FCA INTERNATIONAL
Advocating for the Signatory Finishing Industry
LEGISLATIVE UPDATE

Week Ending 7-3-26
Volume 26 | Issue 20

This Week in Congress!
Congress entered the week with mounting turbulence: House GOP infighting froze floor action, forcing leaders to cancel votes and begin recess early, stalling major bills including the annual Pentagon policy package and State Department appropriations. Lawmakers also advanced high-profile measures such as directing the Ethics Committee to release records on past sexual-harassment settlements involving taxpayer money, while primaries across several states reshaped the political landscape with notable upsets and returns.

Across the executive branch, President Trump issued a series of new actions—including emergency declarations, regulatory directives, and national-security notices—while continuing to push Congress for additional Iran-war funding and election-related reforms. Recent executive orders focused on agriculture, cryptographic security, and cost-of-living initiatives, reflecting an active policy week for the administration.

At the Supreme Court, the term's final decisions delivered major outcomes. The Court struck down President Trump's attempt to limit birthright citizenship, reaffirming that all children born on U.S. soil are citizens under the 14th Amendment. It also issued rulings on transgender athlete participation in women's sports and continued to hand the administration significant wins on immigration policy, including decisions enabling large-scale deportations and limiting judicial review.

House Returns with Busy Floor Schedule Featuring Appropriations, NDAA, and Energy Bills
The House voted on a packed legislative agenda that includes major appropriations, defense authorization, and a series of committee-driven policy measures.

The House considered the national security-state appropriations bill (H.R. 8595), one of two spending measures that did not reach the floor last week; the National Defense Authorization Act (H.R. 8800); legislation reauthorizing the Social Security Administration to test changes to the delivery of disability insurance (H.R. 8884); and a resolution marking the one-year anniversary of enactment of the One Big Beautiful Bill Act (H. Res. 1383).

From the tax-writing committee, the House considered two measures: one extending the statute of limitations for prosecuting fraud and making other changes related to pandemic-era unemployment programs (H.R. 8873), and another streamlining reporting requirements for Accountable Care Organizations participating in Medicare's Shared Savings Program (H.R. 5347).

From the Financial Services Committee, the House voted on legislation to reauthorize the Terrorism Risk Insurance Program through 2034 (H.R. 7128) and from the Energy and Commerce Committee, the chamber voted on five bills focused on cybersecurity, energy security, and administrative updates. These included measures to protect children online (H.R. 7757), strengthen the security of local energy distribution systems

(H.R. 7257), reauthorize the Rural and Municipal Utility Advanced Cybersecurity Grant and Technical Assistance Program (H.R. 7266), extend the Department of Energy's Energy Sector Operational Support for Cyber-Resilience Program (H.R. 7305), and amend the Department of Energy Organization Act regarding assistant secretary responsibilities (H.R. 7258).

FCA International Backs NDAA Amendment to Codify Beneficial Ownership Information Exemption

FCA International, along with National Federation of Independent Business (NFIB), sent a letter to House and Senate leadership backing an amendment to the Fiscal Year 2027 National Defense Authorization Act (H.R. 8800) offered by Reps. Davidson (R-OH) and Fischbach (R-MN) Amendment 1223 would codify a federal exemption from beneficial ownership information (BOI) reporting requirements for U.S. small businesses and eliminate associated reporting obligations.

The BOI mandate, enacted in the 2021 NDAA, currently applies to approximately 32.6 million small businesses. Supporters of the amendment argue that recent regulatory changes by the Treasury Department have already exempted American small businesses from the requirement and that Congress should make that exemption permanent through legislation.

In March 2025, the Treasury Department issued an interim final rule exempting U.S. small businesses from BOI reporting requirements, an action the administration characterized as a major deregulatory step. Supporters of the policy estimate it reduced compliance costs by more than $128 billion. However, advocates of codification argue that without congressional action, the exemption could be reversed by future administrations, reinstating reporting obligations and associated penalties.

The House Financial Services Committee has already advanced legislation that would codify the exemption and direct the Financial Crimes Enforcement Network (FinCEN) to eliminate previously collected BOI data for affected U.S. businesses. The Davidson and Fischbach amendment would incorporate similar language directly into the NDAA.

Congress Passes Iran War Powers Resolution Amid Divided Senate Votes

The Senate last Tuesday voted 50–48 to approve a War Powers Resolution directing the removal of U.S. armed forces from hostilities involving Iran, marking a closely divided and politically significant vote on the scope of presidential military authority.

The measure drew bipartisan support from four senators (Cassidy (R-LA), Collins (R-ME), Murkowski (R-AK), and Paul (R-KY)), who joined nearly all Democrats in backing the resolution. The only Democrat opposing the measure was Sen. Fetterman (D-PA). Two Republican absences also factored into the narrow outcome.

The House had previously passed the same resolution in early June by a vote of 215–208, setting up the final Senate action this week. Despite clearing both chambers, the resolution is non-binding. Because it was structured as a concurrent resolution, it does not require the president's signature and carries no direct legal force. Instead, it is widely viewed as a political statement reflecting congressional sentiment on U.S. involvement in hostilities related to Iran.

In a separate action, the Senate rejected procedural advancement of an alternative War Powers resolution introduced by Sen. Kaine (D-VA). That proposal was drafted as a joint resolution, which would have been sent to the president if approved by both chambers and therefore carried potential legal effect. In that vote, only Sens. Collins and Murkowski joined Democrats in support, falling short of the threshold needed to advance.

Taken together, the competing votes underscore ongoing divisions in Congress over war powers authority, the limits of executive military action, and the appropriate legislative mechanism for directing U.S. foreign engagements.

FY 2026 Supplemental Funding Request Faces Uncertain Path in Congress

The administration has submitted a request to Congress for nearly $88 billion in supplemental FY 2026 appropriations, with the bulk of funding tied to ongoing military operations involving Iran and Venezuela. The proposal also includes a series of domestic and international initiatives intended to broaden bipartisan appeal, including agricultural assistance, infrastructure repairs at New York City's Penn Station, and funding to respond to an Ebola outbreak in Africa.

Despite these additions, the request is expected to face significant challenges under regular order. Democrats have shown little interest in supporting a package that includes funding associated with unpopular military engagements. At the same time, fiscal conservatives have raised concerns about increasing defense spending without corresponding revenue offsets.

Speaker Johnson has argued that it may be more feasible to advance the defense-related funding—along with an additional $350 billion request for FY 2027—through a third budget reconciliation package. However, even under reconciliation rules, the package would still require offsets, and Republicans could face internal disagreements over politically difficult spending cuts needed to comply with budget requirements.

Meanwhile, the FY 2027 appropriations process is also encountering procedural headwinds. The House Appropriations Committee has now completed action on all 12 of its annual spending bills, and the full House has passed two measures to date.

In the Senate, Appropriations Committee Chair Collins (R-ME) was forced to cancel markup sessions for the third time last week due to the absence of Sen. McConnell (R-KY), who is recovering from a medical issue. With Republicans holding only a one-seat majority on the committee, the absence of a single member prevents advancement of bills without bipartisan support.

Democrats have indicated they will not cooperate on moving appropriations bills forward until there is agreement on overall spending levels, further complicating efforts to advance the FY 2027 funding process.

Jobs Report

U.S. job growth cooled in June, with employers adding 57,000 jobs, and revisions to April and May subtracting another 74,000 from previously reported gains. Even with the softer June numbers, the labor market has still averaged a steady 111,000 jobs per month since April.

Class is in Recess

Chances are you will be working more than the U.S. House and Senate between now and mid-September. Out of the next 10 weeks, the House is in session for three work weeks: July 13, July 20, and August 31. Out of the next 10 weeks, the Senate is in session for four work weeks: July 13, July 20, July 27, and August 3. The House and Senate will only be here at the same time for two weeks in July and not again until September 14.

America 250

FCA wishes you a safe and proud Independence Day as we celebrate the 4th of July and look ahead to America 250. This holiday reminds us of the strength and resilience that built the nation - values lived every day in the finishing industry.