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GENERAL INTEREST

William H. Frey, Alan Berube, Audrey Singer, Jill Wilson

Five Things the Census Revealed About America in 2011

Brookings - December 20, 2011

http://www.brookings.edu/opinions/2011/1220_census_demographics.aspx#5

“A cascade of statistics from the 2010 Census and other Census Bureau sources released during 2011 show a nation in flux—growing and moving more slowly as it ages, infused by racial and ethnic minorities and immigrants in its younger ranks, and struggling economically across a decade bookended by two recessions. The nation’s largest metropolitan areas, and especially their suburbs, stood on the front lines of America’s evolving demographic transformation. Following is a slideshow of the five most important findings to emerge from our State of Metropolitan America analyses over the past year.”

Little Change in Public's Response to 'Capitalism,' 'Socialism'

Pew Research Center for the People & the Press - December 28, 2011 – 8 pages

<http://www.people-press.org/files/legacy-pdf/12-28-11%20Words%20release.pdf>

The recent Occupy Wall Street protests have focused public attention on what organizers see as the excesses of America's free market system, but perceptions of capitalism, and even of socialism, have changed little since early 2010 despite the recent tumult. [Note: contains copyrighted material].

The Top Economic Stories of 2011

The Brookings Institution - December 20, 2011

http://www.brookings.edu/opinions/2011/12_top_economic_stories.aspx

“Stories of uncertainty and instability made economic headlines in 2011, but there may be reason for some optimism heading into 2012 as the economy has picked up some steam in recent months. Brookings Economic Studies experts offer recommendations and insights for what lies ahead in the new year while weighing in on the economic developments that made headlines in the past 12 months, from the euro crisis, tax reform debates and budget deficit stalemates to state and local budget news, the year's job gains and discussions on social mobility.”

What the Euro Crisis Means for Taxpayers and the U.S. Economy

Committee on Oversight and Government Reform - Subcommittee on TARP, Financial Services and Bailouts of Public and Private Programs – Hearings – December 15, 2011

Part one: http://oversight.house.gov/index.php?option=com_content&view=article&id=1538%3A12-15-2011-qwhat-the-euro-crisis-means-for-taxpayers-and-the-us-economy-pt-1q&catid=34&Itemid=39

Part two: http://oversight.house.gov/index.php?option=com_content&view=article&id=1539%3A12-16-2011-qwhat-the-euro-crisis-means-for-taxpayers-and-the-us-economy-pt-2q&catid=34&Itemid=39

Witnesses

Desmond Lachman, American Enterprise Institute; Anthony Sanders, George Mason University, Mercatus Center; Douglas J. Elliott, Brookings Institute; Joshua Rosner, Graham Fisher & Co.; Bert Ely, Ely & Company, Inc.; William C. Dudley, Federal Reserve Bank of New York; Steven B. Kamin, Board of Governors of the Federal Reserve System; Mark Sobel, Deputy Assistant Secretary for International Monetary and Financial Policy, U.S. Department of the Treasury.

Spurring Job Growth through Capital Formation While Protecting Investors

United States Senate Committee on Banking, Housing and Urban Affairs – Hearing - December 1, 2011

http://banking.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing_ID=a96c1bc1-b064-4b01-a8ad-11e86438c7e5

“Firms that are in a position to grow will seek to raise more capital if the process of selling stock is made easier and less costly. If they succeed, this can lead to more jobs and economic prosperity. At the same time, investors must be willing to buy the stock that businesses offer, and they are more likely to do so when they have enough reliable information and know that they are not at risk of being scammed.”

Witnesses: Representatives; Meredith Cross, Securities and Exchange Commission; Jack Herstein, North American Securities Administrators Association; John C. Coffee, Columbia University Law School; Chris Gheysens, Wawa Inc.; Scott Cutler, NYSE Euronext; and Edward S. Knight, Nasdaq OMX Group.

TAX POLICY

William McBride

How to Judge a Tax Plan

Tax Foundation – Fiscal Facts - December 15, 2011 – 7 pages

<http://www.taxfoundation.org/publications/show/27804.html>

“Since 1937, Tax Foundation economists have judged every tax measure against the immutable principles of economically sound tax policy, which say that: Taxes should be neutral to economic decision-making; they should be simple, transparent, and stable; and they should promote economic growth. From these principles, we have developed 10 basic questions to judge the economic quality of any tax plan or proposal. These questions cover four basic areas: • The fairness and neutrality of a tax system; • The complexity of a system and how costly it is to comply with it; • How the system affects U.S. competitiveness and economic growth; and • How it affects the stability or volatility of tax revenues.”

J.D. Foster

The New Flat Tax—Easy as One, Two, Three

The Heritage Foundation – Backgrounder - December 13, 2011 – 11 pages

https://thf_media.s3.amazonaws.com/2011/pdf/bg2631.pdf

“The current tax system discourages saving. It discourages investment. It discourages entrepreneurship. It causes decision makers to misallocate the nation’s resources, limiting productivity gains, wage gains, and the nation’s overall level of international competitiveness. And, it is far, far too complicated. The New Flat Tax is the remedy. It replaces every major tax collected by the federal government. For non-seniors, it is as easy as one, two, three— one rate, two credits, three deductions. For seniors on Medicare, one of the two credits—for health insurance— is replaced by an extra deduction. The New Flat Tax is simple, revenue-neutral, and will allow America to achieve its full economic potential.”

Present Law and Issues Related to the Taxation of Financial Instruments and Products

A Report to the Joint Committee on Taxation - Hearing – December 2, 2011 – 107 pages

<http://www.jct.gov/publications.html?func=startdown&id=4372>

“Section I describes economic, financial accounting, and regulatory considerations related to holding, issuing, and structuring financial instruments. Section II describes in broad terms the basic U.S. income tax principles of timing, character, and source that underlie the taxation of financial instruments. Section III provides an overview of the timing, character, and source rules for five financial instruments – equity, debt, options, forward contracts, and notional principal contracts. That section also describes economic relationships among various financial instruments (so-called put-call parity) and the financial accounting treatment of financial instruments. Section IV is a discussion of selected timing, character, source, and categorization issues in the taxation of financial instruments. “

Tax Reform and the Tax Treatment of Financial Products

Senate Committee on Finance and House Committee on Ways and Means – Hearing - December 6, 2011

<http://finance.senate.gov/hearings/hearing/?id=7210f220-5056-a032-5253-25d3c011126f>

“Financial advisors have created a complex web of new products that mix debt, equity and derivatives. The only purpose of some of these new products is to avoid taxes. Those who benefit from these new financial products are often large companies and high net-worth individuals who can afford to hire expensive lawyers and advisors to structure their investments and lower their tax liabilities. These complicated transactions to avoid taxes result in wasted investment, and they aren’t fair to taxpayers who can’t afford those high-priced lawyers and accountants. So let us clarify and simplify the tax treatment of these financial products, let us ensure they are taxed rationally and fairly, let us work to make the tax code reflect the goals of transparency, consistency, and the protection of the American taxpayer.”

MONETARY POLICY

Monetary Policy at the Zero Lower Bound

Federal Reserve Bank of San Francisco – Conference Summary - December 2011 - 5 pages

<http://www.frbsf.org/economics/conferences/1102/conferencesummary.pdf>

Conference papers explored the effects of Federal Reserve long-term bond purchases on longer-term interest rates; improvements to macroeconomic models to better account for the zero bound; and optimal monetary policy at the zero bound. Although the zero lower bound is a substantial constraint on traditional monetary policy, the Fed still has other policy options available that can improve U.S. economic performance.”

Conference papers are listed at the end and are available online at

<http://www.frbsf.org/economics/conferences/1102/agenda.php>

J. Scott Davis

Relating Commodity Prices to Underlying Inflation: The Role of Expectations

Federal Reserve Bank of Dallas - Economic Letter - December 2011

<http://www.dallasfed.org/research/ecllett/2011/el1114.html>

“Because of changing expectations, core inflation that in the 1970s reacted strongly to fluctuations in commodity price inflation responds very little today. In the 1970s, the public was quick to change its outlook for future inflation in response to temporary commodity price shocks. However, in more recent decades, expectations have been largely unresponsive to commodity prices.”

Oz Shy

Account-to-Account Electronic Money Transfers: Recent Developments in the United States

Federal Reserve Bank of Boston - December 2011 - 24 pages

<http://www.bostonfed.org/economic/ppdp/2011/ppdp1110.pdf>

“This paper reviews recent developments in online and mobile banking in the United States that provide bank account holders with low-cost interfaces to manage account-to-account electronic money transfers. The paper analyzes the emerging decentralized market in which A2A money transfers are becoming available in the United States and compares it with the A2A market in other countries. The paper constructs analytical examples to explain and evaluate the structure of the emerging U.S. market and discusses possible policy actions that may enhance the use of A2A money transfers in the United States.”

Nour Abdul-Razzak, Katy Jacob, and Richard D. Porter

Improving Security for Remote Payments

Federal Reserve Bank of Chicago – December 2011 - 4 pages

http://www.chicagofed.org/digital_assets/publications/chicago_fed_letter/2011/cfldecember2011_293a.pdf

“Given the growing popularity of e-commerce and m-commerce over the past few years, remote payments have become commonplace. Unfortunately, remote payments fraud has grown in response. On September 26, 2011, the Federal Reserve Bank of Chicago and the Secure Remote Payment Council (SRPc) co-hosted a symposium to discuss strategies that help reduce such forms of fraud.”

Michael Fleming and Neel Krishnan

The Microstructure of the TIPS Market

Federal Reserve Bank of New York – Economic Policy Review – 19 pages

<http://www.newyorkfed.org/research/epr/forthcoming/1112flem.pdf>

“The potential advantages from the introduction of Treasury inflation-protected securities (TIPS) in 1997 have not been fully realized, mainly because TIPS are less liquid than nominal Treasury securities. The lack of

liquidity is thought to adversely affect TIPS prices relative to prices of nominal securities, offsetting the benefits that come from TIPS having no inflation risk. Despite the importance of TIPS liquidity and the market's large size, there is virtually no quantitative evidence on the securities' liquidity. This article sheds light on this phenomenon using novel tick data from the interdealer market.”

FINANCE

Roger W. Garrison

Alchemy Leveraged: The Federal Reserve and Modern Finance

The Independent Review – Article – Winter 2012 – 17 pages

http://www.independent.org/pdf/tir/tir_16_03_6_garrison.pdf

“Kevin Dowd and Martin Hutchinson’s *Alchemists of Loss: How Modern Finance and Government Regulation Crashed the Financial System* (2010) presents a superior analysis of the origins of the worst financial crisis since the Great Depression. Although the authors cite the Federal Reserve as the main institutional cause of the crisis and recommend abolishing other financial regulatory agencies, they stop short of calling for an end to the Fed and instead propose that it pursue Volker-style price stability—an approach that would leave the economy vulnerable to booms and busts fueled by monetary policy.”

Douglas W. Elmendorf

Response to Questions about the Effects of a Tax on Financial Transactions That Would Be Imposed by the Wall Street Trading and Speculators Tax Act

Congressional Budget Office – December 2011 - 6 pages

http://www.cbo.gov/ftpdocs/125xx/doc12576/12-12-2011_Hatch_Letter.pdf

“This letter responds to three questions you posed about a tax on financial transactions that would be imposed if the Wall Street Trading and Speculators Tax Act (H.R. 3313 or S. 1787) was enacted: What impact would the proposed tax have on gross domestic product (GDP) and on U.S. jobs? What impact would the tax have on municipal financing, including the cost to municipalities of funding their activities? What effect would the tax have on the depth and liquidity of the global market for U.S. Treasury securities? “

Continued Oversight of the Implementation of the Wall Street Reform Act

United States Senate Committee on Banking, Housing and Urban Affairs – Hearing- December 6, 2011

http://banking.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing_ID=77971a67-b8f7-4e14-a837-892a065b7201

The witnesses will be: The Honorable Neal S. Wolin, Deputy Secretary, U.S. Department of the Treasury; The Honorable Daniel K. Tarullo, Member, Board of Governors of the Federal Reserve System; The Honorable Mary Schapiro, Chairman, U.S. Securities and Exchange Commission; The Honorable Gary Gensler, Chairman, U.S. Commodity Futures Trading Commission; The Honorable Martin J. Gruenberg, Acting Chairman, Federal Deposit Insurance Corporation; and Mr. John Walsh, Acting Comptroller of the Currency, Office of the Comptroller of the Currency.

Continuing Oversight of the Wall Street Reform and Consumer Protection Act

Senate Committee on Agriculture – Hearing – December 1, 2011

<http://www.ag.senate.gov/hearings/continuing-oversight-of-the-wall-street-reform-and-consumer-protection-act>

“2008, the financial crisis destroyed confidence in the markets, shuttered thousands of small businesses, and put 8 million Americans out of work. Last year, Congress passed historic legislation, the Wall Street Reform and Consumer Protection Act, to bring increased transparency and accountability to these markets. This hearing continues the Committee’s oversight of Title VII of the Wall Street Reform law, which governs

derivatives, and will feature testimony from the Hon. Gary Gensler, Chairman of the Commodity Futures Trading Commission and the Hon. Mary Schapiro, Chairman of the Securities and Exchange Commission.”

Enhanced Supervision: A New Regime for Regulating Large, Complex Financial Institutions

United States Senate Committee on Banking, Housing and Urban Affairs - Financial Institutions and Consumer Protection – Hearing - December 7, 2011

http://banking.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing_ID=6ee66e38-fcc3-4128-b69f-7c2d923c2216

The witnesses will be: The Honorable Sheila Bair, Senior Advisor, Pew Charitable Trusts; Mr. Simon Johnson, Ronald A. Kurtz Professor of Entrepreneurship, MIT Sloan School of Management; and Mr. Philip L. Swagel, Professor of International Economic Policy, University of Maryland School of Public Policy.

Examining Investor Risks in Capital Raising

United States Senate Committee on Banking, Housing and Urban Affairs - Securities, Insurance, and Investment – Hearing - December 14, 2011

http://banking.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing_ID=5cfcddde0-849d-4dac-8643-d5ead01027d8

“The witnesses will be: Professor John Coates, Professor of Law and Economics, Harvard Law School; Mr. Stephen Luparello, Vice Chairman, The Financial Industry Regulatory Authority; and Mr. Mark Hiraide, Partner, Petillon, Hiraide, Loomis, LLP. Additional witnesses may be added. “

The Collapse of MF Global

House Committee on Financial Services – Hearing – December 15, 2011

<http://financialservices.house.gov/Calendar/EventSingle.aspx?EventID=271818>

Witnesses: Jon Corzine, former Chief Executive Officer, MF Global ; Bradley Abelow, Chief Operating Officer, MF Global ; Dan M. Berkovitz, General Counsel, Commodity Futures Trading Commission ; Robert Cook, Director, Division of Trading and Markets, U.S. Securities and Exchange Commission; Terrence A. Duffy, Executive Chairman, CME Group Inc. ; Richard Ketchum, President, Chairman and CEO, Financial Industry Regulatory Authority ; James Kobak, Jr., Chief Counsel to Mr. James Giddens, Bankruptcy Trustee for MF Global Inc.; Mr. Thomas C. Baxter, Jr., General Counsel, Federal Reserve Bank of New York.

Paul Bergin

Asset Price Booms and Current Account Deficits

Federal Reserve Bank of San Francisco – Economic Letter - December 2011 - 4 pages

<http://www.frbsf.org/publications/economics/letter/2011/el2011-37.pdf>

“Before the global financial crisis of 2007-2009, the United States and several other countries posted large current account deficits. Many of these countries also experienced asset price booms. Evidence suggests the two developments were linked. Rising asset values in the United States permitted households to borrow more easily to boost consumption, while the net sale of debt securities abroad financed current account deficits. The fall in some asset prices since the crisis can make it easier to reduce current account imbalances.”

Kristopher Gerardi, Lauren Lambie-Hanson, and Paul S. Willen

Do Borrower Rights Improve Borrower Outcomes? Evidence from The Foreclosure Process

Boston FRB - Public Policy Discussion Paper – December 2011 – 48 pages

<http://www.bostonfed.org/economic/ppdp/2011/ppdp1109.pdf>

“The authors evaluate laws designed to protect borrowers from foreclosure. They find that these laws delay but do not prevent foreclosures. They first compare states that require lenders to seek judicial permission to

foreclose with states that do not. Borrowers in judicial states are no more likely to cure and no more likely to renegotiate their loans, but the delays lead to a buildup in these states of persistently delinquent borrowers, the vast majority of whom eventually lose their homes. They next analyze a "right-to-cure" law instituted in Massachusetts on May 1, 2008. Using a difference-in-differences approach to evaluate the effect of the policy, they compare Massachusetts with neighboring states that did not adopt similar laws. They find that the right-to-cure law lengthens the foreclosure timeline but does not lead to better outcomes for borrowers."

OTHER ECONOMIC POLICIES

Progress and Challenges in Spending Weatherization Funds

GAO – Report – December 16, 2011 – 68 pages

<http://www.gao.gov/products/GAO-12-195>

"As of September 2011, the 58 state-level grant recipients were awarded approximately \$4.75 billion from DOE to implement the Weatherization Assistance Program under the Recovery Act and reported spending about \$3.46 billion (about 73 percent). DOE expects to meet or exceed its production target of 607,000 homes and spend most of the act's funds because some recipients have been able to exceed their production targets because of a lower average cost of weatherizing homes and lower training and technical assistance expenses than anticipated."

Anthony Downs

What's Wrong With American Housing?

Brookings Institution – Paper - December 28, 2011 – 17 pages

http://www.brookings.edu/~media/Files/rc/papers/2011/1228_housing_downs/1228_housing_downs.pdf

In 2004 and 2005, American homebuilders created over two million new housing units per year, including mobile homes. Then housing construction plummeted to under 600,000 new units per year, a record fall of 70 percent, and home prices fell drastically too. Housing will not help lead the U.S. economy out of this recession, as it has done many times in past recessions. A major reason is that America's housing industry suffers from nine deficiencies that limit its ability to meet our housing needs. Some of these deficiencies are not widely recognized or are even considered advantages by the housing industry. Until its problems are better and more widely understood, that industry will continue underserving U.S. housing needs, according to the report.

Exploring Impediments to a Real Estate Recovery: A Policy Discussion

FRB Atlanta – Center for Real Estate Analytics - Conference – December 1, 2011

http://www.frbatlanta.org/news/conferences/1/real_estate_recovery_agenda.cfm

"What obstacles must the real estate market overcome before it can achieve market revival?.. The objective of this conference, which was hosted by the Federal Reserve Bank of Atlanta on December 1, 2011, was to examine possible obstacles and solutions from several points of view, with an eye toward policies that promote recovery. This goal was achieved through the organization of three dynamic panels that considered insurance, housing, and commercial real estate perspectives. The panels fostered open dialogue on pressing issues and elicited diverse opinions on recovery solutions."

Eric A. Fischer

Federal Laws Relating to Cybersecurity: Discussion of Proposed Revisions

Congressional Research Service, Library of Congress - December 7, 2011 – 52 pages

<http://www.fas.org/sgp/crs/natsec/R42114.pdf>

For more than a decade, various experts have expressed increasing concerns about cybersecurity, in light of the growing frequency, impact, and sophistication of attacks on information systems in the U.S. and abroad.

Consensus has also been building that the current legislative framework for cybersecurity might need to be revised. The complex federal role in cybersecurity involves both securing federal systems and assisting in protecting nonfederal systems. Under current law, all federal agencies have cybersecurity responsibilities relating to their own systems, and many have sector-specific responsibilities for critical infrastructure.

Cyber Security: Protecting Your Small Business

Committee on Small Business - Subcommittee on Healthcare and Technology – Hearing - December 1, 2011
<http://smallbusiness.house.gov/Calendar/EventSingle.aspx?EventID=270278>

“According to a recent study, small businesses are the victims of nearly 40 percent of cyber attacks in the United States. This hearing focused on the issues faced by small businesses in combating cyber security threats, including the role of the federal government and best practice solutions”

LOCAL ECONOMIC DEVELOPMENT

Howard Wial, Siddharth Kulkarni, and Richard Shearer

Tracking Economic Recession and Recovery in America’s 100 Largest Metropolitan Areas

Brookings Institute – Metro Monitor - December 2011, 10 pages

http://www.brookings.edu/~media/Files/Programs/Metro/metro_monitor/2011_12_metro_monitor/1215_metro_monitor.pdf

“Recent comments by presidential candidates, news reports about Federal Reserve assistance to banks during the financial crisis, and protests by Occupy Wall Street and its allies have focused attention on the financial industries. This month’s MetroMonitor examines recent job and wage growth in three major financial industries, comparing those industries to the economy as a whole in each of the 100 largest metropolitan areas. It finds that in most of the nation’s 100 largest metropolitan areas these industries lost jobs more rapidly (or gained them more slowly) than the economy as a whole. However, financial industries differ as to whether their wages rose faster or more slowly than those in the economy as a whole.”

The Economic Impacts of the Regional Greenhouse Gas Initiative on Ten Northeast and Mid-Atlantic States

Analysis Group – Report – November 15, 2011

<http://www.analysisgroup.com/rggi.aspx>

Analysis Group researchers have quantified the economic benefits from implementation of a multistate regional greenhouse gas initiative. The study examines the impact of investments made by 10 states that participate in the Regional Greenhouse Gas Initiative, or RGGI, in its first three years of existence. It is the first report to measure the economic impact of such a program across all states in the region by focusing on the actual impacts of economic activity, using a rigorous "follow the money" approach and well-established modeling tools and methods. The Analysis Group team “tracked the path of RGGI-related dollars as they leave the pockets of generators who buy CO2 allowances, show up in electricity prices and customer bills, make their way into state expenditure accounts, and then roll out into the economy.”

Kathryn Hexter et al.

Revitalizing Distressed Older Suburbs

Urban Institute - Web posted December 7, 2011 - 189 pages

<http://www.urban.org/UploadedPDF/412461-Revitalizing-Distressed-Suburbs.pdf>

While much has been written about the decline of central cities, very little research has examined the problem in their suburbs. The report focuses on the suburbs of older industrial cities and how best to address the challenges they face. Using census data, literature review, and four in-depth case studies, the authors provide a detailed portrait of the underlying forces shaping distressed suburbs. It highlights a range of best practices

used in case study cities for fostering growth and reducing poverty. These lessons can be instructive both to local leaders working to turn their cities around and to the federal policy makers supporting them.

Restoring Jobs, Coastal Viability and Economic Resilience in the Gulf of Mexico: H.R. 3096, the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2011

House Committee on Transportation and Infrastructure – Hearing - December 7, 2011

<http://republicans.transportation.house.gov/Media/file/112th/CGMT/12-%20background%20memo%20-%20FINAL.pdf> (briefing)

<http://transportation.house.gov/hearings/hearingdetail.aspx?newsid=1463> (hearing)

“If enacted, the legislation would establish a Gulf Coast Restoration Trust Fund in the Treasury and a Gulf Coast Ecosystem Restoration Council. It would also redirect 80 percent of any Clean Water Act administrative and civil penalties paid by those responsible for the DEEPWATER HORIZON oil spill to the five Gulf Coast states (Florida, Mississippi, Louisiana, and Texas) to aid in economic and ecological recovery following the explosion and sinking of the DEEPWATER HORIZON mobile offshore drilling unit in April 2010.”

BUSINESS

The Purpose of the Corporation

Brookings - Event Transcript - December 13, 2011 – 55 pages

http://www.brookings.edu/events/2011/1213_corporate_purpose.aspx

“Corporations hold tremendous amounts of private sector capital and have the power to bolster economic prosperity by investing in critical industries and communities. Since the inception of the corporation, policymakers have debated to what degree corporations should be held to a standard of social responsibility. This issue is particularly relevant given the fragile state of the American economy and public concerns regarding economic opportunity. What is the purpose of the corporation in today’s society and economy? How should we think about corporate obligations and responsibilities? How do companies affect society, commerce and government?”

Emilia Istrate, Robert Puentes

Moving Forward on Public Private Partnerships: U.S. and International Experience With PPP Units

The Brookings Institution – Paper – December 8, 2011 – 28 pages

http://www.brookings.edu/~media/Files/rc/papers/2011/1208_transportation_istrate_puentes/1208_transportation_istrate_puentes.pdf

“In a time of constrained public budgets, leveraging private-sector financial resources and expertise to deliver a range of infrastructure projects has growing appeal. However, these public/private partnerships (PPPs) are often complicated contracts that differ significantly from project to project and from place to place. In the United States, many states lack the technical capacity and expertise to consider such deals and fully protect the public interest. To address this problem, countries, states, and provinces around the world have created specialized institutional entities—called PPP units—to fulfill different functions such as quality control, policy formulation, and technical advice.”

Darrell M. West

Ten Facts about Mobile Broadband

The Brookings Institution – Center for Technology Innovation - Paper – December 8, 2011 – 13 pages

http://www.brookings.edu/~media/Files/rc/papers/2011/1208_mobile_broadband_west/1208_mobile_broadband_west.pdf

“Mobile broadband is reshaping society, communications, and the global economy. With smart phone usage surpassing that of personal computers, there has been a sea change in the way consumers access and share information. Powerful mobile devices and sophisticated digital applications enable users to build businesses, access financial and health care records, conduct research, and complete transactions anywhere.”

James Bessen, Jennifer Ford, and Michael J. Meurer

Social Costs of Patent Trolls - Do nonpracticing entities benefit society by facilitating markets for technology?

Cato – Regulation – Article – Winter 2011/2012 - 10 pages

<http://www.cato.org/pubs/regulation/regv34n4/v34n4-1.pdf>

“In 2010, firms operating in the United States found themselves in lawsuits initiated by nonpracticing entities (NPEs) more than 2,600 times. That is a five-fold increase over 2004. Is this trend worrisome? NPEs are firms that do not produce goods. Rather, they acquire patents in order to license them to others. In principle, NPEs can perform the socially valuable function of facilitating markets for technology. Some inventors lack the resources and expertise needed to successfully license their technologies or, if necessary, enforce their patents. NPEs provide a way for these inventors to earn rents that they might not realize otherwise, thus providing them with greater incentives to innovate.”

AGRICULTURE

Erik J. O'Donoghue et al.

The Changing Organization of U.S. Farming

U.S. Department of Agriculture - December 2, 2011 – 83 pages

<http://www.ers.usda.gov/Publications/EIB88/EIB88.pdf>

Innovations in farm organization, business arrangements, and production practices have allowed farmers to produce more with less. Fewer labor hours and less land are used today than 30 years ago, and practices such as the use of genetically engineered seeds and no-till have dampened increases in machinery, fuel, and pesticide use. Likely aided by the increased use of risk management tools such as contracts and crop insurance, U.S. agricultural productivity has increased by nearly 50 percent since 1982. Future innovations will be necessary to maintain, or boost, current productivity gains in order to meet the growing global demands that will be placed upon U.S. agriculture.

Jason Henderson,

Is This Farm Boom Different?

FRB Kansas City – The Main Street Economist – December 2011 – 7 pages

http://www.kansascityfed.org/publicat/mse/MSE_0511.pdf

“United States agriculture is notorious for its "golden eras." In the 1910s and the 1970s, strong global demand and rising exports boosted agricultural commodity prices and farm incomes. These golden eras, however, were soon tarnished as economic and financial market conditions changed. Today, U.S. agriculture appears to be in the midst of another golden era. Robust export activity, strong bio-fuels demand and low interest rates have spurred another farm income and farmland value boom. Despite the vast similarities to past booms, subtle differences suggest that this time could be different.”

EMPLOYMENT

Michael Greenstone and Adam Looney

What Is Happening to America's Less-Skilled Workers? The Importance of Education and Training in Today's Economy

Brookings Institution – The Hamilton Project – December 2, 2011

http://www.brookings.edu/opinions/2011/1202_jobs_greenstone_looney.aspx

“In this month’s analysis, The Hamilton Project explores the employment and earnings trends facing America’s less-educated workers over the last few decades, and highlights training and workforce development opportunities that could be part of the policy solution. We also continue to explore the “jobs gap,” or the number of jobs that the U.S. economy needs to create in order to return to pre-recession employment levels while also absorbing the 125,000 people who enter the labor force each month.”

Andrew Fieldhouse and Rebecca Thiess

The Restore the American Dream for the 99% - An Analysis of Job-Creation Provisions

Economic Policy Institute – Issue Brief - December 13, 2011 - 9 pages

<http://www.epi.org/files/2011/ib320.pdf>

“Congressional Progressive Caucus Co-Chairs Rep. Keith Ellison (D-Minn.) and Rep. Raúl Grijalva (D-Ariz.) have proposed the Restore the American Dream for the 99% Act, a package of near-term job-creation measures and budgetary policy reforms that would meaningfully boost employment and improve the long-term fiscal outlook. This report examines the likely impact of several core elements of the package on job creation.”

Tales from the Unemployment Line: Barriers Facing the Long-Term Unemployed

United States Senate Committee on Health, Education and Labor Pensions – Hearing - December 8, 2011

<http://help.senate.gov/hearings/hearing/?id=f942564d-5056-9502-5d87-bc0b5cea77db>

“As we address below, the principal barriers to reemployment include a woeful inadequacy of jobs; discriminatory exclusion of the unemployed from consideration for job openings, simply because of their unemployment status; and the use of employment screening devices such as credit background checks, that have an especially harsh impact on individuals who, because of job loss, experience financial losses resulting in substantial debt, home foreclosures, and personal bankruptcies. Other factors, such as social isolation, depression and anxiety, that often accompany long-term unemployment, as well as limitations on access to tools needed for job search—ready availability of computers and transportation, for example—play a less tangible but nevertheless real role in affecting access to employment opportunities.”

Algernon Austin

A Jobs-Centered Approach to African American Community Development: The Crisis of African American Unemployment Requires Federal Intervention

Economic Policy Institute – Report - December 2011

<http://www.epi.org/publication/bp328-african-american-unemployment/>

“This paper outlines a plan for significantly increasing the number of jobs available to African Americans. The plan, which targets communities with persistently high unemployment, includes three main components: creation of public sector jobs, job training with job-placement programs, and wage subsidies for employers. Although the plan is constructed with African Americans in mind, it would also provide benefits to Latino, American Indian, and white communities in which unemployment has remained high.”

Janice Compton and Robert A. Pollak

Family Proximity, Childcare, and Women's Labor Force Attachment

National Bureau of Economic Research – Report - December 19, 2011 – 46 pages

<http://www.nber.org/papers/w17678.pdf>

The report shows that close geographical proximity to mothers or mothers-in-law has a substantial positive effect on the labor supply of married women with young children. It argues that the mechanism through which proximity increases labor supply is the availability of childcare. Further, it interprets availability broadly enough to include not only regular scheduled childcare during work hours but also an insurance aspect of

proximity. Using two large datasets, the National Survey of Families and Households and the public use files of the U.S. Census, the report finds that the predicted probability of employment and labor force participation is 4-10 percentage points higher for married women with young children living in close proximity to their mothers or their mothers-in-law compared with those living further away.

Hannah Shaw and Chad Stone

Key Things to Know About Unemployment Insurance

Center on Budget and Policy Priorities – December 2011 – 8 pages

<http://www.cbpp.org/files/12-16-11ui.pdf>

"In the heat of the battle over how to address the imminent expiration of federal emergency unemployment insurance (UI) benefits (and the payroll tax cut), policymakers should not lose sight of what UI is and how it has functioned over the years. UI not only cushions the financial blow for workers who lose their jobs through no fault of their own but also helps sustain consumer demand during economic downturns by providing a continuing stream of dollars for families to spend."

HEALTH ECONOMIC ISSUES

New Medical Loss Ratios: Increasing Health Care Value or Just Eliminating Jobs?

House Committee on Small Businesses - Subcommittee on Investigations, Oversight and Regulations - Hearing - December 15, 2011

<http://smallbusiness.house.gov/Calendar/EventSingle.aspx?EventID=271755>

"The Patient Protection and Affordable Care Act (PPACA) and its regulations require health insurance companies to devote a minimum percentage of the premium dollars to health care services and activities that improve health care quality. This percentage is called the Medical Loss Ratio (MLR). Insurers must spend a minimum of 80% of the premiums of individual and small group market customers on medical claims and no more than 20% on administrative expenses, or pay rebates to their policyholders beginning in 2012. Under PPACA and its regulations, insurance agent commissions are considered to be administrative expenses. Insurance agents, many of whom are small business owners and whose customers are often small businesses, believe that the MLR requirements may lead to lower levels of customer service and consolidation in the industry."

Job Lock and the Potential Impact of the Patient Protection and Affordable Care Act

GAO – Report - December 15, 2011 – 32 pages

<http://www.gao.gov/products/GAO-12-166R>

The majority of Americans—about 55 percent in 2010—rely on employer-sponsored health care coverage, which is largely subsidized by most employers and thus less costly to employees than coverage purchased by individuals on their own. Although a valued employee benefit, many believe that having health coverage tied to employment can influence workers to stay in jobs they might otherwise leave, a phenomenon generally known as “job lock.” The Patient Protection and Affordable Care Act (PPACA), enacted in 2010, includes provisions that are designed to increase the accessibility and affordability of health coverage, particularly for individuals with preexisting health conditions... Some suggest that one benefit of PPACA may be a decrease in the occurrence of job lock. You asked us to examine job lock and the specific ways PPACA may affect it."

Drug Shortages: Why They Happen and What They Mean

United States Senate Committee on Finance – Hearing - December 7, 2011

<http://finance.senate.gov/hearings/hearing/?id=cbf688f1-5056-a032-52aa-5d0c23a44d4f>

"In a recent study, nearly every hospital surveyed had experienced at least one drug shortage in the past six months. Nearly half of the hospitals experienced 21 or more shortages during that same time. These shortages

affect some of the sickest and most vulnerable Americans... Drug shortages are not a new problem. But the number of drugs and patients affected over the past several years has grown at an alarming rate. There were shortages on 211 drugs last year. That's up from 58 shortages in 2004... We look forward to hearing from our panelists where Medicare and Medicaid fit into this problem. We look forward to hearing how these programs can be a part of the solution. Are there things we can change? Will there be unintended consequences to these changes?"

Prescription Drug Shortages: Examining a Public Health Concern and Potential Solutions

Senate Committee on Health, Education, Labor and Pensions – Hearing – December 15, 2011

<http://help.senate.gov/hearings/hearing/?id=18ee78db-5056-9502-5d8b-c81d703a6238>

“The kinds of medicines that are in shortage are produced using costly, specialized equipment and require complex production processes that must meet Current Good Manufacturing Practice guidelines. Manufacturers can and usually do substitute products within a class using the same production line, but in most cases, each individual drug requires regulatory approvals, including manufacturing controls, which are limited to that particular drug. It generally takes a long time – years in some cases – for the industry to increase capacity in response to an increase in prices... This low level of price responsiveness on both the demand and supply sides of the market for many medically-necessary products means that any changes from historical patterns in supply or demand can lead to shortages of these drugs.”

Matching Supply to Demand: Addressing the U.S. Primary Care Workforce Shortage

National Institute for Health Care Reform - December 20, 2011 – 7 pages

http://www.nihcr.org/PCP_Workforce.pdf

While there's little debate about a growing primary care workforce shortage in the U.S., it's less clear whether existing workforce policies, such as educational loan forgiveness or scholarships and higher payment rates, can boost the supply of practitioners quickly enough, according to the report.

INTERNATIONAL ECONOMIC RELATIONS

James K. Jackson

U.S. Trade Deficit and the Impact of Changing Oil Prices

Congressional Research Service, Library of Congress – Report - December 13, 2011 – 11 pages

<http://www.fas.org/sgp/crs/misc/RS22204.pdf>

Petroleum prices rose sharply between September 2010 and June 2011, at times reaching more than \$112 per barrel of crude oil. Although this is still below the \$140 per barrel price reached in 2008, the rising cost of energy was one factor that helped to dampen the rate of growth in the economy during the first half of 2011. While the price of oil was rising sharply, the volume of oil imports, or the amount of oil imported, decreased slightly. Overall resistance by market demand to changes in oil prices reflects the unique nature of the demand for oil and an increase in economic activity that occurred following the worst part of the economic recession in 2009. Turmoil in the Middle East was an important factor causing petroleum prices to rise sharply in the first four months of 2011, which could add as much as \$100 billion to the total U.S. trade deficit in 2011.

Resources: What You Don't Know About Dodd-Frank

Brookings – Event Transcript – December 13, 2011 – 146 pages

http://www.brookings.edu/events/2011/1213_transparency_resources.aspx

“The Dodd-Frank Wall Street Reform and Consumer Protection Act is well known as legislation intended to regulate the U.S. financial market. However, its reach extends beyond Wall Street, with two provisions intended to aid the transparency of global natural resource governance, particularly conflict minerals and disclosure of payments by resource extraction issuers. These provisions have an impact far outside of financial

industry regulations and can directly affect governance and corruption within the developing world. On December 13, Global Economy and Development at Brookings and Global Witness hosted a discussion to examine these two provisions from the 2010 Dodd-Frank Act. Leading experts from civil society in the U.S. and Africa, the private sector, the financial sector and think tanks reviewed each provision and discussed their impact on transparency in the natural resource extraction sectors.”

Ninth Report to Congress on the Operation of the Caribbean Basin Economic Recovery Act

Office of the U.S. Trade Representative - December 31, 2011 – 78 pages

http://www.ustr.gov/webfm_send/3214

The U.S. trade preferences programs for the Central American and Caribbean region, known collectively as the Caribbean Basin Initiative (CBI), continue to generate important benefits for the beneficiary countries. Expansion of CBI benefits through enactment of the Caribbean Basin Trade Partnership Act (CBTPA) in 2000, the provisions included in the Trade Act of 2002, the HOPE Act of 2006, the HOPE II Act of 2008, and the HELP Act of 2010, represents an important affirmation of the ongoing U.S. commitment to economic development in the Caribbean Basin, by expanding duty-free access to the U.S. market for CBI goods.

Daniel Griswold and Douglas Petersen

Trading with the Bear: Why Russia's Entry into the WTO Is in America's Interest

Cato Institute - Free Trade Bulletin - December 6, 2011

http://www.cato.org/pub_display.php?pub_id=13909

“Russia is poised to join the World Trade Organization (WTO), solidifying its transition from a closed communist economy to a full participant in the global marketplace. The only question is whether the United States will embrace Russia as a fellow WTO member or forfeit the benefits for the sake of an outdated policy rooted in the Cold War...By some estimates, U.S. exports to Russia could double in the five years following its accession to the WTO... There remain substantial obstacles to expanded trade with Russia; however, if these obstacles can be overcome, the benefits to America's trade balance could be substantial.”

2011 Report to Congress on China's WTO Compliance

Office of the U.S. Trade Representative - December 2011 – 127 pages

http://www.ustr.gov/webfm_send/3189

This is the tenth report prepared pursuant to section 421 of the U.S.-China Relations Act of 2000 (P.L. 106-286), which requires the United States Trade Representative (USTR) to report annually to Congress on compliance by the People's Republic of China (China) with commitments made in connection with its accession to the World Trade Organization (WTO).

Aaditya Mattoo and Arvind Subramanian

A China Round of Multilateral Trade Negotiations

Peterson Institute - Working Paper – December 2011 – 40 pages

<http://www.piie.com/publications/wp/wp11-22.pdf>

“Until recently, the World Trade Organization (WTO) has been an effective framework for cooperation because it has continually adapted to changing economic realities. The current Doha Agenda is an aberration because it does not reflect one of the biggest shifts in the international economic and trading system: the rise of China. Even though China will have a stake in maintaining trade openness, an initiative that builds on but redefines the Doha Agenda would anchor China more fully in the multilateral trading system. Such an initiative would have two pillars: First, a new negotiating agenda that would include the major issues of interest to China... and second, new restraints on bilateralism and regionalism that would help preserve incentives for maintaining the current broad non-discriminatory trading order.”

Ian F. Ferguson and Bruce Vaughn

The Trans-Pacific Partnership Agreement

Congressional Research Service, Library of Congress – Report - December 12, 2011 – 21 pages

<http://www.fas.org/sgp/crs/row/R40502.pdf>

At the Asia-Pacific Economic Cooperation Forum (APEC) in November 2011, the leaders of the United States, Australia, Brunei, Chile, Malaysia, New Zealand, Peru, Singapore, and Vietnam announced the broad outlines of a Trans-Pacific Partnership (TPP) agreement, which the parties hope to complete in 2012. If enacted the TPP would eliminate 11,000 tariff lines among the parties and, with 26 chapters under negotiation, potentially it could serve as a template for future trade pact among the APEC states. At the same venue the leaders of Japan, Canada, and Mexico announced that they would seek consultations with partner countries with a view towards joining the negotiations.

Japan and the Trans-Pacific Partnership

Brookings - Center for Northeast Asian Policy Studies – Event – December 2, 2011

http://www.brookings.edu/events/2011/1202_transpacific_partnership.aspx

“Japanese Prime Minister Yoshihiko Noda recently announced that Japan would start talks with member countries on participating in the Trans-Pacific Partnership (TPP). TPP is regarded by many as the best route to a Free Trade Area of the Asia Pacific, a goal for many in the region since 1993. Prime Minister Noda’s decision to move forward with the United States, Australia, Brunei, Chile, Malaysia, New Zealand, Peru, Singapore, and Vietnam was welcomed by President Barack Obama, but met with caution on Capitol Hill. TPP also remains controversial within Japan. As Japan attempts to rebuild in the aftermath of the earthquake, tsunami and nuclear crisis that struck on March 11, deal with an aging and declining population, contend with a strong yen, and define its role in the context of a rising China and a fast-changing Asia Pacific, TPP promises to remain a topic of keen interest.”

Asia's Role in the Post-Crisis Global Economy

FRB San Francisco – Conference - November 28-30, 2011

<http://www.frbsf.org/economics/conferences/aepc/2011/agenda.pdf>

Papers and presentations from the 2011 Asia Economic Policy Conference "Asia's Role in the Post-Crisis Global Economy" are available on the Federal Reserve Bank of San Francisco's website.

MISCELLANEOUS

Aging in Place: A State Survey of Livability Policies and Practices

National Conference of State Legislatures and AARP Public Policy Institute - December 2011 – 84 pages

<http://www.ncsl.org/documents/transportation/Aging-in-Place-2011.pdf>

Nearly 90 percent of people over the age of 65 want to stay in their home for as long as possible. However, for older adults to age in place, their physical and service environment must be able to accommodate their needs. The report examines promising state land use, transportation, and housing policies that may enable aging in place. These policies include integrating land use, housing and transportation; efficiently delivering services in the home; providing more transportation choices; and improving affordable, accessible housing to prevent social isolation.

Economic Inequality with Jacob Hacker Gideon Rose and Jacob Hacker

Foreign Affairs - December 15, 2011

http://www.foreignaffairs.com/discussions/audio-video/foreign-affairs-focus-on-economic-inequality-with-jacob-hacker?cid=nlc-this_week_on_foreignaffairs_co-121511-foreign_affairs_focus_on_econo_3-121511

“Gideon Rose, the editor of Foreign Affairs, and Jacob Hacker, the director of the Institution for Social and Policy Studies and Stanley B. Resor Professor of Political Science at Yale University, explore why income inequality has risen so significantly in the United States. Those who argue that globalization and technological advancement are behind this trend overlook the role of lobbying and deliberate policy decisions.”

Education and the Economy: The Economic Benefits of Helping High School Dropouts Earn Both High School Diplomas and College Degrees

Alliance for Excellent Education - December 14, 2011

http://www.all4ed.org/publication_material/EconStatesPostsecondary

Nationally, only 27 percent of recovered dropouts are expected to complete a postsecondary degree after earning a high school diploma. This state-by-state and national data builds on the Alliance's previous work that estimates the economic benefits if half of the high school dropouts from the Class of 2010 were to have graduated. It also illustrates the significant economic benefits that the nation and each state could see if 60 percent of those "new graduates" were to earn a degree beyond high school, meeting the national goal for postsecondary completion.