



Advocating for the Signatory Finishing Industry

LEGISLATIVE UPDATE

Week Ending 5-15-26

Volume 26 | Issue 14

This Week in Congress!

Congress returned for a two-week session with a wide slate of activity. In the House, lawmakers advanced military construction and energy legislation, a bill on federal court oversight, and a broad package of National Police Week measures ranging from support for law enforcement to efforts targeting violent offenders, cashless bail policies, organized retail crime, and firearm background-check reporting. Members also considered several financial-services bills easing regulations for small banks and credit unions, along with additional measures on shrimping industry relief, countering anti-Semitism, human rights in China, and an Iran War Powers resolution.

In the Senate, activity centered on confirmation votes for Trump Administration nominees, including Kevin Warsh for Federal Reserve Chair. The week reflected a packed agenda spanning defense, law enforcement, financial regulation, and international policy.

FCA International Opposes the Davis-Bacon Repeal Act

FCA International, the Construction Employers of America, and the 15,000 signatory contractors and 1.4 million workers they represent strongly oppose S. 4477, the “Davis-Bacon Repeal Act.” Repealing Davis-Bacon would not save taxpayers money—it would simply trigger a race to the bottom in construction wages, training, and job quality. The Davis-Bacon Act was enacted to ensure local workers and contractors are not undercut by low-wage, out-of-area labor. By requiring federally funded projects to pay the local prevailing wage, the law promotes fair competition based on skill, training, and workforce management—not on exploiting undocumented workers, misclassifying employees, or avoiding taxes.

Nearly a century later, Davis-Bacon remains essential to delivering high-quality, cost-effective federal projects. Research from the Institute for Construction Economic Research shows that prevailing wage laws increase productivity, reduce injuries, support apprenticeship training, and raise wages and benefits without increasing overall construction costs. These protections are especially important as Congress and the Administration work to strengthen the economy, rebuild infrastructure, and address the skilled-worker shortage.

Davis-Bacon benefits workers, communities, and taxpayers by supporting strong training pipelines, safer jobsites, and projects built right the first time. Repeal efforts are misguided, have repeatedly failed on a bipartisan basis, and would undermine the quality and stability of the construction workforce. For these reasons, FCA urges the Committee to reject S. 4477.

FCA International Calls for Supreme Court Review of Corporate Transparency Act

FCA International, along with the Main Street Partnership members, a coalition of major business organizations, representing millions of employers across the U.S., is urging the Department of the Treasury and the Department of Justice to back an expedited Supreme Court review of the Corporate Transparency Act (CTA). In a letter sent to Treasury Secretary Bessent and Acting Attorney General Blanche, we stressed that the CTA raises critical constitutional, privacy, and federalism questions that require definitive resolution. The CTA, which mandates extensive reporting by tens of millions of businesses and legal entities, has sparked legal challenges over its constitutionality. Two petitions—National Small Business United v. Bessent and Texas Top

Cop Shop, Inc. v. Blanche—are currently before the Supreme Court. These cases question whether the government can compel personal information reporting for law enforcement purposes without violating fundamental constitutional protections, including the Fourth Amendment and limits on Congress' Commerce Clause authority.

The letter highlights Treasury's March 2025 interim final rule, which exempted domestic entities and U.S. persons from certain CTA reporting requirements. While this provided immediate relief to millions of small businesses, homeowners' associations, and other organizations, the underlying constitutional issues remain unresolved. Without a clear Supreme Court ruling, future administrations could potentially reinstate the broader reporting obligations, perpetuating uncertainty for businesses and federal regulators alike.

A ruling from the Supreme Court, the letter argues, would not only protect businesses from ongoing legal ambiguity but also allow the Treasury to focus on consistent, enforceable guidance rather than repeatedly navigating shifting compliance demands.

By calling on federal authorities to support the petitions for certiorari, the coalition seeks a decisive, timely resolution to questions that affect millions of Americans and the broader U.S. economy. The move underscores the high stakes of the CTA and the importance of clear constitutional limits in federal regulatory programs.

The Transportation Construction Coalition (TCC) Warns Against Federal Gas Tax Suspension, Urges Congress to Act

The Transportation Construction Coalition (TCC) strongly opposes proposals to suspend the federal gas tax, arguing that such holidays offer little real relief to drivers while undermining the Highway Trust Fund and delaying critical road, bridge, and transit projects. Studies show gas tax suspensions rarely reduce pump prices in a meaningful or lasting way, with any temporary dip quickly erased. Meanwhile, deteriorating road conditions already cost drivers an average of \$723 per year in added repairs, fuel, and wear-and-tear.

Current gas prices underscore the limited impact a tax holiday would have. As of May 14, 2026, the national average price for regular gasoline is \$4.53 per gallon. Prices have surged sharply since the start of the Iran conflict, rising by roughly 35% nationwide—an increase of about 35 cents per gallon in the early weeks alone, with continued escalation as the war disrupted global oil flows.

The TCC warns that weakening the Highway Trust Fund would make it even harder to address these real, ongoing costs. Instead, the coalition urges Congress to pass a timely surface transportation reauthorization before programs expire on September 30, preventing project delays and higher construction costs. According to the TCC, congressional action would reduce bottlenecks, improve safety, and lower the true costs drivers face from aging infrastructure.

FY26 Appropriations Process Concludes with TSA Funding

Just before last week's recess, on the 76th day of the most recent partial government shutdown, the House agreed, by voice vote, to pass an appropriations bill to fund most Department of Homeland Security agencies and programs (excluding its immigration enforcement agencies) through the remainder of the current fiscal year. The Senate had already passed that measure twice. President Trump signed it into law on April 30.

Federal Court Strikes Down 10% International Tariffs

A federal court has invalidated the 10% international tariffs imposed by the Trump administration, following the Supreme Court's earlier rejection of similar measures. In a 2-1 decision, the U.S. Court of International

Trade ruled that the administration could not rely on trade deficit concerns or foreign investment levels to justify the tariffs under Section 122 of the Trade Act of 1974.

Reconciliation 2.0 Underway

On April 29, after holding the vote open for over five hours, House Republicans passed the Senate budget resolution along party lines, paving the way for the budget reconciliation process. Last week, the Senate Homeland Security and Judiciary Committees released bill text proposing \$71.7 billion in spending over three years. Most of the funds would go to ICE (\$38.2 billion) and Customs and Border Protection (\$26 billion). The bills also allocate \$5 billion to the Department of Homeland Security, \$1.5 billion to the Department of Justice for investigative activities, and \$1 billion to the Secret Service for security upgrades to the under-construction White House ballroom.

Unlike annual appropriations, these bills do not include restrictions on how the funds may be spent, leaving the current and next Congress with limited oversight. Both committees aim to mark up the bills on May 19, which will involve a detailed review of procedural rules (the “Byrd bath”) to ensure provisions comply with budgetary regulations. Most funding is unlikely to be challenged, though the ballroom security allocation could face objections under the Byrd rule and from moderate House Republicans concerned about political optics.

Once reported out of committee, the Senate Budget Committee will combine the bills into an omnibus package. Senate Majority Leader Thune (R-SD) hopes to bring the measure to the Senate floor next week, leaving a tight window for House approval before the June 1 presidential deadline.

Congress Approves Short-Term Extension of FISA Section 702

Before the congressional recess, the House passed a three-year extension of FISA Section 702 surveillance authorities. The bill included a controversial provision permanently banning the Federal Reserve from issuing a digital currency—a move aimed at securing votes from far-right members by attaching a long-standing priority as a “sweetener.”

However, the provision did not gain enough support in the Senate. Lawmakers rejected the House bill and instead approved a short-term 45-day extension of Section 702 to allow additional time for negotiations on a longer-term solution. The House quickly accepted the Senate’s measure by a 261-111 vote.

Bipartisan talks on the issue are ongoing, but with Congress facing a packed legislative calendar this month, lawmakers are unlikely to finalize a long-term deal until June. In the meantime, additional short-term extensions of FISA Section 702 may be required to ensure continuity of surveillance authorities.

E15 Year-Round Sales Bill Approved by House

Earlier this year, Speaker Johnson (R-LA) pledged to give members from farm states a vote on legislation to allow year-round sales of E15 ethanol fuel. Initially, the provision was included in the farm bill, which the House passed before recess by a 224-200 vote.

However, opposition from Republicans representing oil-producing states forced Speaker Johnson to move the E15 language into a stand-alone bill, which came to the House floor this week and was approved by a vote of 218-203 on Wednesday. The E15 plan faces an uphill fight in the Senate. Majority Leader Thune (R-SD) has indicated he will attempt to combine the E15 legislation with the farm bill.

This legislative cycle represents the furthest a farm bill has progressed since the last reauthorization in 2018, a notable milestone given that Congress typically passes a new farm bill every five to six years.

FY 2027 Appropriations Moves Forward

The Chair of the House Appropriations Committee wants all 12 appropriations bills reported out by July 4. The House likely will pass a few of the bills before the elections – GOP leadership will bring the Military Construction appropriations bill to the floor this week. But the Senate is moving much more slowly, making it very likely that Congress will need to pass stop-gap funding to keep the government open after the current fiscal year ends on September 30.

Data Centers: The Next Political Hot Button

America's data center boom is sparking a political firestorm. The U.S. now has more than 3,000 operational data centers, with 1,500 more in the pipeline—but local residents aren't thrilled. Polls show strong opposition: 65% of voters in a Quinnipiac survey said no to new centers in their communities, and only about a third support them.

Lawmakers are responding fast. Nearly 700 state bills have been introduced on data centers, with 108 becoming law. Fourteen states are even debating moratoriums, including Maine, where Governor Mills recently vetoed a temporary halt to construction. Florida Governor DeSantis wants to give communities veto power over new projects, block taxpayer subsidies, and stop utilities from passing data-center energy costs to consumers. Energy concerns are driving legislation in 80 state bills—and a bipartisan federal proposal mirrors the same push.

The fight isn't just in the legislature—it's in advertising. Over \$20 million has already been spent on ads mentioning data centers this election cycle. Meta alone plans to spend \$65 million on pro-data-center campaigns this year.

As digital infrastructure expands, so does the controversy. Data centers are no longer just tech hubs—they're political lightning rods.