



The Daily Dish

## October 5th Edition

DOUGLAS HOLTZ-EAKIN | OCTOBER 5, 2015

Late last week, [the EPA finalized their new ozone standards](#), coming in at a total cost of \$1.4 billion. The revised measure lowers the current threshold from 75 parts per billion (ppb) to 70 ppb. According to the EPA's analysis, 241 counties will have to change policy to achieve the 70 ppb threshold. [On Wednesday](#), the House will hold a hearing on concerns over the implementation of the rule. This year alone, the agency has finalized over [\\$24 billion in new regulations](#).

ICYMI: [Check out AAF's President Douglas Holtz-Eakin's look at the numbers behind last month's jobs report in the U-6 Fix.](#)

[Export-Import Bank supporters in Congress are hoping](#) for a vote soon to restore its charter. Rep. Stephen Fincher has been circulating a petition to set into motion a House vote to reauthorize the Bank. [According to AAF's analysis](#), 89 percent of all Ex-Im authorizations in 2014 were made to small businesses.

### *Eakinomics: The Clock is Ticking on TPP*

Most observers agree that time is short to conclude negotiations on the Trans-Pacific Partnership (TPP). Elections are looming in Canada and once the calendar flips to 2016 there is little optimism that the U.S. Congress will choose to engage in another trade debate on the heels of the vote for Trade Promotion Authority (TPA). The potential direct gain for the U.S. economy is [large](#), with estimates in the range of nearly \$80 billion in national income and \$125 billion in additional exports. With this in mind, it is promising that officials remain [optimistic](#) that an agreement can still be reached as negotiators meet in Atlanta.

Reports indicate that the major remaining issue is the length of patent exclusivity for [biologics](#). In the U.S. these medicines receive 12 years of patent protection before [biosimilars](#) — the rough equivalent of generics — can be [introduced](#). The TPP negotiations appear to be moving away from the 12-year horizon in favor of a something shorter — perhaps 5 to 8 years.

It is hardly surprising that the TPP has narrowed down to this issue. TPA gives the president the authority to negotiate trade agreements within the parameters outlined by Congress. It does not translate to automatic passage. Instead, any TPP agreement has to be displayed on the web for 60 days before there is a vote for passage. In short, Congress can still reject the TPP if it does not serve the U.S. interests. What are the key tests of a TPP that makes the grade? The U.S. has a comparative advantage in agriculture, where it is the most efficient producer globally, and innovating products. The TPP should open markets for U.S. farmers and protect the innovations generated by U.S. entrepreneurs and researchers. The negotiations are centered on precisely these issues.

### *From the Forum*

[Week in Regulation](#) by Sam Batkins, AAF Director of Regulatory Policy

[The U-6 Fix](#) by Douglas Holtz-Eakin, AAF President

[Final Ozone Rule](#) by Sam Batkins, AAF Director of Regulatory Policy

***Fact of the Day***

For every billion dollars of new regulation on an industry, employment in that field declines by 3.6 percent.