Top 5 Things Congress Should Consider During Lame-Duck Session

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During Congress’ lame-duck session, both Republicans and Democrats will dig into a number of stalled pieces of legislation to see what they can push through before the end of the year. Given the partisan gridlock of recent years, this lame-duck session could see more activity than business as usual. With Republicans poised to take control of the Senate, November and December will likely indicate just how much change we will see come January, and whether lawmakers are really ready to make the tough choices they tout on the campaign trail.

From energy to labor to technology policy and more, the Competitive Enterprise Institute promotes policy ideas that foster economic freedom, limit government overreach, and encourage entrepreneurship and innovation. For those lawmakers who are interested in boosting the economy and helping the American people gain a better start to the New Year, here are CEI’s do’s and don’ts for the lame-duck session:

1. Protect Access to Affordable Energy for All Americans.

Congress will likely consider a tax extenders package before the end of the year that could reauthorize production tax credits (PTC) for wind and solar energy. These multi-billion tax credits should not be renewed. They amount to subsidies for well-connected government cronies to provide a product that cannot compete in the energy marketplace on either price or reliability.

Energy from industrial wind, solar, and other renewable sources is more expensive than energy from fossil fuels, and the costs of renewables are ultimately passed on to consumers in exchange for no discernible environmental benefit. For example, PTCs make industrial wind power seem much less expensive than it is; data from the U.S. Energy Information Administration show some of the largest wind power states are experiencing skyrocketing electricity prices.

2. Don’t Pass an Internet Sales Tax.

Currently, a sales tax is only applied to online purchases when the seller has a physical presence in the state where the buyer resides. But, legislation now in the House and Senate, the Marketplace Fairness Act (MFA), would threaten businesses and state economies by empowering state governments to tax businesses outside their borders, thereby subjecting them to tax policies over which they have no political voice. A recent study by the True Simplification of Taxation Coalition finds costs for midsize retailers could be exorbitant: $80,000 to $290,000 for implementation and yearly maintenance costs of $57,500 to $260,000. The MFA would also empower states to tax financial services, such as stock trades. Just as no one should be allowed to vote outside one’s own jurisdiction, a state’s power to tax and regulate should end at its border. Anything else is taxation without representation.
3. Investigate and Defund Operation Choke Point.

Operation Choke Point is an egregious example of executive overreach and the biggest threat to small businesses and entrepreneurs you have never heard of. Through this initiative, the administration is attempting to shut down perfectly legal businesses by cutting off their access to banking services. The Department of Justice, under the pretext of fighting fraud, is strong-arming lenders into canceling the bank accounts of firearm sellers, pawn shops, payday lenders, and even home-based charities, among others, many with years of good relationships with their banks. Congress should hold hearings to investigate the motivations behind Choke Point, and defund this menacing program.

4. Avoid Policies that Increase Unemployment.

The minimum wage for federal contractors is already set to increase in January 2015. It should not be raised further. Although raising the minimum wage makes for great political stump speeches, it actually harms those it is intended to help. Raising the minimum wage would cost thousands of jobs, especially among the neediest of citizens. Nearly 80 percent of economists agree a minimum wage increases unemployment among young and unskilled workers, and the Congressional Budget Office has concluded that a $10.10 minimum wage would reduce total employment by 500,000 jobs. Some of America’s least well-off workers would get a raise, but many more others would see theirs hours cut, or lose their jobs entirely.


The Dodd-Frank financial reform law imposes huge regulatory burdens on Main Street businesses and further entrenches the privileged status of Fannie Mae, Freddie Mac, the big banks, and other institutions deemed “too big to fail.” Reforming Dodd-Frank will prove to be a major task. But a good place to start is by passing the “Insurance Capital Standards Clarification Act,” which cleared the Senate unanimously earlier this year, and should be taken up by the House. This bill would help ensure Dodd-Frank does not cause life, home and auto insurance premiums to skyrocket due to senseless new red tape by clarifying that Dodd-Frank does not apply bank capital rules to insurance firms. Applying these rules to insurers would make the financial system riskier, not safer.

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