



Insight

House on Regulation: Cromnibus Edition

SAM BATKINS | DECEMBER 11, 2014

Congress is currently debating a version of a continuing resolution mixed with an omnibus appropriations package, known as the “Cromnibus.” The 1,600-page bill aims to spend more than \$1 trillion, amends the budgets of various regulatory agencies, and makes several amendments to existing or pending regulations.

EPA is on the chopping block, with a \$60 million budget cut. IRS will face a \$435 million cut. Those receiving a raise: the Securities and Exchange Commission (SEC) and the Commodity Futures Trading Commission (CFTC), which will each get 10 percent budget increases.

Below are the affected regulations and a cost estimate, if applicable.

- **Swaps Rules:** The biggest point of contention, at least for Democrats, is a provision that requires banks to move their derivatives unit into separate entities, the so-called “push-out” requirement. Now [Democrats are fuming](#) over this minor tweak to Dodd-Frank. FDIC’s Thomas Hoeing [criticized the move](#): “Section 716 of Dodd-Frank is an important step in pushing the trading activity out to where it should be conducted: in the open market, outside of taxpayer-backed commercial banks.”
- **School Lunch Nutrition Standards:** Rather than ditch the standards entirely, the Cromnibus limits the planned sodium reductions at schools “until the latest scientific research establishes the reduction is beneficial for children.” The spending package also grants states more time to comply with the whole grains provision. The original school lunch standards imposed [\\$3.2 billion](#) in unfunded mandates, with more than 70,000 paperwork burden hours.
- **Greenhouse Gas Reporting (GHG) for Manure:** Conservatives are not going to be able to completely eliminate EPA’s ability to regulate GHGs, but it appears they were able to garner a concession on what is known as Subpart JJ reporting for manure. This amendment would save roughly [\\$300,000 annually](#).
- **Amending EPA’s “Waters of the United States” (WOTUS) Proposal:** This measure primarily affects farmers and not EPA’s entire jurisdiction to regulate navigable waters in the U.S. According to EPA’s interpretive rule, which the Cromnibus withdraws, [the regulation](#) applies to “dischargers of dredged or fill material associate with certain agricultural conservation practices.” The original WOTUS proposal could cost more than [\\$165 million](#).

Regardless of the final product, this bill will result in savings to farmers and local governments. The dividends aren’t extraordinary, but in divided government, they’re progress.