SCWA Legislative & Regulatory Update

September 29, 2026

The Senate is expected to recess by the end of this week, potentially as early as Wednesday, while the House remains in recess until November 9. Lawmakers are preparing for the November elections before returning for a final legislative session of the year, with a long list of measures still awaiting action.

The Senate is expected to hold a final vote this week on the Protect College Sports Act (S. 4668), which would establish federal standards for college athlete name, image and likeness agreements, among other provisions. The legislation appears to have enough support to pass, although Senate leaders could allow consideration of several amendments in an effort to broaden support. Supporters also hope strong Senate approval will encourage the House to consider the legislation later this year.

Senate Republican leaders are also considering additional legislation before members leave Washington. Majority Leader John Thune (R-SD) has filed cloture on the Ratepayer Protection Act (H.R. 9340), which would establish a process for requiring data centers to cover certain energy grid upgrades associated with their operations. The legislation must clear additional procedural steps before the Senate could vote on final passage.

Other measures could also receive Senate consideration depending on the timing. Those include Congressional Review Act resolutions that would reverse California vehicle emissions standards, the House-passed Stop Insider Trading Act (H.R. 7008), and legislation addressing photo identification requirements for federal elections. Senate leaders are also considering legislation that would prohibit the sale of Chinese-made vehicles in the United States.

The administration has also taken action that could affect congressional negotiations when lawmakers return. On Friday, President Trump notified Congress that he intends to rescind approximately $800 million in fiscal year 2026 appropriated funding. The targeted funding covers programs involving immigration services, foreign aid, education, health research and assistance for minority-owned businesses.

The action uses a mechanism known as a pocket rescission. Under the Congressional Impoundment Control Act, a presidential rescission request generally gives Congress 45 days to act on the proposed reductions. If Congress does not approve the rescission within that period, the spending authority generally remains available. The current request comes late in the fiscal year, creating questions about how the process will apply and whether the administration can allow the affected funding authority to expire without congressional action.

The use of the procedure is expected to face legal and congressional scrutiny. Senate Appropriations Committee Chair Susan Collins (R-ME) has questioned its legality, while Democrats have also opposed the move. The issue is expected to add another point of contention to negotiations over fiscal year 2027 appropriations when Congress returns.

The Senate also rejected an Iran War Powers resolution last week that had passed the House in July. The measure, H. Con. Res. 89, was supported by Republican Sens. Susan Collins, Lisa Murkowski (R-AK), Rand Paul (R-KY) and Thom Tillis (R-NC). Democratic Sen. John Fetterman (D-PA) also voted against the resolution.

Negotiations over permitting reform have been paused. Discussions had focused on legislation that would unfreeze certain wind and solar projects while establishing a streamlined federal permitting process. The negotiations could resume during the lame duck session.

Both chambers are scheduled to return on November 9. The House is expected to take a procedurally required vote on articles of impeachment filed by Rep. Tom Massie (R-KY) against Defense Secretary Pete Hegseth, while the Senate is expected to consider additional presidential nominations.

Beyond those actions, the scope of the lame duck session will depend in significant part on the results of the November elections. Congress has several major pieces of legislation that could require action before the end of the year.

Among the items are fiscal year 2027 appropriations bills or legislation extending federal government funding beyond December 11; the fiscal year 2027 National Defense Authorization Act; a surface transportation reauthorization bill known as the BUILD America 250 Act; and the Water Resources Development Act, which addresses Army Corps of Engineers projects involving ports, waterways, flood protection and other infrastructure.

Congress may also need to address legislation extending the Export-Import Bank's authority, the Farm Bill, surveillance authorities under Section 702 of the Foreign Intelligence Surveillance Act, EPA authority to collect Toxic Substances Control Act user fees, and the Bureau of Land Management's authority to collect certain oil and gas permitting fees on federal lands.

The number of outstanding measures means Congress is unlikely to consider each item as a separate bill before the end of the year. Leadership in both chambers is expected to determine which measures can be combined into larger legislative packages. Members may seek to add additional provisions to those packages, while negotiations between the parties will determine which provisions can attract enough support to move through the Senate.

The results of the November elections will also influence the legislative agenda. Changes in control of either chamber could affect which issues receive priority during the lame duck session and what legislation is carried into the next Congress.

For now, the House will remain out of session until November 9, while the Senate is expected to complete its remaining work this week and then recess. When Congress returns, lawmakers will face a limited amount of time to address appropriations, transportation, defense and other outstanding legislation before the end of the year.

Trump Administration Finalizes Lower Fleetwide Fuel Economy Standards

The Trump administration has finalized new Corporate Average Fuel Economy (CAFE) standards that will reduce the required fleetwide average fuel economy for new passenger cars and light trucks to an estimated 34.9 miles per gallon by model year 2031. The National Highway Traffic Safety Administration (NHTSA) said the new standards are intended to give automakers greater flexibility in producing vehicles based on consumer demand.

The 34.9 mpg figure is substantially below the approximately 50.4 mpg fleetwide average projected under fuel economy standards finalized in 2024. Those standards called for annual increases in fuel economy through model year 2031.

According to the Department of Transportation, the revised standards are expected to reduce the average upfront cost of a new vehicle by about $1,300 and provide automakers with more flexibility in determining the mix of vehicles they produce. NHTSA estimates the new standards will increase the fleetwide average from approximately 30.1 mpg in model year 2024 to 34.9 mpg in 2031.

The rule also changes how automakers can use compliance credits and modifies the classification of certain light-duty vehicles. The administration said the changes are intended to reduce regulatory costs and allow manufacturers to respond more closely to consumer demand.

The new standards mark a significant change from the fuel economy requirements adopted in 2024 and will shape vehicle development and compliance strategies through the end of the decade.

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