



March 2017

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ADP: Employers Added 298,000 Workers During February

In a story that was not covered by the network news broadcasts, the [Washington Times](#) reports that the payroll firm ADP reported Wednesday that new jobs “surged” in February as employers hired about 298,000 workers, exceeding economists’ predictions “by nearly one-third.” The report represents “the first data on President Trump’s first full month in office.” [CNBC](#) reports the total “shattered market expectations of 190,000,” with “a notable shift away from the service-sector positions that have dominated hiring for years,” according to the report. The [AP](#) says construction jobs increased by 66,000, the most in 11 years, and manufacturing jobs increased by 32,000, the most in five years, while mining and natural resources jobs were up 8,000.

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58th Annual Washington Fly-In and Congressional Dinner March 15

Arkansas leaders in business, non-profit, post-secondary education and the public sector will be joining us for the **58th Annual Washington Fly-In and Congressional Dinner** presented by [Stephens Inc.](#), which will take place next Wednesday, March 15 in Washington, D.C.

One of our signature events, the annual Washington Fly-In provides a unique opportunity for Arkansas's private and public sector leaders to meet with members of our Congressional delegation, their staffs and other Congressional members in addition to meeting with other business and community leaders.

We have a full day planned on March 15 beginning with a breakfast briefing at the U.S. Chamber office at 1615 H Street NW, scheduled group meetings throughout the day on Capitol Hill with all six members of the Arkansas congressional delegation, and ending with dinner at Hill Country BBQ in the District.

The evening event is set for 6:30 p.m., affording the opportunity for more "face time" with the Congressional delegates and their staffs in a fun and relaxed atmosphere. Each of the members of the Arkansas delegation will make remarks.

If you have not already registered and wish to attend, click [here](#) for a registration form.

We would also like to thank and recognize our other sponsors:

Dinner – Nucor Arkansas and Southland Park Gaming and Racing

Beverage – AT&T Arkansas, Entergy Arkansas, Inc. and Nabholz Construction Services

Gold – Aerojet Rocketdyne Corporation, AEP Swepco, America's Car-Mart, Inc., Arkansas Valley Alliance for Economic Development, Inc./Russellville Area Chamber of Commerce, Central Moloney Inc., International Paper Company, Southwest Power Pool, Inc. and Walmart Stores Inc.

Silver- Cross County Chamber of Commerce/Wynne EDC, Electric Cooperatives of Arkansas and Great Lakes Solutions / A Chemtura Business

For more information on the Annual Washington Fly-In and Congressional Dinner, contact Holly Wilson at hwilson@arkansasstatechamber.com or 870-622-7162.

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Congressional Delegation Seeks Course Reversal on Clean Line Project

[Members of Arkansas's Congressional delegation](#) sent a letter Monday to newly appointed U.S. Energy Secretary Rick Perry urging him to preserve states' rights and review the Clean Line project, an energy transmission line that stretches nearly 300 miles across the state of Arkansas. The Arkansas Public Service commission rejected the energy transmission project, but last year the Department of Energy (DOE) announced a partnership with Clean Line Energy Partners to construct the energy transmission line across Arkansas, Oklahoma and Tennessee using Section

1222 of the Energy Policy Act of 2005. This is reportedly the first time DOE has used this provision to authorize construction and development of this type of project.

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House GOP ACA Replacement Plan Would Reduce Insurance Levels

House Republicans unveiled the [123-page](#) American Health Care Act late Monday afternoon. Reports portray the bill as attempting to fulfill the GOP promise of repealing and replacing the Affordable Care Act while still keeping the most popular aspects of the ACA.

The [Washington Post](#) reports, “Under two bills drafted by separate House committees, the government would no longer penalize Americans for failing to have health insurance but would try to encourage people to maintain coverage” by letting insurers impose a surcharge “for those who have a gap between health plans.” [McClatchy](#) says that “most of the proposal comes as advertised: it calls for ending income-based federal subsidies to help purchase marketplace coverage and wipes out all taxes that helped pay for the subsidies.”

The [Wall Street Journal](#) calls the bill risky for Republicans because it would almost certainly cover far fewer Americans than the ACA, and because some conservatives see the plan as only a partial repeal. The [Washington Times](#) reports that “one GOP member immediately dubbed it ‘Obamacare 2.0,’” and Brit Hume said on Fox News Special Report, “What the Republicans have done is replace the Obamacare subsidy with a tax credit, which is in effect another form of subsidy. There are conservatives in the House...who think this is a bad idea, that it amounts to Obamacare lite.”

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U.S. Trade Deficit Increases 9.6 Percent in January

The Commerce Department said Tuesday the trade gap “increased 9.6 percent to \$48.5 billion,” its highest level since March 2012, [Reuters](#) reports. Reuters says the gap was “buoyed by imports of cell phones and automobiles” and by rising oil prices. According to [CBS News](#), exports rose 0.6 percent to \$192.1 billion while imports “surged” 2.3 percent to \$240.6 billion. Capital Economics US economist Andrew Hunter said the spike is expected to weigh on first-quarter economic growth. In addition, the US deficit with China “increased 12.8 percent to \$31.3 billion, the highest level since September.”

The [Wall Street Journal](#) reports that Barclays responded to January’s trade numbers by lowering its estimate for first-quarter GDP by three-tenths of a percentage point to a 1.6 percent seasonally adjusted annual rate.

[Bloomberg News](#) reports the increase matched the median forecast in a Bloomberg survey. Commerce Secretary Wilbur Ross is quoted saying that the data show “there is much work to be done” on trade agreements and enforcement. He added, “President Trump has made free and fair trade a central part of his agenda, and correcting this imbalance is an important step in achieving that goal.”

A [New York Times](#) analysis highlights the “the complexity of the costs and benefits of trade,” saying that “what really matters is not whether the trade deficit is rising or falling. What matters is why.” The Times says that “imports rose faster than exports,” but that “isn’t entirely a negative.” Overall, the details show that the rise “is not nearly the unabashed bad news that a simplistic reading of the trade deficit would suggest.”

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U.S. Factory Orders Up 1.2 Percent in January

The Commerce Department said on Monday that U.S. factory goods orders rose 1.2 percent in January in what [Reuters](#) says is continuing evidence that U.S. manufacturing is steadily recovering. Orders were up from an unrevised 1.3 percent increase in December and more than the 1.0 percent jump expected by economists in a Reuters poll. Reuters adds that manufacturing “is regaining its footing after being buffeted by lower oil prices, a strong dollar and an inventory overhang.” Orders for transportation equipment “accelerated 6.2 percent, reflecting a 62.2 percent surge in defense aircraft orders.” There was “also a 69.8 percent jump in orders for civilian aircraft.” Total shipments increased 0.2 percent.

In addition, the [AP](#) reports, core capital goods orders “edged down 0.1 percent in January after three months of solid gains.” It was “the first setback since a 1.5 percent decline in the category in September.” However, the AP adds that manufacturers “are expected to see stronger sales in 2017.” Similarly, the [Financial Times](#) reports that U.S. manufacturing is regaining momentum and making a comeback, pointing to a stabilizing dollar and increasing oil prices.

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Senate Votes to Reverse Obama-Era Rule on Labor Law Violations

The [AP](#) reports that the Senate [voted 49-48](#) on Monday to reverse an Obama Administration rule “designed to ensure government contractors disclose violations of federal labor laws as they seek more work.” The rule “addressed government auditors’ concerns over the years that contracting officers frequently failed to consider violations when awarding contracts because they lacked adequate information.” Business groups said it would increase compliance costs “and punish all contractors for the actions of a few.” [Reuters](#) says the reversal was passed under the Congressional Review Act. President Trump has signed three CRA resolutions thus far.

The [Washington Post](#) reports that “a half-dozen other worker safety regulations are also in Republican crosshairs. ... Many are directed at companies with federal contracts. Such companies employ 1 in 5 American workers – meaning the effort could have wide-ranging effects.”

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Senate Votes to Revoke Obama Land Management Rule

In what [Reuters](#) calls “the latest move by the Republican-led Congress to undo Obama administration environmental regulations it sees as a burden,” the Senate voted 51-48 Tuesday to revoke “a rule that aimed to give the public more input into federal land management decisions.” The resolution would “repeal the Bureau of Land Management’s Resource Management Planning rule, known as BLM 2.0, finalized in December by the Obama administration.”

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Trump Executive Orders on Energy, Environment Expected Shortly

[The Hill](#) reported that this week the White House could “release long-awaited climate change executive orders undoing much of the Obama administration’s work on the issue.” President Trump, according to several reports, “is set to sign an order calling for the Environmental Protection Agency (EPA) to repeal the Clean Power Plan, the centerpiece of Obama’s climate change agenda.” In addition, the order could “lift an Interior Department moratorium on federal coal lease sales, something Obama’s team instituted during a review of the coal-leasing program.”

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Dakota Access Pipeline Oil Could Flow “As Soon as Next Week”

The [AP](#) reports a federal judge has declined “to temporarily stop construction” of the final section of the disputed Dakota Access oil pipeline, “clearing the way for oil to flow as soon as next week.” Similarly, [Bloomberg News](#) reports Energy Transfer Partners LP “will soon send oil through its controversial Dakota Access pipeline.” Bloomberg characterizes the decision as a win for the company, “all but ensur[ing] the conduit will come on line after final construction and testing.”

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Markets Calm About Likely Fed Rate Hike Later This Month

[CNBC](#) reports, “Instead of recoiling in terror at the thought that the Fed not only is ready to hike interest rates but also is prepared to do so on a regular basis, the market essentially has shrugged.”

[CNBC](#) reports separately that the Fed will “increase interest rates next week, as many central bankers have been recently hinting, and that’s only the beginning, according to Brookings Institution’s Aaron Klein,” a Treasury staffer during the Obama Administration.

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Challenges Made U.S. Shale Industry Stronger, More Efficient

[Bloomberg](#) reports that more than 100 shale drillers went bankrupt in the past two years, but those that survived the downturn have emerged stronger, more efficient and more cost-effective and are able to thrive with oil at \$55 per barrel. The US rig count climbed by 91 percent to 602 in the past nine months, production surged by over 550,000 barrels per day since summer 2016 and North American oil companies, including oil giants that shunned shale during the first boom, plan to boost spending by 25 percent this year.

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Growing Number of Experts See Bright Future for U.S. Manufacturers

[CNBC](#) reports that a “growing number of market experts believe” the future of American manufacturing is strong. Marlin Steel President and NAM Small and Medium Manufacturers Chair Drew Greenblatt is quoted saying, “I’m very optimistic. ... We’re going to see an American manufacturing renaissance.” Greenblatt “pointed to policies that Trump wants to enact as a potential catalyst to new hiring,” including regulatory reform and tax reform that will “make America more attractive to bring back opportunities to our country.”

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New Interior Secretary Ryan Zinke Reverses Lead Ammunition Ban

The [AP](#) reports on his first day, new Interior Secretary Ryan Zinke reversed an Obama Administration order to phase out the use of lead ammunition and fishing tackle on national wildlife refuges by 2022. Zinke indicated the new order would increase hunting, fishing, and other recreation opportunities on lands managed by Fish and Wildlife Service. Zinke said in a statement, “Outdoor recreation is about both our heritage and our economy.” Zinke added, “Between hunting, fishing, motorized recreation, camping and more, the industry generates thousands of jobs and billions of dollars in economic activity.”

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