit services that go where people want to go. In order for privatization to take place, Congress and the states must stop giving transit agencies incentives to waste money on high-cost transit technologies.”

## **INTERNET – SOCIAL MEDIA**

*David Bach*

**The New Economy: Transatlantic Policy Comparison - Industry Self-Regulation in the E-economy**

Berkeley Roundtable on the International Economy (BRIE), University of California, Berkeley - Propositions for Discussion - 11 pages

<http://brie.berkeley.edu/publications/GMFDB.pdf>

“Self-regulation has been a constant theme in U.S.-EU conversations about the regulation of the digital economy. But obviously, the meaning of “self-regulation” differs considerably in the two. To many Americans, self-regulation means that companies get to make decisions about the rules that regulate markets and that government stays out entirely. Europeans, in contrast, usually think of self-regulation as close cooperation between industry and government in the pursuit of a jointly defined policy goal. The difference between the two meanings is deeply rooted in alternative types of capitalism, and it is not going to go away. Understanding the sources and consequences of this difference is critical to reduce transatlantic tension, increase policy cooperation, and maximize the benefits from the E-economy in Europe and the U.S.”

**Internet Governance and Regulation: What Should Be Government’s Role?**

The Brookings Institution – Event transcript - November 15, 2010 – 40 pages

[http://www.brookings.edu/~media/Files/events/2010/1115\\_internet\\_governance/20101115\\_internet\\_governance.pdf](http://www.brookings.edu/~media/Files/events/2010/1115_internet_governance/20101115_internet_governance.pdf)

“On November 15, the Center for Technology Innovation at Brookings hosted a forum on the policy issues and challenges of Internet governance. David Cohen, Comcast Corporation executive vice president, presented a keynote address outlining models for Internet self-governance. Moderated by Governance Studies Director Darrell West, a panel of industry and academic experts examined arguments on the roles of self-governance and government involvement in promoting an open Internet.”

*Jim Jansen*

**Use of the Internet in Higher-Income Households**

Pew Internet & American Life Project - November 24, 2010 – 13 pages

<http://www.pewinternet.org/~media/Files/Reports/2010/PIP-Better-off-households-final.pdf>

According to the report, almost all Americans who live in households earning \$75,000 or more a year use the internet compared with 70% of those with less income. The well-off are also more likely to own and use various types of technology.

*Jillian C. York*

### **Policing Content in the Quasi-Public Sphere**

OpenNet Initiative - November 2010 – 29 pages

<http://opennet.net/sites/opennet.net/files/PolicingContent.pdf>

Online conversations today exist primarily in the realm of social media and blogging platforms, most of which are owned by private companies. Such privately owned platforms now occupy a significant role in the public sphere, as places in which ideas and information are exchanged and debated by people from every corner of the world. The paper highlights the practices of five platforms—Facebook, YouTube, Flickr, Twitter, and Blogger—in regard to TOS and account deactivations. It will highlight each company’s user policies, as well as examples of each company’s procedures for policing content.

## **AGRICULTURE**

### **Rodale Institute**

Website

<http://www.rodaleinstitute.org/home>

J.I. Rodale was into organic farming for many decades before it became a bit more "hip". The Rodale Institute has been doing research on organic farming versus conventional farming for over 60 years, and their website is aimed at farmers, gardeners, and the general public alike. The "New Farm" link is the online incarnation of their print publication that has been providing "farmer-to-farmer resources, articles and personal stories" for over 29 years. Under the "Tools" menu in New Farm, visitors and farmers can find a "Crop Conversion Calculator", "Organic Price Report", and "NewFarm Forums". The Crop Conversion Chart gives five choices of crops, soybeans, oats, corn, wheat, and barley to compare, and shows how many pounds of CO2 will be saved based on the number of acres planted organically, and how many cars would be removed from the world as a result. The "Nutrition" link presents visitors with "Research", "Organic News", and even book reviews..."

*Amy Kaleita*

### **Is Your Food Making the Planet Sick?**

Pacific Research Institute – Study - November 2, 2010 – 48 pages

[http://www.pacificresearch.org/docLib/20101110\\_MakingPlanetSick\\_F\\_n%283%29.pdf](http://www.pacificresearch.org/docLib/20101110_MakingPlanetSick_F_n%283%29.pdf)

“To improve the environment while maintaining agricultural production, the federal government should encourage more diversity in farming systems. It should phase out programs that incentivize low-diversity systems. Government funding and programs should promote education on management of high-diversity systems. Federal research and development funding programs should encourage investment in barrier-breaking technologies and farming strategies... Agricultural production as currently practiced in the United States is not at odds with a cleaner environment. Outcome-based policy, crafted on sound science, will enable farmers to maintain environmental quality while continuing to provide a growing global population with a high-quality diet.”

*John Horowitz et al.*

### **“No-Till” Farming is a Growing Practice**

U.S. Department of Agriculture - November 2010 – 28pages

<http://www.ers.usda.gov/Publications/EIB70/EIB70.pdf>

Most U.S. farmers prepare their soil for seeding and weed and pest control through tillage—plowing operations that disturb the soil. Tillage practices affect soil carbon, water pollution, and farmers’ energy and pesticide use, and therefore data on tillage can be valuable for understanding the practice’s role in reaching climate and other environmental goals.

### **The Future of Aquafeeds**

NOAA - Study - November 2010 - 103 pages

[http://aquaculture.noaa.gov/news/feeds\\_rept\\_comment.html](http://aquaculture.noaa.gov/news/feeds_rept_comment.html)

The report was prepared as part of the ongoing NOAA-USDA Alternative Feeds Initiative. The Future of Aquafeeds provides a comprehensive view on the current state of knowledge and the challenges and opportunities associated with development of various alternative aquaculture feeds. The findings, recommendations, and research priorities contained in the report will help identify and prioritize new and ongoing research to be conducted and funded by NOAA, USDA, and other partners under the Initiative. The purpose of the joint NOAA-USDA initiative is to accelerate the development of alternative dietary ingredients that will reduce the amount of fishmeal and fish oil in aquaculture feeds while maintaining the important human health benefits of farmed seafood.

## **EMPLOYMENT**

*Andrew Reamer*

### **Putting America to Work: The Essential Role of Federal Labor Market Statistics**

Brookings Institution - Policy Brief and Paper - October 29, 2010 – 10 and 71 pages

[http://www.brookings.edu/papers/2010/1029\\_labor\\_reamer.aspx#](http://www.brookings.edu/papers/2010/1029_labor_reamer.aspx#)

“The United States faces two challenges in providing the opportunity for gainful and meaningful employment to all its citizens. The first, structural and long-term, requires workers and their communities to adjust to the ongoing shift toward greater skill requirements and higher educational attainment, evidenced by a growing mismatch between worker abilities and employer needs. The second challenge is the cyclical and near-term hurdle of moving the economy out of the Great Recession. To address these twin challenges, well-working labor markets are essential. A component of that functioning is good labor market information, enabling intelligent choices about career paths, hiring, training, and public investment and policy. Unfortunately, today’s federal statistical system is not adequately serving the needs of the full array of labor market participants and policymakers. This paper’s aim is to provide a vision of a federal labor statistics system that enables Americans to gain productive occupations and a roadmap for implementing that vision.”

*Alan Berube*

### **Degrees of Separation: Education, Employment and the Great Recession in Metropolitan America**

The Brookings Institution - Metropolitan Policy Program – Educational Attainment Report - 12 pages

[http://www.brookings.edu/~media/Files/rc/papers/2010/1105\\_metro\\_america\\_berube/1105\\_metro\\_america\\_education\\_berube.pdf](http://www.brookings.edu/~media/Files/rc/papers/2010/1105_metro_america_berube/1105_metro_america_education_berube.pdf)

“Each of the economic downturns buffeting the United States in the last two decades has been greeted with claims by some that it is affecting professional, “white-collar” workers more severely than other workers, or than in past recessions. When the full impact of these recessions is measured, however, those with higher levels of education have consistently done better than those with lower levels of education, including during the recent “Great Recession.” Yet the recent relationship between education and changes in employment has not been uniform across the country... This report examines the relationship between educational attainment and employment status during the two years of the “Great Recession,” from 2007 to 2009. It places particular

focus on the nation's 100 largest metropolitan areas, the regional economies that account for two-thirds of the nation's workers and three-quarters of its Gross Domestic Product.”

*William Lester, Ken Jacobs*

**Creating Good Jobs in Our Communities - How Higher Wage Standards Affect Economic Development and Employment**

Center for American Progress Action Fund – Report – November 2010 – 44 pages

[http://www.americanprogressaction.org/issues/2010/11/pdf/living\\_wage.pdf](http://www.americanprogressaction.org/issues/2010/11/pdf/living_wage.pdf)

“The most common and comprehensive policies used in creating jobs and raising the quality of jobs are business assistance living wage laws, which require businesses receiving public subsidies to pay workers wages above the poverty level. This report assesses the question of whether or not business assistance living wage laws reduce jobs and economic development activity in the cities that choose to pass them.”

**Developments in State Workers' Compensation Systems**

House Education and Labor Committee - Hearing - November 17, 2010

<http://edlabor.house.gov/hearings/>

“This hearing examined state workers' compensations systems. Workers' compensation traditionally provides financial assistance and job training to workers injured on the job and aid to the surviving family of a worker killed on the job. These systems have undergone numerous changes in the past decade as many states have begun strictly limiting workers' compensation benefits – changes that may be stressing the Social Security Disability Insurance (SSDI) program. Additionally, the American Medical Association's (AMA) guide to assessing injured workers has undergone significant changes in its latest edition, which has made consequential changes to injured workers' evaluation procedure.”

**UNEMPLOYMENT**

*Rob Valletta, Katherine Kuang*

**Is Structural Unemployment on the Rise?**

Federal Reserve Bank of San Francisco – Economic Letter – November 8, 2010

<http://www.frbsf.org/publications/economics/letter/2010/el2010-34.html>

“An increase in U.S. aggregate labor demand reflected in rising job vacancies has not been accompanied by a similar decline in the unemployment rate. Some analysts maintain that unemployed workers lack the skills to fill available jobs, a mismatch that contributes to an elevated level of structural unemployment. However, analysis of data on employment growth and jobless rates across industries, occupations, and states suggests only a limited increase in structural unemployment, indicating that cyclical factors account for most of the rise in the unemployment rate.”

*Richard W. Johnson et al.*

**Unemployment Statistics on Older Americans**

Urban Institute - November 9, 2010 – 11 pages

[http://www.urban.org/UploadedPDF/411904\\_unemploymentstatistics.pdf](http://www.urban.org/UploadedPDF/411904_unemploymentstatistics.pdf)

The recession has increased joblessness among older Americans. The graphs and tables report unemployment rates and how they have varied by age, sex, race, and education since 2007.

**Chronology of Federal Unemployment Compensation Laws**

U.S. Department of Labor – 96 pages

<http://ows.doleta.gov/unemploy/pdf/chronfedlaws.pdf>

This document lists every change and extension to the unemployment compensation laws from original enactment in 1935 with the Social Security Act through 2010.

*Hoda El-Ghazaly*

**The Ins and Outs of Unemployment Insurance**

The Federal Reserve Bank of St. Louis- Liber8 – Economic Information Newsletter - November 2010 – 2 pages

<http://liber8.stlouisfed.org/newsletter/2010/201011.pdf>

“After months of debate in Congress, on July 22, 2010, President Obama signed legislation extending the unemployment insurance benefit period for 2.5 million Americans.<sup>1</sup> Although economists generally agree that income support, such as unemployment benefits, helps stabilize the economy during difficult economic times, they debate whether long benefit periods keep the unemployment rate artificially high by discouraging workers from searching for jobs and/or accepting unattractive jobs.<sup>2</sup> Understanding the unemployment insurance system and why economic theory is involved helps explain the debate.”

**Extending the Federal Unemployment Insurance Benefits Program**

Joint Economic Committee - Report - November 18, 2010 - 8 pages

[http://jec.senate.gov/public/?a=Files.Serve&File\\_id=75402f9d-0f15-4f89-b4cb-6f39c8f1e4ef](http://jec.senate.gov/public/?a=Files.Serve&File_id=75402f9d-0f15-4f89-b4cb-6f39c8f1e4ef)

"Failure to extend the federal unemployment insurance benefits program would drain the economy of \$80 billion in purchasing power and result in the loss of over one million jobs over the next year."

**Unemployment Insurance Benefits and Family Income of the Unemployed**

Congressional Budget Office – Letter to the Honorable Jim McDermott – November 17, 2010 - 16 pages

<http://www.cbo.gov/ftpdocs/119xx/doc11960/11-17-UnemploymentInsurance.pdf>

“The Congressional Budget Office (CBO) examined the role of Unemployment Insurance (UI) benefits in supporting the income of families in which at least one person was unemployed at some point in 2009. The analysis addressed how that role varied with the amount of family income and the number of weeks of unemployment for all family members. CBO also examined how the poverty rate and related indicators of financial hardship would have differed in the absence of the UI program.”

**RETIREMENT**

*Dean Baker*

**Action on Social Security: The Urgent Need for Delay**

Center for Economic and Policy Research – Paper - November 2010 – 9 pages

<http://www.cepr.net/documents/publications/ss-2010-11-1.pdf>

“There is enormous public confusion about the extent of Social Security’s projected shortfall. Many policymakers and analysts point out that projections from the Congressional Budget Office and the Social Security Trustees show the program to be out of balance in the long-term, therefore we would be best advised to make changes as soon as possible. The paper argues that supporters of the existing Social Security system should try to ensure that no major changes to the core program are implemented in the immediate future.”

**Social Security Reform: Raising the Retirement Ages Would Have Implications for Older Workers and SSA Disability Rolls**

United States Government Accountability Office - Report to the Chairman, Special Committee on Aging, U.S. Senate - November 2010 - 65 pages  
<http://www.gao.gov/new.items/d11125.pdf>

“The 2010 report from the Social Security Board of Trustees projects that the trust funds' assets will be exhausted by 2037. In light of the long-term trust fund solvency issues and increased longevity, many have suggested changing the earliest eligibility age (EEA) at which workers first qualify for retirement benefits, the full retirement age (FRA) at which they receive full benefits, or both. By reducing monthly benefits for those taking early benefits or delaying eligibility, raising the retirement ages could create an incentive for workers to delay retirement, thus earning more income and possibly saving more for retirement. However, raising the retirement ages would likely increase the number of workers applying for and receiving DI benefits. More DI applications and beneficiaries would reduce some of the financial savings for the combined OASI and DI trust funds and increase the Social Security Administration's (SSA) disability caseload, which already faces a serious backlog. In this context, Congress asked us to address issues related to the potential impact of raising the EEA or FRA on the DI program and on older workers--in general, workers in their sixties, but in particular those approaching age 62, just prior to becoming eligible for retirement benefits.”

### **Private Pensions: Changes Needed to Better Protect Multiemployer Pension Benefits**

U.S. Government Accountability Office – Report to the Chairman, Committee on Education and Labor, House of Representatives - October 2010 – 65 pages  
<http://www.gao.gov/products/GAO-11-79>

“Thirty years ago Congress enacted protections to ensure that participants in multiemployer pension plans received their promised benefits. These defined benefit plans are created by collective bargaining agreements covering more than one employer. Today, these plans provide pension coverage to over 10.4 million participants in approximately 1,500 multiemployer plans insured by the Pension Benefit Guaranty Corporation (PBGC). In this report, GAO examines (1) the current status of nation's multiemployer plans; (2) steps PBGC takes to monitor the health of these plans; (3) the structure of multiemployer plans in other countries; and (4) statutory and regulatory changes that could help plans provide participants with the benefits they are due. To address these questions, GAO analyzed government and industry data and interviewed government officials, pension experts and plan practitioners in the United States, the Netherlands, Denmark, United Kingdom, and Canada.”

## **HEALTH**

*Matt Broaddus, Rory Thompson*

### **Employer-Based Health Coverage Declined Sharply Over Past Decade - Highlights Need for Successful Implementation of Health Reform Law**

Center on Budget and Policy Priorities – Study - December 1, 2010 – 15 pages  
<http://www.cbpp.org/files/12-1-10health.pdf>

“In September, the Census Bureau released data showing that the number and percentage of Americans without health insurance rose at a record pace in 2009, continuing a decade-long increase...If implemented successfully, the health reform law will reverse these trends of eroding employer based coverage and a growing share of Americans without health coverage. The law's expansion of Medicaid will provide a coverage option to poor adults, a population uninsured at an increasingly high rate. Small businesses will receive financial support to offer coverage to their workers, larger employers will pay a penalty if they do not offer affordable coverage to their workers, and more employees will be encouraged to take up offers of employer-sponsored insurance under the individual mandate — which will strengthen the employer-based insurance market...Had health reform been in place in 2009, the number of people without health insurance would have increased by a much smaller amount.”

*Andrew J. Rettenmaier, Thomas R. Saving*

**Medicare Trustees Reports 2010 and 2009: What a Difference a Year Makes**

National Center for Policy Analysis – Policy Report - October 2010 – 20 pages

<http://www.ncpa.org/pdfs/st330.pdf>

“Medicare spending will be cut dramatically in coming years if the new federal health insurance law — the Patient Protection and Affordable Care Act (ACA) — is fully implemented. An indication of how much the new health overhaul law matters is provided by comparing the 2009 Medicare Trustees Report (which assumes that Medicare spending will largely keep pace with health spending for the country as a whole) with the 2010 report (which reflects the cuts required by the ACA).”

*Thomas Cheplick*

**HSA-Based Reform Proposed as Post-ObamaCare Option**

Health Care News – Article - December 2010

<http://www.heartland.org/healthpolicy->

[news.org/article/28639/HsABased\\_Reform\\_Proposed\\_as\\_PostObamaCare\\_Option.html](http://www.heartland.org/healthpolicy-news.org/article/28639/HsABased_Reform_Proposed_as_PostObamaCare_Option.html)

“A Michigan physician, Dr. Roger Beauchamp, has offered a comprehensive plan to reform the nation's health care payment system based on knowledge acquired over more than fifty years of practical experience. He is offering the reform as an alternative if Congress decides to repeal ObamaCare. With assistance from Devon Herrick of the Dallas, Texas-based National Center for Policy Analysis, Beauchamp has developed the “180-Degree Approach to Health Care Benefits Reform,” which he says will control rising health care costs across the nation and help save Medicare from its expected bankruptcy...”

**TRADE**

**Americans Are of Two Minds on Trade**

Pew Research Center for the People & the Press - November 9, 2010.

<http://pewresearch.org/pubs/1795/poll-free-trade-agreements-jobs-wages-economic-growth-china-japan-canada>

The public is of two minds when it comes to trade with other countries. Most Americans say that increased trade with Canada, Japan and European Union countries -- as well as India, Brazil and Mexico -- would be good for the United States. But reactions are mixed to increased trade with South Korea and China. More generally, there is increased skepticism about the impact of trade agreements such as NAFTA and the policies of the World Trade Organization. Roughly a third (35%) say that free trade agreements have been good for the United States, while 44% say they have been bad for the U.S.

**Trade Adjustment Assistance Expires Jan. 1st.**

Democratic Leadership Council - Trade Fact of the Week - December 1, 2010

[http://www.dlc.org/ndol\\_ci.cfm?kaid=108&subid=900003&contentid=255213](http://www.dlc.org/ndol_ci.cfm?kaid=108&subid=900003&contentid=255213)

“From an optimist's perspective, American job trends are looking better and employment is a bit more secure: layoffs have dropped by a third from their crisis peaks, falling from 2.5 million per month to the levels of the mid-2000s at around 1.8 million per month. But from the job-seeker's point of view, little has changed: though layoffs are down, new private-sector hiring remains very weak. The Department of Labor's Job Opening and Labor Turnover survey finds businesses hiring about 3.9 million new workers a month this year, which is (a) more than a million below the 5 million-job monthly pace in 2005, and (b) barely more than the 3.5 million hired in December 2008, the worst month of the crisis. This makes job training and skill development especially valuable for men and women who are out of work and trying to find their way back in -- and so it is especially important that, in these next two weeks, Congress renew the Trade Adjustment Assistance Program.”

*Sallie James*

**The U.S. Generalized System of Preferences: Helping the Poor, But at What Price?**

The Cato Institute – Center for Trade Policy Studies – Trade Policy Analysis -November 16, 2010 – 20 pages  
<http://www.cato.org/pubs/tpa/tpa-043.pdf>

“The preferential market access, given by the United States to most developing countries through the Generalized System of Preferences, yields real benefits for the covered countries and for U.S. consumers and firms importing the goods. Americans save hundreds of millions of dollars a year from duty-free imports, and many poor people abroad have benefited from preferential access to a rich market. Against these benefits, Congress must consider the significant costs of unilateral preference programs—to the preference recipients themselves, to excluded developing countries, and to the world trading system in general—when the program expires at the end of this year. Product exclusions, import limits that are triggered just when an exporter becomes successful, outdated eligibility criteria, and complex administrative and customs requirements all serve to limit the usefulness of the program to the ostensible beneficiaries and to U.S. consumers...”

**International Trade in the Digital Economy**

Senate Finance Committee - Hearing - November 18, 2010

<http://finance.senate.gov/hearings/hearing/?id=2d08f67d-5056-a032-52b8-f7c75d3a3b87>

Witnesses:

Dr. Catherine M. Mann, Professor of Economics at Brandeis University, Concord, MA  
Ed Black, President and CEO, Computer and Communications Industry Association, Washington, DC  
Daniel Burton, Senior Vice President, Global Public Policy at Salesforce.com, Chevy Chase, MD  
Mike Sax, Board President, the Association for Competitive Technology (ACT), Eugene, OR  
Greg Slater, Director of Trade and Competition Policy, Intel Corporation, Phoenix, AZ

*Andrew J. Cassey*

**Analyzing the Export Flow from Texas to Mexico**

Federal Reserve Bank of Dallas – Staff Paper - October 2010 – 18 pages

<http://dallasfed.org/research/staff/2010/staff1003.pdf>

“From 1997 to 2008, Texas shipped 40 percent of its manufacturing exports to Mexico. This puts Texas–Mexico among the largest state–country trading relationships. But this share has been declining recently. A gravity equation cannot account for either of these facts, even though Texas and Mexico share a border. This positive contiguity effect is not unique in state export data. This paper studies the features of the Texas–Mexico relationship to try to account for the size of the export flow and the recent decline in share.”

**DEVELOPMENT**

*John Norris*

**U.S. Foreign Aid Reform Meets the Tea Party**

Center for American Progress - November 22, 2010 – 34 pages

[http://www.americanprogress.org/issues/2010/11/pdf/foreign\\_aid\\_meets\\_tea\\_party.pdf](http://www.americanprogress.org/issues/2010/11/pdf/foreign_aid_meets_tea_party.pdf)

John Norris discusses how foreign aid reform can continue to gain traction in the 112th Congress.

**Delivering Aid Differently: Lessons from the Field**

Brookings Institution – Event transcript – November 15, 2010 – 44 pages

[http://www.brookings.edu/~media/Files/events/2010/1115\\_delivering\\_aid/20101115\\_delivering\\_aid.pdf](http://www.brookings.edu/~media/Files/events/2010/1115_delivering_aid/20101115_delivering_aid.pdf)

“Aid to developing countries is a \$200 billion industry, which is indicative of global goodwill toward helping the poor and supporting economic development. But goodwill is not the same as good results. In *Delivering Aid Differently: Lessons from the Field* (Brookings Press, 2010), editors Homi Kharas, senior fellow and deputy director of Global Economy and Development at Brookings, and Wolfgang Fengler, lead economist in the Nairobi office of the World Bank, compile case studies from the field and find that the delivery of aid is fragmented, volatile and uncoordinated. On November 15, Global Economy and Development at Brookings hosted Fengler and Kharas to discuss the solutions that make development aid more effective.”

## MISCELLANEOUS

Michael V. Seitzinger

### **Foreign Corrupt Practices Act (FCPA): Congressional Interest and Executive Enforcement**

Congressional Research Service, Library of Congress - October 21, 2010 – 6 pages

<http://www.fas.org/sgp/crs/misc/R41466.pdf>

The Foreign Corrupt Practices Act of 1977 (FCPA) was intended to prevent corporate bribery of foreign officials. The act has three major provisions; they concern the accounting standards of corporations, the requirements of Securities and Exchange Commission (SEC) registered issuers, and anti-bribery. The act was amended in 1988 and in 1998, but the three major areas of coverage remain.

### **The Rise of College Student Borrowing**

Pew Research Center Social & Demographic Trends Project - November 23, 2010 – 18 pages

<http://pewsocialtrends.org/files/2010/11/social-trends-2010-student-borrowing.pdf>

Undergraduate college student borrowing has risen dramatically in recent years. Graduates who received a bachelor's degree in 2008 borrowed 50% more, in inflation-adjusted dollars, than their counterparts who graduated in 1996, while graduates who earned an associate's degree or undergraduate certificate in 2008 borrowed more than twice what their counterparts in 1996 had borrowed, according to the analysis.

### **Subprime Opportunity: The Unfulfilled Promise of For-Profit Colleges and Universities**

The Education Trust - November 2010 – 12 pages

[http://www.edtrust.org/sites/edtrust.org/files/publications/files/Subprime\\_report.pdf](http://www.edtrust.org/sites/edtrust.org/files/publications/files/Subprime_report.pdf)

Three years after the U.S. housing market collapse, U.S. continues to suffer the effects of misplaced priorities and weak regulation of subprime mortgage lenders. The report warns that the most vulnerable Americans are being targeted by yet another set of corporations peddling access to the American dream but delivering little more than crippling debt. This time, it's under regulated for-profit colleges.