

THE HILL



OVERNIGHT REGULATION: New front in anti-reg fight

By Ben Goad and Tim Devaney
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Welcome to Tuesday's installment of OVERNIGHT REGULATION, your daily rundown of all the day's biggest regulatory and enforcement news and tomorrow's emerging storylines. Click here to sign up for the newsletter: <http://bit.ly/1pc6tau>

Now, let's talk about regs.

THE BIG STORY

HOUSE SHOWDOWN: Even in the post-earmark era, congressional appropriators appear either unable or unwilling to separate themselves from the policy fights traditionally seen as the province of authorizing committees.

The phenomenon was on display Tuesday, as appropriators leapt head first into the raging debate over the Obama administration's regulatory agenda during a marathon mark-up of the House's \$30 billion Interior and Environment Appropriations Bill.

The legislation, which covers EPA spending, contains a litany of provisions meant to tamp down on the agency's rulemaking efforts – including those in support of **President Obama's** climate change initiative.

The GOP plan is to effectively starve the EPA's proposed regulations to death by prohibiting the agency from directing any funding toward their promulgation.

Didn't catch the entire four-hour session?

Here's what you missed:

-- **GOPers pushed the bill through** on a 29-19 party-line vote, after shooting down half a dozen Dem amendments aimed at softening the bill's anti-regulatory language. Six amendments – mostly introduced by Republicans – were adopted, including a measure that would designate Feb. 22 – **George Washington's actual** birthday as a national holiday.

-- **Also adopted** was an amendment blocking the EPA from enforcing a rule allowing it to garnish the wages of individuals with delinquent debt to the agency without a court order. A growing chorus of Republicans has seized on the rule as an example of an unwarranted agency overreach into the lives of ordinary Americans. But Democrats, led by **Rep. Jim Moran (Va.)**, pushed back.

Moran pointed out that there are 30 other agencies that already have similar rules and noted that EPA has said the agency has identified only \$228,000 in debt owed by 14 people.

“It’s another one of those talking point memos,” he said. “When you get down to what the guts of what this does, it’s a little silly. “

-- **Democrats accused Republicans** of using the bill to shill for big business, identifying two-dozen provisions as “poison pills” and “veto bait” and said the bill is no place for a debate over regulatory policy. Interior and Environment Appropriations Subcommittee Chairman **Ken Calvert**, in his first foray as a cardinal, countered that the majority was given “little choice” but to “block” the regs via any means possible.

-- **The bill has little chance of enactment**, given that the Senate has yet to pass a single one of its appropriations bills (not to mention the aforementioned “veto-bait”), leaving the legislation as just another salvo in the ongoing fight over regulations. <http://j.mp/1p3HVvs>

ON TAP FOR WEDNESDAY:

Congress will be in session in the midst of a busy legislative week. **The House** will take up a spending bill that takes aim at numerous financial regulations, including some drafted under the Dodd-Frank Wall Street reform law of 2010. The Senate will hold the first procedural vote on S. 2578, a bill from **Sens. Patty Murray (D-Wash.)** and **Mark Udall (D-Colo.)** that takes on the Supreme Court’s recent ruling against ObamaCare’s “birth control mandate.”

Speaking of Dodd-Frank, next Monday marks the four-year anniversary of President Obama signing the financial reform law following the collapse on Wall Street, and several groups are holding events to commemorate it on Wednesday.

The **U.S. Chamber of Commerce**, the nation's top business lobby, will host a discussion on Dodd-Frank, looking into the Consumer Financial Protection Bureau (CFPB), which was created by the law to oversee the financial markets. The Chamber will also look at efforts to police the derivatives market and assess the systemic risk that the nation's top banks pose to the markets. <http://j.mp/W7sSZF>

Meanwhile, the libertarian think tank **Cato Institute** will look forward to the future for financial markets on the first day of a conference about Dodd-Frank, where House Financial Services Committee Chairman **Jeb Hensarling (R-Texas)** will deliver the keynote address. <http://j.mp/1pUqDTj>

Back on the hill, the **Senate Banking** subcommittee on Financial Institutions and Consumer Protections will hold a hearing on banks that are systemically important to the economy, which are at the center of financial regulations in the wake of Dodd-Frank. <http://j.mp/1oWQEB8>

The **Senate Homeland Security and Government Affairs Committee** will turn its attention to the border crisis with a hearing focusing on the growing number of young immigrants from Central America. <http://j.mp/1nsXBG9>

Simultaneously, the Latin America think tank **Inter-American Dialogue** will hold also hold a discussion on the rising number of unaccompanied children crossing the border. <http://j.mp/1ymVRGI>

Sens. Richard Blumenthal (D-Conn.) and **Bob Casey** (D-Pa.) plan to turn up the pressure on GM over the automaker's controversial recalls by introducing the Hide No Harm Act of 2014. The bill would make it illegal for a corporate employee to conceal information about a danger posed by one of their products.

TOMORROW'S REGS TODAY:

Government agencies will publish **177** new regulations, proposed rules, notices and other administrative actions in Wednesday's edition of the *Federal Register*.

Highlights include:

DISCRIMINATION PROTECTIONS: The U.S. Department of Agriculture is moving to strengthen regulations designed to ensure its programs don't discriminate against certain segments of the population.

A final rule effective Wednesday requires each branch of the massive USDA to collect and compile data on the race, ethnicity, and gender for all applicants and participants of programs they administer as a safeguard against civil rights violations.

Applicants and program participants will provide the race, ethnicity, and gender data on a voluntary basis.

The action, which follows years of complaints of discrimination at the agency, also expands current regulations to protect against discrimination based on political beliefs or gender identity.

"Gender identity includes USDA program customers' gender expression, including how USDA program customers act, dress, perceive themselves, or otherwise express their gender," the agency wrote. <http://j.mp/1wrV5Fs>

IMMIGRATION: The Department of Homeland Security (DHS), and its U.S. Citizenship and Immigration Services (USCIS) is soliciting comment on forms used by

immigrants seeking permission to reapply for admission into the United States after they are deported or otherwise removed. <http://j.mp/1sZZlMm>

WAR ON TERROR: The Treasury Department's Office of Foreign Assets Control is moving to freeze the U.S. assets and block future financial transactions involving five individuals and seven businesses and other entities linked to terrorism. The action stems from an executive order issued by then President George W. Bush in the aftermath of the Sept. 11, 2001 attacks, allowing the government to block property and prohibit transactions of "persons who commit, threaten to commit, or support terrorism." <http://j.mp/1r2yOhQ>

HOUSING: The Department of Housing and Urban Development is repealing regulations under the HOPE for Homeowners Program. The program sunset three years ago, making the regulations moot, according to a final rule issued by the agency.

"Loans made under the HOPE for Homeowners Program that are presently insured will continue to be governed by the regulations that existed immediately before the effective date of this final rule," the agency clarified. <http://j.mp/1n7Wov6>

FEDERAL PURCHASING: The Department of Education is updating its acquisitions policies, according to a notice of proposed rulemaking to be published by the agency. Wednesday starts the clock on a 60-day comment period. <http://j.mp/U87D8k>

NEWS RIGHT NOW:

BORDER CRISIS: House Republicans are trying figure out a new strategy to deal with the growing crisis of unaccompanied child immigrants who are crossing the border. <http://j.mp/W7cEzv>

CHOKES POINT: House Republicans are blasting the Justice Department on Tuesday for a controversial program known as Operation Choke Point, *Bloomberg* reports. <http://j.mp/1oF4oxt>

PRICE FIXING: The Department of Justice is investigating claims of music industry price fixing involving decades-old rules governing the cost of licensing songs, *The Wall Street Journal* reports. <http://j.mp/1nthn4c>

SNUFFED OUT? Federal regulators may stop a top traditional cigarette company from merging with a leading e-cigarette company, because of antitrust concerns, *Reuters* reports. <http://j.mp/1nti51w>

INTERAGENCY SQUABBLE: Two financial regulators are bickering over who has more authority to regulate the markets. The Securities and Exchange Commission (SEC) says it is ready to defend its turf against the Federal Reserve when it comes to regulations for asset managers and high-speed trading, *Reuters* reports. <http://j.mp/1skCjIM>

SUNSCREEN BILL: House lawmakers on Tuesday moved forward with the Sunscreen Innovation Act, which would require the FDA make a swift decision on whether to approve new ingredients for sunscreens. Some of these ingredients have been in use in Europe for a decade, but the FDA has been dragging its feet and lawmakers want it to decide one way or the other. <http://j.mp/1loyudK>

E-CIGS: Sen. Bill Nelson (D-Fla.) is calling on the Senate to prohibit e-cigarette companies from advertising to children, *The Hill's* Ramsey Cox reports. <http://j.mp/1n7FLye>

ENERGY CZARS: The Senate confirmed President Obama's nomination of two new energy regulators on Tuesday. <http://j.mp/1reu8ao>

HOBBY LOBBY: House Minority Leader **Nancy Pelosi** said legislation that would rollback the Supreme Court's decision to exempt religious employers from providing birth control to their employees is "as personal as it gets." <http://j.mp/1n7vemr>. But Republicans plan to offer a rival Hobby Lobby bill. <http://j.mp/W7hf4M>

BY THE NUMBERS:

\$30.2 billion: Topline funding total for the Interior and Environment spending bill approved Tuesday by House Appropriations.

\$409 million: The amount below Obama's budget request.

\$717 million: EPA's potential funding cut, were the bill to be enacted.

6: Number of Democratic amendments defeated before the bill's passage

0: The number of appropriators that broke party ranks in the 29-19 vote.

QUOTE OF THE DAY:

"It is critical that the House and Senate act on the Interior bill and put the brakes on the EPA's regulatory approach that is intent on expanding the federal government's reach and harming our economy." – Rep. Calvert (R-Calif.) on the House Appropriations bill.