



The Daily Dish

Final Buzzer for CRA, New Start for Reg Reform

SAM BATKINS, PATRICK HEFFLINGER | MAY 19, 2017

Yesterday the Trump Administration officially notified Congress about its intention to renegotiate the North American Free Trade Agreement (NAFTA). President Trump has long been a vocal critic of NAFTA even going as far as calling it the “[worst trade deal ever](#).” While the notice the administration sent to Congress was vague on specifics, it did state that Congress would be consulted before any changes to the agreement are made.

In a letter to Senator John McCain (R-AZ), Department of Defense (DOD) Secretary James Mattis stated that he supports the possible privatization of the nation’s air traffic control. The secretary said that while he recognizes the possible risks the DOD has formed a committee which would ensure that any privatization efforts would protect the nation’s national security interests. Earlier this year the president voiced his support for air traffic control privatization efforts in his budget blueprint.

Eakinomics: Final Buzzer for CRA, New Start for Reg Reform

The days of the Congressional Review Act (CRA), the law that allows Congress and the president to repeal recent regulations, appear to have ended. In total, 14 regulations were repealed, totaling [\\$3.7 billion](#) in savings and 4.2 million fewer paperwork burden hours.

For those seeking fundamental regulatory reform, these figures are a first start, not transformational acts that will nudge GDP upward. Consider, just three of the 14 rules were deemed “major” (those with an economic impact of \$100 million or more). For a durable reform to take hold, the administration needs to begin implementing its [one-in, two-out](#) regulatory reform and Congress should examine reform through various legislative options.

The CRA was merely step one in the reform path. This month, the administration is scheduled to release its agenda of regulatory actions. This document will contain all regulatory and deregulatory actions planned. With the stated goal of [\\$0 in net](#) regulatory costs by the end of the fiscal year, the agenda will offer hints as to whether that mark is achievable. For those who view \$0 as insufficient reform, in the first three quarters of 2016, the Obama Administration imposed \$14 billion regulatory costs. Such a turnaround from previous policy could constitute phase two of reform.

Finally, Congress has a vital role to play in any reform attempt. To an extent, they have created the problem through broad statutory grants of authority to agencies. This week, the [Senate sent](#) several reform bills to the floor. These measures would increase congressional oversight, enhance judicial scrutiny of rules, and strengthen cost-benefit analysis. If any of the bills receive a vote, it would mark the first instance since Republicans took control of Congress that they managed to advance a comprehensive reform bill in the Senate.

The end of the Congressional Review Act does not mean the end of regulatory reform. It's the beginning. Congress and the administration have countless options for producing a more efficient regulatory environment. The big question is whether they can navigate the political, legal, and bureaucratic hurdles that remain.