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GENERAL INTEREST

The United States and China: The Next Five Years

The Brookings Institution – Event – May 19, 2011

http://www.brookings.edu/events/2011/0519_us_china.aspx

“As the United States and China emerge from the global financial crisis, both countries face exceptionally difficult challenges to their domestic economies. In response, both are embarking on major domestic economic restructuring programs that are likely to have substantial ripple effects on their bilateral relationship and the global economy. Each country has important interests in the success of the other country’s domestic economic outcomes, as the changes sought by each arguably meet the interests of the other. On May 19, the Brookings Institution and China’s Caixin Media hosted a conference examining the substance and prospects for economic restructuring in China and the U.S. over the next five years and the impact on their bilateral relationship. Zhu Min, special advisor to the managing director of International Monetary Fund, gave a keynote address.”

The Endangered Middle Class: Is the American Dream Slipping Out of Reach for American Families?

Senate Committee on Health, Education, Labor and Pensions – Hearing – May 12, 2011

<http://help.senate.gov/hearings/hearing/?id=bf9cac77-5056-9502-5d75-3499b6f85bd2>

Witnesses:

Robert B. Reich , Chancellor’s Professor of Public Policy, Goldman School of Public Policy, University of California Berkeley, Berkeley, CA

Heather Boushey , Senior Economist, Center for American Progress, Washington, DC

Michael Luttig , General Counsel and Executive Vice President, Boeing Company, Chicago, IL

Sarah Fox , Legal Counsel, AFL-CIO, Bethesda, MD

Alison Acosta Fraser, William W. Beach

Saving the American Dream the Heritage Plan to Fix the Debt, Cut Spending, and Restore Prosperity

The Heritage Foundation – Report - March 11, 2011 – 46 pages

http://thf_media.s3.amazonaws.com/2011/pdf/sr0091.pdf

“Saving the American Dream is our plan to fix the debt, cut spending and, above all, restore prosperity. It balances the nation’s budget within a decade—and keeps it balanced. It reduces the debt and cuts government in half. It eliminates government-mandated health care and fully funds our national defense. In order to get our fiscal house in order, we must address Social Security, Medicare, and Medicaid, the three so-called entitlement programs which together account for 43 percent of federal spending today. Far too many seniors still lack enough help to avoid poverty. Saving the American Dream therefore does not end these programs; instead it focuses them on those who need them.”

Michael Ettlinger, Michael Linden, and Seth Hanlon

Budgeting for Growth and Prosperity - A Long-term Plan to Balance the Budget, Grow the Economy, and Strengthen the Middle Class

Center for American Progress – May 2011 – 80 pages

http://www.americanprogress.org/issues/2011/05/pdf/budget_for_growth.pdf

The purpose of the Center for American Progress plan for long-term deficit reduction is to build a strong American economy that provides the best opportunities for personal success of any country in the world, strengthens and builds a thriving middle class, and secures the position of the United States as the leading nation of the 21st century. To achieve these goals, federal budget deficits must be brought under control to keep credit markets strong and interest payments to foreign creditors low. But a balanced federal budget is far

from all that is needed. America must also invest in its economic future to achieve the economy we envision. Most of America's investments are made by businesses and individuals, but the federal government plays critical roles as a direct investor in areas such as education, basic science, technology, and infrastructure, and as a catalyst for private investment."

Martin Baily, Bruce Katz, and Darrell West

Building a Long-Term Strategy for Growth through Innovation

The Brookings Institution – Paper – May 2011 – 24 pages

http://www.brookings.edu/~media/Files/rc/papers/2011/05_growth_innovation/05_growth_innovation.pdf

"History has amply demonstrated that innovation in the public and private sectors is key to long-term U.S. prosperity and economic competitiveness. Yet in the United States today, innovation is at risk of stalling, just as international competition is on the upswing. Martin Baily, Bruce Katz and Darrell West lay out a U.S. innovation agenda, new methods for measuring progress, and an array of ideas and reforms for policymakers to help spur the U.S. economy."

Investing in America's Economy

Economic Policy Institute – Report - May 23, 2011

<http://www.epi.org/publications/entry/7111/>

"Today, the Economic Policy Institute released an update to Investing in America's Economy, a budget plan that prioritizes recovery while also putting the country on a sustainable budget path. This plan was developed as part of the Solutions Initiative and funded by the Peter G. Peterson Foundation.

Education and the Economy: Boosting the Nation's Economy by Improving High School Graduation Rates Among Students of Color and Native Students

Alliance for Excellent Education - May 2011 – 9 pages

http://www.all4ed.org/files/EdEconBrief_sebsoc.pdf

Nearly sixty years after the U.S. Supreme Court ruled in Brown versus Board of Education that the doctrine of "separate but equal" has no place in the field of public education, the promise of an equal education remains unmet for too many of the nation's students of color and Native students, according to the brief. Meeting the promise of Brown by graduating more of these students from high school would lead to dramatic economic growth nationwide, the brief finds. [Note: contains copyrighted material].

Manufacturing Our Way to a Stronger Economy

Senate Committee on Commerce, Science, Transportation – Hearing - May 11 2011

http://commerce.senate.gov/public/index.cfm?p=Hearings&ContentRecord_id=f1abc6b8-18d6-41eb-8444-aa9e0a5bcdee&ContentType_id=14f995b9-dfa5-407a-9d35-56cc7152a7ed&Group_id=b06c39af-e033-4cba-9221-de668ca1978a

This is the second in a series of Commerce Committee hearings focusing on manufacturing in America and the ways in which the government and industry can strengthen the sector and promote job growth. Witnesses:
 Dr. Stephanie Burns, Chairman, Dow Corning Corporation
 Mr. Leo W. Gerard, International President, The United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (United Steelworkers)
 Mr. Mike Rowe, Creator, Executive Producer and Host, Discovery Channel's DIRTY JOBS

MONETARY POLICY

Jeffrey C. Fuhrer and Giovanni P. Olivei

The Estimated Macroeconomic Effects of the Federal Reserve's Large-Scale Treasury Purchase Program

F.R.B of Boston – Report - April 28, 2011 – 8 pages

<http://www.bostonfed.org/economic/ppb/2011/ppb112.pdf>

“This brief examines an issue of current importance to the conduct of U.S. economic policy: how has the Federal Open Market Committee (FOMC) plan to purchase up to \$600 billion of Treasury securities by June 30, 2011 affected the movement of inflation, GDP, and employment to more desirable medium term and long-term levels? Following the FOMC’s announcement of the plan on November 3, 2010, other events that potentially influence Treasury yields have been at play. To estimate the effects that the FOMC Treasury purchases may have on the goal of achieving more desirable levels of inflation and employment, the authors make use of different models to gauge the likely effect upon interest rates, the interest rate effects on real spending (GDP), and how changes in GDP may be affecting the employment rate.”

John C. Williams

Maintaining Price Stability in a Global Economy

FRB San Francisco – Economic Letter - May 9, 2011 – 7 pages

<http://www.frbsf.org/publications/economics/letter/2011/el2011-14.pdf>

“Inflation has risen of late, reflecting higher prices for many commodities. The inflation rate is likely to peak around the middle of 2011 and then return to an annual level of about 1¼ to 1½%. A sustained period of high inflation is very unlikely and the Fed will act quickly and decisively to ensure price stability.”

FISCAL POLICY

Mindy R. Levit

The Federal Budget: Issues for FY 2011, FY 2012, and Beyond

Congressional Research Service, Library of Congress - April 29, 2011 – 24 pages

<http://www.fas.org/sgp/crs/misc/R41685.pdf>

Along with Congress, CBO, GAO, and the Administration agree that the current mix of federal fiscal policies is unsustainable in the long-term. The nation's aging population, combined with rising health care costs per beneficiary, seems likely to keep federal health costs rising faster than per capita GDP. Keeping future federal outlays at 20% of GDP, or approximately at its historical average, and leaving fiscal policies unchanged, according to CBO projections, would require drastic reductions in all spending other than that for Medicare, Social Security, and Medicaid, or reigning in the costs of these programs. As the economic recovery continues, Congress may focus more effort on balancing the budget and reining in the debt. This would require less spending, increases in revenue collections, faster-than-average economic growth, or a combination of these things.

Kathy A. Ruffing, James R. Horney

Economic Downturn and Bush Policies Continue To Drive Large Projected Deficit

Center on Budget and policy Priorities – Report - May 10, 2011- 10 pages

<http://www.cbpp.org/files/5-10-11bud.pdf>

“Some lawmakers, pundits, and others continue to say that President George W. Bush’s policies did not drive the projected federal deficits of the coming decade — that, instead, it was the policies of President Obama and

Congress in 2009 and 2010. But, the fact remains: the economic downturn, President Bush's tax cuts and the wars in Afghanistan and Iraq explain virtually the entire deficit over the next ten years.”

D. Andrew Austin and Mindy R. Levit

The Debt Limit: History and Recent Increases

Congressional Research Service, Library of Congress - May 2, 2011 – 29 pages

<http://www.fas.org/sgp/crs/misc/RL31967.pdf>

Total debt of the federal government can increase in two ways. First, debt increases when the government sells debt to the public to finance budget deficits and acquire the financial resources needed to meet its obligations. This increases debt held by the public. Second, debt increases when the federal government issues debt to certain government accounts, such as the Social Security, Medicare, and Transportation trust funds, in exchange for their reported surpluses. This increases debt held by government accounts. The sum of debt held by the public and debt held by government accounts is the total federal debt. Surpluses reduce debt held by the public, while deficits raise it. Total federal debt outstanding was \$14,288 billion on April 29, 2011, of which \$14,236 billion was subject to the debt limit.

Justin Murray

Votes on Measures to Adjust the Statutory Debt Limit, 1978 to Present

Congressional Research Service, Library of Congress - May 10, 2011 – 15 pages

<http://www.fas.org/sgp/crs/misc/R41814.pdf>

Almost all borrowing by the federal government is conducted by the Treasury Department, within the restrictions established by a single, statutory limit (ceiling) on the total amount of debt that may be outstanding at any time. By law, the Treasury cannot exceed federal debt limits, so the Treasury periodically has had to ask Congress to enact new debt limits so it can fulfill its financial commitments. Since 1978, the statutory federal debt limit has been changed 51 times by Congress through the enactment of legislation adjusting the federal debt limit, either as stand-alone legislation or as part of legislation dealing with other matters. The report provides roll call vote data identified by the Congressional Research Service for measures to adjust the statutory debt limit. This report will be updated as events warrant.

Budget Enforcement Mechanisms

Senate Committee on Finance – Hearing – May 4, 2011

<http://finance.senate.gov/hearings/hearing/?id=f47f0466-5056-a032-526c-15196aea18d1>

“As we consider a framework for major deficit reduction over time, one policy we may want to consider is a budget enforcement mechanism. How would we create a budget enforcement mechanism?... Today we will ask how a trigger mechanism would work. In what year should the trigger be set? Should the trigger take place in just one year, or are there advantages to phasing in or extending a trigger over a series of years? And, how would a trigger affect our economy in an economic downturn?”

TAX POLICY

Need for Comprehensive Tax Reform to Help American Companies Compete in the Global Market and Create Jobs for American Workers

House Committee on Ways and Means – Hearing - May 12, 2011

<http://waysandmeans.house.gov/Calendar/EventSingle.aspx?EventID=239968>

“The hearing will examine how the current structure of the international tax rules might distort economic decisions and the allocation of resources in ways that reduce employment for American workers and hamper

the efforts of American employers to compete with foreign companies in global markets. In the context of comprehensive tax reform that substantially lowers marginal rates on individuals and corporations, the hearing will investigate which reforms to the international tax rules might improve the ability of American companies to compete and create jobs.”

How Other Countries Have Used Tax Reform to Help Their Companies Compete in the Global Market and Create Jobs

House Committee on Ways and Means – Hearing - May 24, 2011

<http://waysandmeans.house.gov/Calendar/EventSingle.aspx?EventID=241897>

“The hearing will examine international tax rules in various countries with an eye toward identifying best practices that might be applied to international tax reform in the United States. The hearing will explore policy choices that maximize competitiveness and job creation while also appropriately protecting the U.S. tax base.”

Is the Distribution of Tax Burdens and Tax Benefits Equitable?

Senate Committee on Finance – Hearing – May 3, 2011

<http://finance.senate.gov/hearings/hearing/?id=c43044bc-5056-a032-5269-eaf168733599>

The perception is that tax loopholes and benefits exist that average Americans don’t know about and can’t access. The wealthy folks can hire attorneys and accountants to find every credit and deduction, while average Americans can’t afford that time and that expertise... As we focus on tax reform, we must ask whether our tax code has contributed to this disparity in income growth. We should consider whether our tax system should take these disparities into account in some way, and we must question whether our tax code can better promote economic mobility and opportunity.”

Chuck Marr and Brian Highsmith

Misconceptions and Realities about Who Pays Taxes

Center on Budget and Policy Priorities – Study - May 26, 2011 – 9 pages

<http://www.cbpp.org/files/5-26-11tax.pdf>

"A recent finding by Congress’ Joint Committee on Taxation that 51 percent of households owed no federal income tax in 2009 is being used to advance the argument that low- and moderate-income families do not pay sufficient taxes. Apart from the fact that most of those who make this argument also call for maintaining or increasing all of the tax cuts of recent years for people at the top of the income scale, the 51 percent figure, its significance, and its policy implications are widely misunderstood."

Michael Mazerov

Federal "Business Activity Tax Nexus" Legislation: Half of a Two-Pronged Strategy to Gut State Corporate Income Taxes

Center on Budget and Policy Priorities – May 13, 2011 – 15 pages

<http://www.cbpp.org/files/1-26-05sfp.pdf>

“Major multistate corporations are engaged in a two-pronged lobbying strategy aimed at substantially increasing the share of their nationwide profit that is not taxed by any state. The strategy involves the enactment of complementary state and federal legislation. The state legislation — which corporations have already persuaded 22 states to enact — lowers corporate taxes for some in-state corporations and increases them for some out-of-state corporations. The federal legislation would make it much more difficult for states to require many of those out-of-state corporations to pay any income tax to them at all. Since federal law supersedes state law, the net effect would be to lower the taxes of the in-state corporations and eliminate them entirely for the out-of-state corporations.”

Alan D. Viard

Goods versus Services: A Call for Sales Tax Neutrality

American Enterprise Institute - State Tax Notes – May 16, 2011 – 8 pages

<http://www.aei.org/docLib/Marginal-Impact-May-16-2011.pdf>

“The typical state sales tax has two major features that prevent it from being a broad-based tax on consumer spending. First, the typical sales tax exempts, or provides preferential rates for, groceries and other necessities. Second, the typical sales tax applies primarily to sales of goods and exempts many types of consumer services. The two features may overlap for some items; for example, housing and healthcare may be exempt from sales tax because they are necessities or because they are services or for both reasons. Nevertheless, the two policies require separate analysis.”

Douglas W. Elmendorf

Options for Changing the Tax Treatment of Charitable Giving

Congress of the United State Congressional Budget Office – A CBO Study - May 2011 – 38 pages

<http://www.cbo.gov/ftpdocs/121xx/doc12167/CharitableContributions.pdf>

“The deductibility of charitable donations has been a feature of the U.S. individual income tax almost as long as the modern income tax has been in existence. Nevertheless, concerns about the cost, equity, and efficiency of the deduction have prompted many proposals to change the tax treatment of charitable contributions. At the request of the former Chairman of the House Committee on the Budget, the Congressional Budget Office (CBO) has examined patterns of individual charitable giving and analyzed how options for changing the tax treatment of such giving might affect the overall level of donations, the costs to the federal government, and the distribution of tax benefits by income group. In keeping with CBO’s mandate to provide objective, impartial analysis, this study makes no recommendations.”

Scott A. Hodge

Ten Reasons the U.S. Should Move to a Territorial System of Taxing Foreign Earnings

Tax Foundation – Special report - May 2011- 8 pages

<http://www.taxfoundation.org/files/sr191.pdf>

“There is a growing debate in Washington over how U.S. companies should be taxed on the profits they earn abroad. The outcome of this debate will determine how well U.S. workers and companies can compete in the ever-changing global economy. Currently, the U.S. has a worldwide tax system, which means business income is taxed at the U.S. rate no matter where it is earned – at home or abroad. However, companies can defer paying U.S. tax on active foreign income until it is brought home.”

FINANCE

Sheila C. Bair, Chairman

FDIC Oversight: Examining and Evaluating the Role of the Regulator During the Financial Crisis and Today

House Committee on Financial Services – Hearing - May 26, 2011 – 61 pages

<http://financialservices.house.gov/UploadedFiles/052611bair.pdf>

“A starting point for understanding the causes of the crisis and the changes that need to be made in our economic policies is recognition that the U.S. economy has long depended too much on debt and financial leverage to finance all types of economic activity.”

Financial Regulation: A Primer on the Dodd-Frank Act

FRB Saint Louis – Liber8 – May 2011 – 3 pages

<http://liber8.stlouisfed.org/newsletter/2011/201105.pdf>

“Last July, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 brought the most sweeping financial regulatory reform since the Great Depression. Created in response to the financial crisis of 2008, the Act will affect how financial institutions operate individually and interact with each other and their customers. Two key areas of focus in the Act are consumer protection and the risk posed to the overall financial system from activities of large financial institutions.”

Oversight of Dodd-Frank Implementation: Monitoring Systemic Risk and Promoting Financial Stability

Senate Committee on Banking, Housing, Urban Affairs – Hearing - May 12, 2011

http://banking.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing_ID=05607bb5-db07-4d22-9feb-e4a8acf981e8

“Any serious financial reform effort had to include an early warning system that could detect systemic risk before it could threaten to bring down the entire economy. Equally important was creating a new orderly liquidation process to prevent future bailouts, and to force large, risky financial firms to plan ahead for their own possible failure. In Dodd-Frank we accomplished these goals, but those changes cannot just take place at the flick of a switch. Today our witnesses will provide us with an update on their implementation of the provisions related to monitoring systemic risk and promoting financial stability, less than 10 months after the legislation was signed into law.”

Derivatives Clearinghouses: Opportunities and Challenges

Senate Committee on Banking, Housing, Urban Affairs – Hearing - May 25, 2011

http://banking.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing_ID=3766c118-45b8-4946-be64-23939a657ba0

The witnesses will be: Dr. Benn Steil, Senior Fellow and Director of International Economics, Council on Foreign Relations; Mr. Chris Edmonds, President, ICE Trust; Mr. Terrence A. Duffy, Executive Chairman, CME Group Inc.; Dr. Chester S. Spatt, Pamela R. and Kenneth B. Dunn Professor of Finance, Tepper School of Business at Carnegie Mellon University; Mr. Cliff Lewis, Executive Vice President, State Street Global Markets; Mr. Don Thompson, Managing Director, JPMorgan Chase and Co.; and Mr. James Cawley, Co-Founder, Swaps and Derivatives Market Association.

Harmonizing Global Derivatives Reform: Impact on U.S. Competitiveness and Market Stability

House Committee on Agriculture – Hearing - May 25, 2011

<http://agriculture.house.gov/hearings/hearingDetails.aspx?NewsID=1386>

“I am concerned that (1) some important substantive differences between derivatives reform in the US and other jurisdictions do exist, (2) other jurisdictions are not as far along in their reform process, which may harm the global competitiveness of US businesses, and (3) our failure to clarify how our rules will apply internationally has created a great deal of uncertainty, both in the US and abroad.”

David C. Wheelock

Have Acquisitions of Failed Banks Increased the Concentration of U.S. Banking Markets?

The Federal Reserve Bank of St. Louis Review – May/June 2011 - pp. 155-168

<http://research.stlouisfed.org/publications/review/article/8761>

During 2007-10, failures eliminated 318 U.S. commercial banks and savings institutions, about 4 percent of the total number of banks operating at the end of 2006. The assets and deposits of many failed banks were acquired by institutions that already had offices in markets served by the failed banks. This article investigates the impact of in-market acquisitions of failed banks on the concentration of local U.S. banking markets.

Sumit Agarwal, Souphala Chomsisengphet, John C. Driscoll

How Do Private Firms Use Credit Lines?

F.R.B of Chicago – Economic Perspectives - Article – May 2011 – 9 pages

http://www.chicagofed.org/digital_assets/publications/economic_perspectives/2011/2qtr2011_part2_agarwal_etal.pdf

“Large companies have a wide menu of choices for borrowing funds, including issuing new stock or bonds. Small companies tend to have a smaller set of options. Because such companies may also be younger than large companies and, thus, have a shorter track record, or because they may be more reliant on the performance of a small number of key employees, these firms will face more difficulty in conveying their value to the broad class of investors who participate in the bond or stock markets.”

Peter J. Wallison

Dodd-Frank and Housing Finance Reform: A Cure That’s Worse Than the Disease

American Enterprise Institute for Public Research - April/May 2011 – 9 pages

<http://www.aei.org/docLib/FSO-2011-0405-g.pdf>

“With the publication in early April of a Notice of Proposed Rulemaking (NPR) on the risk-retention requirement of the Dodd-Frank Act (DFA), we are beginning to see the outlines of the housing finance system the act envisions. If this proposed rule is adopted substantially as written, and there are no changes in the other provisions the act has added to the laws governing mortgage lending, the housing finance system of the future will place immense financial risks and regulatory costs on mortgage originators and securitizers, fail to prevent the growth of subprime and other low-quality lending, virtually ensure the continued existence of the government-sponsored enterprises (GSEs) Fannie Mae and Freddie Mac, impair the development of a robust private-sector housing finance system in the United States, and provide insurmountable advantages for the largest banks in the limited private securitization system that might exist.”

OTHER ECONOMIC POLICIES

Promoting Entrepreneurship and Job Creation by Decreasing Duplication at SBA

House Committee on Small Business – hearing - May 25, 2011

<http://smallbusiness.house.gov/Calendar/EventSingle.aspx?EventID=242047>

“This hearing examined duplicative programs at the U.S. Small Business Administration (SBA) specifically focusing on the Entrepreneurial Development Programs. Witnesses discussed the overlap that occurs within SBA’s Entrepreneurial Development programs and how private efforts can help meet the needs of businesses looking for educational opportunities.”

Treasury’s Exit from GM and Chrysler Highlights Competing Goals, and Results of Support to Auto Communities Are Unclear

United States Government Accountability Office – Report - May 2011 – 59 pages

<http://www.gao.gov/new.items/d11471.pdf>

“Substantial federal assistance allowed GM and Chrysler to restructure their costs and improve their financial condition. Through federally-funded restructuring, GM and Chrysler reported lowering production costs and

capacities by closing or idling factories, laying off employees, and reducing their debt and number of vehicle brands and models. These changes enabled both companies to report operating profits and reduce costs enough to be profitable at much lower sales levels than ever before. Nevertheless, to remain profitable, both companies must manage challenges affecting both their costs, including debt levels, and vehicle demand, such as launching products that are attractive to consumers amid rising fuel prices.”

Strategic and Critical Minerals Policy: Domestic Minerals Supplies and Demands in a time of Foreign Supply Disruptions

House Committee on Natural Resources – Hearing - May 24, 2011

<http://naturalresources.house.gov/Calendar/EventSingle.aspx?EventID=241733>

“Today, we will gain valuable insights from the mining industry, users of mineral commodities, an American Resources advocate and the Chairmen of two National Research Council Reports published in 2008 and a 2011 report issued by the American Physical Society and the Materials Research Society.”

Cost-Justifying Regulations: Protecting Jobs and the Economy by Presidential and Judicial Review of Costs and Benefits"

House Subcommittee on Courts Commercial and Administrative Law – Hearing – May 4, 2011

http://judiciary.house.gov/hearings/hear_05042011_02.html

Witness List

John D. Graham, Dean of the School of Public and Environmental Affairs, Indiana University

Jeffrey Holmstead, Partner, Bracewell & Giuliani, LLP

Sally Katzen, Senior Advisor, Podesta Group, Visiting Professor, New York University School of Law

Harold Furchtgott-Roth, President, Furchtgott-Roth Economic Enterprises

Can We Sue Our Way to Prosperity?: Litigation's Effect on America's Global Competitiveness

House Subcommittee on the Constitution – Hearing – May 24, 2011

http://judiciary.house.gov/hearings/hear_05242011_2.html

“The direct cost of the U.S. tort system is estimated to be approximately \$250 billion in 2009 or about 2 percent of GDP.¹ The U.S. costs are the highest as a percent of GDP amongst those reported for other industrialized countries and more than double the estimates for countries such as the U.K, France, and Japan. One NERA study I directed on Tort Liability Costs for Small Businesses shows that tort costs are not borne evenly throughout the economy. Small businesses bear a relatively larger share of tort costs than larger businesses. For example, businesses with less than \$10 million in revenues in 2008 represented only 22 percent of U.S. business revenues but incurred 83 percent of tort costs.³ This is economically important because small businesses generate the majority of net new jobs, 65 percent over the past 17 years.”

How Will the Proposed Merger Between AT&T and T-Mobile Affect Wireless Telecommunications Competition?

House Subcommittee on Intellectual Property, Competition and the Internet – Hearing – May 26, 2011

http://judiciary.house.gov/hearings/hear_05262011.html

Witness List

Mr. Randall Stephenson, Chairman, Chief Executive Officer and President, AT&T, Inc.

Mr. Rene Obermann, CEO, Deutsche Telekom AG

Mr. Steven K. Berry, President and CEO, Rural Cellular Association

Ms. Parul P. Desai, Communications Policy Counsel, Consumers Union

Professor Joshua Wright, George Mason University School of Law

Professor Andrew I. Gavil, Howard University School of Law

Constantijn van Oranje-Nassau et al.

Responding to Convergence: Different Approaches for Telecommunication Regulators

RAND Corporation - May 23, 2011 – 143 pages

http://www.rand.org/content/dam/rand/pubs/technical_reports/2011/RAND_TR700.pdf

The report describes the phenomenon of convergence in communications and audiovisual content markets and determines its impact on regulations and market governance. It draws useful lessons from approaches applied in the U.S., U.K., and South Korea. [Note: contains copyrighted material].

LOCAL ECONOMIC DEVELOPMENT

Randal O'Toole

Crony Capitalism and Social Engineering the Case against Tax-Increment Financing

CATO Institute – Policy Analysis - May 18, 2011 – 16 pages

<http://www.cato.org/pubs/pas/PA676.pdf>

“Tax-increment financing (TIF) is an increasingly popular way for cities to promote economic development. TIF works by allowing cities to use the property, sales, and other taxes collected from new developments—taxes that would otherwise go to schools, libraries, fire departments, and other urban services—to subsidize those same developments.”

The Long Recovery in the Southeast

FRB Atlanta – Annual Report – Essay - May 2011

http://www.frbatlanta.org/pubs/annualreport/10ar/essay_pgs/essay_intro.cfm

“The Southeast economy in 2010 was much like the nation's, only more so. Simply put, we have a steeper climb ahead. After weathering the past four national recessions comparatively well, the Southeast may have paid in the most recent downturn for its past successes. Rapid population growth and its attendant industries, such as construction and retail, powered the region's bellwether states of Florida and Georgia through earlier national slumps. But as the Southeast lived by the hammer, this time it was hammered by the hammer.”

Alan Mallach and Jennifer S. Vey

Recapturing Land for Economic and Fiscal Growth

The Brookings Institute – May, 2011 – 10 pages

http://www.brookings.edu/~media/Files/rc/papers/2011/0503_land_vaule_mallach_vey/0503_land_value_mallach_vey.pdf

“Vacant land and abandoned properties challenge both older industrial metros struggling with the effects of long-term population decline and metros that were booming until the foreclosure crisis and the recession wrought havoc on their economies (...)Unfortunately, weak and antiquated state laws (...)make it difficult for local governments to address vacancy and abandonment, and prevent them from unlocking properties' productive potential. To give municipalities the tools they need to repurpose distressed land and buildings, states should: Reform inefficient tax foreclosure laws /Create clear paths to public control of vacant and abandoned properties /Empower effective code enforcement and nuisance abatement / Enhance local government's power to mitigate the harm created by mortgage foreclosure / Recapturing the value of vacant land is essential if American cities and metros are to stabilize and rebuild their economies.”

Jesús Cañas, Roberto A. Coronado, Robert W. Gilmer, Eduardo Saucedo

The Impact of the Maquiladora Industry on U.S. Border Cities

F.R.B Dallas - Working Paper - May 17, 2011 – 34 pages

<http://www.dallasfed.org/research/papers/2011/wp1107.pdf>

“For decades, the maquiladora industry has been a major economic engine along the U.S.-Mexico border. Since the 1970s, researchers have analyzed how the maquiladora industry affects cities along both sides of the border. Gordon Hanson (2001) produced the first comprehensive study on the impact of the maquiladoras on U.S. border cities, considering the impact of these in-bond plants on both employment and wages... The purpose of this paper is to update Hanson’s results using data from 1990 to 2006, and to extend the estimates to specific border cities.”

AGRICULTURE

Food for Thought: The Role, Risks and Challenges for American Agriculture and the Next Farm Bill in Meeting the Demands of a Growing World

Senate Agriculture Committee – Hearing – May 26, 2011

<http://ag.senate.gov/site/calendar.html>

Tom Vilsack, Secretary, US Department of Agriculture

Dan Glickman, Co-Chair of The Chicago Council’s Global Agricultural Development Initiative; former Secretary of Agriculture; Senior Fellow, Bipartisan Policy Center

Barry Mumby, Senior Member, Wakeshma Farms LLC, Colon, MI

Andrew Rosenberg, Senior Vice President for Science and Knowledge, Conservation International,

Douglas DeVries, Senior Vice President, Deer and Company, Moline, IL

Per Pinstrup-Andersen, Professor, Cornell University

Andres Alonso, Yigal Arens, Jake Caldwell

Bad Seeds: A Plan to Phase out the \$5 Billion in ‘Direct Payment’ Agricultural Subsidies

Center for American Progress - May 2011 – 19 pages

http://www.americanprogress.org/issues/2011/04/pdf/ag_subsidies.pdf

“Agriculture and the family farm are the foundation of strong and healthy rural communities, and a critical engine of U.S. economic growth. Regrettably, a key aspect of U.S. agricultural policy does not meaningfully contribute to the success of U.S. farmers: Most federal farm subsidies are outdated, expensive, and inequitable. In an era of fiscal constraint and more immediate budget priorities, many of these ineffective subsidies can no longer be justified. The federal government each year pays owners of historical croplands \$4.9 billion in “direct payment” subsidies regardless of whether the people receiving the payments farm their lands. And these payments are automatically made every year despite rising fiscal deficits and a relatively healthy farm economy that saw net farm income grows by 27 percent in 2010.”

Farmland Values and Credit Conditions

Federal Reserve Bank of Chicago - The Agricultural Newsletter - May 2011

http://www.chicagofed.org/digital_assets/publications/agletter/2010_2014/may_2011.pdf

“At 16 percent, the year-over-year increase in farmland values in the first quarter of 2011 for the Seventh Federal Reserve District was the largest since 2007 and was last surpassed in 1979.”

Jason Henderson and Brian Briggeman

What are the Risks in Today's Farmland Market?

Federal Reserve Bank of Kansas - The Main Street Economist – May 2011 – 7 pages

http://www.kansascityfed.org/publicat/mse/mse_0111.pdf?ealert=MSE0113

“Farmland is a bellwether to the financial health of the U.S. farm sector, accounting for 85 percent of U.S. farm assets. Sparked by surging grain prices, U.S. farmland values soared to record highs at the end of 2010. The double-digit gains in cropland values outpaced the rise in cash rents, leading observers to question the sustainability of such high land values and suggest that other factors, such as low interest rates, are driving current farmland values. In the latest issue of The Main Street Economist, Jason Henderson and Brian Briggeman explore the risks in today's farm real estate market and analyze whether the recent surge in farmland values is sustainable.”

David Kelch et al.

European Financial Imbalances: Implications of the Eurozone Sovereign Debt Problem for U.S. Agricultural Exports

U.S. Department of Agriculture - May 2011 – 19 pages

<http://ers.usda.gov/Publications/WRS1102/WRS1102.pdf>

The report discusses Eurozone sovereign debt problems that began in 2010 and their potential consequences for the European Union (EU) and U.S. agriculture.

Jason Henderson

Building U.S. Agricultural Exports: One BRIC at a Time

FRB Kansas - Economic Review – Article – First Quarter 2011

<http://www.kansascityfed.org/publications/research/er/index.cfm?ealert=er0502>

The article by explores the future of agricultural export markets in Brazil, Russia, India and China.

Catherine Bertini and Dan Glickman

2011 Progress Report on U.S. Leadership in Global Agricultural Development

The Chicago Council on Global Affairs - May 24, 2011 – 59 pages

<http://www.thechicagocouncil.org/UserFiles/File/GlobalAgDevelopment/Newsletter/CCGA%20GADI%20Progress%20Report%20-%20Final.pdf>

Significant U.S. achievements since 2008 lay a solid foundation to accomplish global food security objectives, according to the conclusions of the report assessing U.S. government progress to alleviate global hunger through agricultural development. [Note: contains copyrighted material].

Jeffrey Bartholet

When Will Scientists Grow Meat in a Petri Dish?

Scientific American – Article - May 17, 2011 – 5 pages

<http://www.scientificamerican.com/article.cfm?id=inside-the-meat-lab&page=5>

“Hanna Tuomisto, a Ph.D. candidate at the University of Oxford, coauthored a study last year on the potential environmental impacts of cultured meat. The study found that such production, if scientists grew the muscle cells in a culture of cyanobacteria hydrolysate (a bacterium cultivated in ponds), would involve "approximately 35 to 60 percent lower energy use, 80 to 95 percent lower greenhouse gas emissions and 98 percent lower land use compared to conventionally produced meat products in Europe," says Scientific American.”

TRANSPORTATION

Financing 21st Century Infrastructure

Senate Committee on Finance – Hearing - May 17, 2011

<http://finance.senate.gov/hearings/hearing/?id=979e4eda-5056-a032-5280-d3f77c580ec4>

“Maintaining our infrastructure is also an issue of America’s global competitiveness. Today, the U.S. only spends about two percent of our Gross Domestic Product, or GDP, on infrastructure. That is a 50 percent decline from 1960. But China spends close to nine percent of the country’s GDP on infrastructure. Today we will look at our existing tools to finance infrastructure investment: the Highway Trust Fund and the Airport and Airway Trust Fund. Both of these funds need to be reauthorized this year. These trust funds are financed by the people who use them through excise taxes paid at the pump and airline ticket counters. Infrastructure on a state and local level is usually financed through tax-exempt bonds.”

Adie Tomer, Elizabeth Kneebone, Robert Puentes, and Alan Berube

Missed Opportunity: Transit and Jobs in Metropolitan America

Brookings – Report - May 2011 – 64 pages

http://www.brookings.edu/~media/Files/Programs/Metro/jobs_transit/0512_jobs_transit.pdf

“Public transit is a critical part of the economic and social fabric of metropolitan areas. Nearly 30 million trips are made every day using public transit. Almost all of these trips occur in the nation’s 100 largest metro areas, which account for over 95 percent of all transit passenger miles traveled. People take transit for any number of reasons, but one of the most common is to get to work. Seven percent of workers in these metropolitan areas, or 6.5 million overall, rely on some form of public transit for their commutes. For lower-income residents the share is even higher, 11 percent.”

Opening the Northeast Corridor to Private Competition for the Development of High-Speed Rail

House Committee on Transportation and Infrastructure – Hearing - May 26, 2011

<http://transportation.house.gov/hearings/hearingdetail.aspx?NewsID=1271>

This hearing will provide an opportunity to discuss an alternative that would bring true high-speed rail in the Northeast Corridor through private competition and the economic development opportunities that come with developing improved intercity passenger rail service in the Northeast mega-region.”

Public Transportation: Priorities and Challenges for Reauthorization

Senate Committee on Banking, Housing, Urban Affairs – Hearing - May 19, 2011

http://banking.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing_ID=d69aa72a-de8e-4cf7-84af-f20170817df5

The witness on Panel I will be: The Honorable Peter Rogoff, Administrator, Federal Transit Administration (FTA). The witnesses on Panel II will be: Mr. William Millar, President, American Public Transportation Association (APTA); Mr. Dale Marsico, Executive Director, Community Transportation Association (CTAA); Mr. Larry Hanley, International President, Amalgamated Transit Union (ATU); and Ms. JayEtta Hecker, Director of Transportation Advocacy, Bipartisan Policy Center.

EMPLOYMENT

John Schmitt

Labor Market Policy in the Great Recession: Some Lessons from Denmark and Germany

Center for Economic and Policy Research - May 2011 – 25 pages

<http://www.cepr.net/documents/publications/labor-2011-05.pdf>

The paper reviews the recent labor-market performance of 21 rich countries, with a focus on Denmark and Germany. Denmark, which was widely seen as one of the world's most successful labor markets before the downturn, has struggled in recent years. Germany, however, has outperformed the rest of the world's rich countries since 2007, despite earlier labor-market difficulties. Labor-market institutions seem to explain the different developments in the two economies. The paper also discusses lessons for U.S. labor-market policy.

David Andolfatto and Marcela M. Williams

Many Moving Parts: A Look Inside the U.S. Labor Market

FRB Saint-Louis – Annual Report – May 2011

http://www.stlouisfed.org/publications/ar/2010/pages/ar10_1.cfm

“The U.S. economy lost almost 8 million jobs in the latest recession, and the unemployment rate rose to over 9 percent. Roughly 1 million jobs have been added to the economy since early 2010, but the unemployment rate remains persistently high... Disagreements over what should be done to stimulate the labor market stem, in part, from its complicated nature. The labor market has many moving parts, and policies frequently have unintended consequences. The purpose of this essay is to describe a few of these moving parts and to explain why it is sometimes difficult to interpret the ups and downs we experience in the labor market.”

Luojia Hu and Shani Schechter

How Much of the Decline in Unemployment is Due to the Exhaustion of Unemployment Benefits?

FRB Chicago - Fed Letter – Web posted May 2011 – 4 pages

http://www.chicagofed.org/digital_assets/publications/chicago_fed_letter/2011/cfljuly2011_288.pdf

“Prior studies have examined the impact of extended unemployment insurance (UI) benefits on the rise in the unemployment rate in this recession and early recovery. We use real-time microdata from the Bureau of Labor Statistics’ Current Population Survey (CPS) to examine whether there has been a reverse effect recently as benefits have been exhausted. We find that if UI benefits had lasted indefinitely, the unemployment rate would have been cumulatively about 0.1 to 0.3 percentage points higher between October 2009 and January 2011, which represents about 10% to 25% of the decline in the actual rate over that period.”

Robert E. Scott

Heading South: U.S.-Mexico Trade and Job Displacement After NAFTA

Economic Policy Institute - May 3, 2011 – 22 pages (+ appendix)

http://epi.3cdn.net/fdade52b876e04793b_7fm6ivz2y.pdf

http://epi.3cdn.net/02f618de34ee25d9c4_9lm6bx6au.pdf

http://www.epi.org/page/-/Supp%20Table%20B_Mexico-5-2-11-wide.pdf

As of 2010, U.S. trade deficits with Mexico totaling \$97.2 billion had displaced 682,900 U.S. jobs. Of those jobs, 116,400 are likely economy-wide job losses because they were displaced between 2007 and 2010, when the U.S. labor market was severely depressed, according to the author. [Note: contains copyrighted material].

Corporate Campaigns and the NLRB: The Impact of Union Pressure on Job Creation

House Subcommittee on Health, Employment, Labor and Pensions – Hearing - May 26, 2011

<http://edworkforce.house.gov/Calendar/EventSingle.aspx?EventID=242129>

“Today we will examine the role of the National Labor Relations Board in corporate campaigns... I realize this is a general definition of the term, but a corporate campaign is a union effort to disrupt an employer’s routine business. The campaign can take the form of negative advertising, complaints filed against employers with various government agencies, and can even include appeals to political and religious leaders to put

pressure on a targeted employer. The intent of these tactics is to undermine the reputation as well as break the will of an employer who refuses to accept union demands.”

John Petro

Low-wage Jobs Dominate NYC Job Growth

Drum Major Institute for Public Policy – Study – May 2011 – 7 pages

http://www.drummajorinstitute.org/pdfs/Report_Low-wage_jobs_dominate_NYC_job_growth.pdf

“This report reveals the startling extent to which recent job growth in New York City has been dominated by the city’s lowest-paid industries. More than half of all new jobs are in the city’s two-lowest paid industries: retail and hospitality. Our findings—based on the latest data from the New York State Department of Labor—illustrate the critical need for city policymakers to take direct action and boost wages for New York’s working families.”

Dan Wang

Reversing the Brain Drain? The movement of people and skills in an era of economic globalization

Stanford University – Event/Remarks – May 31, 2011 – 43 pages

http://iis-db.stanford.edu/evnts/6686/Dan_Wang_seminar_presentation_May_31%2C_2011.pdf

This document includes a few interesting slides from this PhD candidate in sociology at Stanford University.

PENSIONS

Courtney Collins and Andrew J. Rettenmaier

How Health Reform Affects Current and Future Retirees

National Center for Policy Analysis - Policy Report – May 2011 – 20 pages

<http://www.ncpa.org/pdfs/st333.pdf>

“The Patient Protection and Affordable Care Act (ACA) will fundamentally alter Medicare. If its provisions remain in place, in the long run it will dramatically reduce Medicare spending relative to recent projections. This change will lower the burden for future taxpayers, but it could also reduce access to care for future beneficiaries.”

The Underfunding of State and Local Pension Plans

Congressional Budget Office – May 2011 – 9 pages

<http://www.cbo.gov/ftpdocs/120xx/doc12084/05-04-Pensions.pdf>

“The recent financial crisis and economic recession have left many states and localities with extraordinary budgetary difficulties for the next few years, but structural shortfalls in their pension plans pose a problem that is likely to endure for much longer. This issue brief discusses alternative approaches to assessing the size of those shortfalls and their implications for funding decisions.”

Douglas J. Elliott

State and Local Pension Funding Deficits: A Primer

The Brookings Institution – Primer – December 2010 – 17 pages

http://www.brookings.edu/~media/Files/rc/reports/2010/1206_state_local_funding_elliott/1206_state_local_funding_elliott.pdf

“The financial health of state and local pension funds has been transformed from a yawn-inducing topic to a frightening one in a few short years. By some measurements, the shortfall across the nation adds up to over \$3 trillion or more than two years' worth of state and local tax revenues. In a few states, such as California and Illinois, pension funding has become a major political controversy. This primer focuses on the following key questions. What is the problem? How big is it? How binding is the legal obligation? Why do we care about the problem? What caused it? How can we solve it?”

Douglas J. Elliott

Potential Federal Roles in Dealing with State and Local Pension Problems

The Brookings Institution – Paper – May 12, 2011 – 16 pages

http://www.brookings.edu/~media/Files/rc/papers/2011/0512_pension_crisis_elliott/0512_pension_crisis_elliott.pdf

State and local pension funds across America struggle financially. The aggregate state pension deficit ranges from \$0.7 trillion to \$2.5 trillion or more, depending on how one calculates the value in today's dollars of future pension payments. Pension deficits at localities add as much as another half trillion dollars. The magnitude and difficulty of these pension problems raise several interlinked questions, which this paper will address: Should the federal government intervene? What could it do to help? What key principles should guide any federal action in this area? In practice, would political constraints allow federal intervention?

Elizabeth Mc Nichol, Iris J. Lav

A Common-Sense Strategy for Fixing State Pension Problems in Tough Economic Times

Center on Budget and Policy Priorities – Report - May 12, 2011 – 26 pages

<http://www.cbpp.org/files/5-12-11sfp.pdf>

“It would be extremely difficult, as well as unnecessary, for states to immediately begin fully funding their pension shortfalls. State economies and budgets continue to struggle because of shrunken revenues and rising needs. The long-term pension shortfalls are not the cause of the current state fiscal problems, and addressing them need not overwhelm state and local budgets now or reduce states' ability to recruit and retain a high-quality workforce.”

HEALTH ECONOMIC ISSUES

Laurie E. Felland

Health Care Markets Weather Economic Downturn, Brace for Health Reform

Center for Studying Health System Change - May 26, 2011 - 8 pages

<http://www.hschange.org/CONTENT/1209/1209.pdf>

Lingering fallout, loss of jobs and employer coverage, from the great recession slowed demand for health care services but did little to slow aggressive competition by dominant hospital systems for well-insured patients, according to the report.

Devon M. Herrick

Increasing the Cost-Effectiveness of Medicaid Drug Programs

National Center For Policy Analysis – Report - April 29, 2011 - 16 pages

<http://www.ncpa.org/pdfs/bg164.pdf>

“Restraining the growth of Medicaid drug spending is a fiscal imperative for state budgets. A good place for states to start looking for ways to control spending is in their Medicaid drug benefits. There are billions of

dollars in potential savings that could be realized without reducing access to needed care for any Medicaid enrollees.”

Edwin Park

Ensuring Effective Risk Adjustment - An Essential Step for the Success of the Health Insurance Exchanges and Market Reforms under the Affordable Care Act

Center on Budget and Policy Priorities – Report – May 2011 – 30 pages

<http://www.cbpp.org/files/5-18-11health.pdf>

Risk adjustment is a critical element of the Affordable Care Act (ACA) that can help assure the long-term success of the law’s new health insurance exchanges and market reforms. The ACA, however, does not spell out the design of the risk adjustment system. Instead, it gives the Secretary of Health and Human Services, in consultation with the states, significant discretion on its design and implementation. This analysis examines how to best structure the ACA’s risk adjustment system.

INTERNATIONAL TRADE

Meredith A. Crowley, Xi Luo

Understanding the Great Trade Collapse of 2008–09 and the Subsequent Trade Recovery

F.R.B Chicago – Economic Perspectives - Article – May 2011 – 27 pages

http://www.chicagofed.org/digital_assets/publications/economic_perspectives/2011/2qtr2011_part1_crowley_luo.pdf

“In April 2009, the world economy appeared to be in a free fall. Global trade in goods and services had fallen 15.8 percent over the final two quarters of 2008 and the first quarter of 2009. This world trade collapse had been the largest three-quarter decline of the past 40 years. Five months earlier, in November 2008, leaders of the Group of Twenty (G-20)—20 large economies that make up roughly 85 percent of the world’s economic activity—had met in Washington, DC, and pledged to stabilize the world financial system and improve coordination of macroeconomic responses to the global financial crisis.”

David Payne and Fenwick Yu

U.S. Trade in Private Services. Economics & Statistics Administration

U.S. Department of Commerce - May 2011 – 6 pages

<http://www.esa.doc.gov/sites/default/files/reports/documents/esaisssuebriefno1.pdf>

U.S. exports of private services exceed a half trillion dollars, and account for nearly one third of all U.S. exports of goods and services. Services are non-tangible items of value, such as: travel, shipping, tuition, phone service, computer processing, and software licenses. Private services exclude government.

Daniel Ikenson

Economic Self-Flagellation - How U.S. Antidumping Policy Subverts the National Export Initiative

Cato Institute – Trade Policy Analysis - May 31, 2011 – 36 pages

<http://www.cato.org/pubs/tpa/tpa-046.pdf>

“In January 2010, President Obama announced a goal of doubling U.S. exports in five years. The “National Export Initiative” has since become the centerpiece of the administration’s trade policy agenda. One major oversight of the NEI is its failure to include any sensible reforms to the U.S. antidumping regime. Four out of every five U.S. antidumping measures restrict imports of inputs consumed by downstream U.S. producers in their own production processes. Yet the statute forbids the administering authorities from considering the

economic impact of antidumping restrictions on those firms or on the economy at large. Such restrictions raise the costs of production for downstream firms, rendering them less competitive at home and abroad.”

Fred P. Hochberg - President

Oversight and Reauthorization of the Export-Import Bank of the United States

Senate Committee on Banking, Housing, Urban Affairs – Hearing - May 17, 2011

http://banking.senate.gov/public/index.cfm?FuseAction=Files.View&FileStore_id=100f85f4-3c96-489b-8e4e-e6dcbec96838

The mission of Ex-Im Bank is to enable U.S. companies – large and small – to turn export opportunities into real sales that help maintain and create U.S. jobs which contribute to a stronger national economy. The Bank achieves this mission by providing export financing through its loan, guarantee, and insurance programs in cases where the private sector is unable or unwilling to provide financing...In FY 2008, Ex-Im authorized \$14.4 billion to support transactions that resulted in roughly \$19.6 billion in U.S. exports. Just 2 years later, in FY 2010, Ex-Im authorized a record \$24.5 billion in export financing which supported roughly \$34.3 billion worth of U.S. exports and 227,000 U.S. jobs at more than 3,300 U.S. companies. I am proud to say that we have accomplished all of this work at no cost to the U.S. taxpayer.”

David B. Muhlhausen and James Sherk

Trade Adjustment Assistance: Don't Link the Costly and Ineffective Program to Free Trade Agreements

The Heritage Foundation – Report - May 16, 2011 – 4 pages

http://thf_media.s3.amazonaws.com/2011/pdf/wm3255.pdf

“With out-of-control spending and surging public debt threatening our nation’s stability, renewing TAA makes little sense. TAA provides overly generous benefits for only a small fraction of laid-off workers. Worse, there is little empirical support for the notion that TAA boosts participants’ earnings. Congress should not link passage of the FTAs to TAA renewal. Instead, Congress can immediately send a clear message that it is getting serious about our nation’s dire fiscal straits by letting the entire TAA program expire on February 12, 2012, setting a much-needed precedent that ineffective program should no longer receive funding.”

Richard Baldwin and Simon Evenett

WTO Doha Round: Do or Die

YaleGlobal - May 6, 2011.

<http://yaleglobal.yale.edu/content/wto-doha-round-do-or-die>

The deadlocked Doha Round of trade negotiations, nearly a decade old, has been subjected to numerous delays. With the political calendar making it difficult for major players to make concessions, time is running out to complete negotiations, contend the authors. Economic hardship, elections and attempts to expand the agenda will only add complications. "If Doha is not concluded this year, WTO authority, its centrality in global trade governance will erode," the writers warn. In particular, they urge U.S. and Chinese leaders to promote agreement to citizens and businesses who benefit immensely from the open multilateral trade regime, the World Trade Organization's adjudication and enforcement role, along with transparent, predictable global trade policies. For more than half a century, the authors conclude, a multilateral-trade system has been a cost-effective way to secure peace. Weakening it would be a serious mistake.

Aaditya Mattoo, Francis Ng, and Arvind Subramanian

The Elephant in the "Green Room": China and the Doha Round

The Peterson Institute - Policy Brief – May 2011 – 12 pages

<http://www.piie.com/publications/pb/pb11-03.pdf>

“China's global economic dominance has changed the dynamic of the Doha Round of multilateral trade negotiations, which has been languishing for nearly 10 years. Whereas earlier lack of enthusiasm from the private sector debilitated Doha, today fear of competition from a dominant China inhibits progress... China has achieved trade dominance to a large extent through its successful growth strategy, but the problem is the strong political perception that China's export success has been achieved, and continues to be sustained, in part by an undervalued exchange rate. It seems unlikely and politically unrealistic to expect China's trading partners to open further their markets to China when China is perceived as de facto (via the undervalued exchange rate) imposing an import tariff and export subsidy not just in selected manufacturing sectors but across the board.”

MISCELLANEOUS

Annamaria Lusardi, Daniel J. Schneider, Peter Tufano

Financially Fragile Households: Evidence And Implications

National Bureau of Economic Research - Working Paper - May 2011 – 53 pages

<http://www.nber.org/papers/w17072.pdf>

“This paper examines households’ financial fragility by looking at their capacity to come up with \$2,000 in 30 days. Using data from the 2009 TNS Global Economic Crisis survey, we document widespread financial weakness in the United States: Approximately one quarter of Americans report that they would certainly not be able to come up with such funds, and an additional 19% would do so by relying at least in part on pawning or selling possessions or taking payday loans.”

Geoffrey M.B. Tootell

Do Commodity Price Spikes Cause Long-Term Inflation?

Federal Reserve Bank of Boston – Policy Brief - May 2011 – 13 pages

<http://www.bostonfed.org/economic/ppb/2011/ppb111.pdf>

“This public policy brief examines the relationship between trend inflation and commodity price increases and finds that evidence from recent decades supports the notion that commodity price changes do not affect the long-run inflation rate. Evidence from earlier decades suggests that effects on inflation expectations and wages played a key role in whether commodity price movements altered trend inflation. This brief is based on a memo to the president of the Federal Reserve Bank of Boston as background to a meeting of the Federal Open Market Committee.”

John Norris, Connie Veillette

Five Steps to Make Our Aid More Effective and Save More Than \$2 Billion

Center for American Progress – Report - April 2011 - 9 pages

http://www.americanprogress.org/issues/2011/05/pdf/foreign_aid_brief.pdf

“Most Americans wildly overestimate foreign aid as a percentage of the federal budget, which makes it unsurprising that U.S. foreign aid programs once again find themselves at the center of the debate as the budget battles heat up in Washington. Policymakers are seemingly divided into two camps: those who want to deeply cut foreign aid and those who want to maintain spending levels and make programs work more effectively.”