

9/12/25



This Week in Congress

The House voted on the Fiscal Year 2026 National Defense Authorization Act (NDAA) (H.R. 3838) and the Stop Illegal Entry Act (H.R. 3486), which seeks to increase penalties for individuals who unlawfully enter or reenter the United States after removal. Additionally, the House voted on measures that addressed topics such as mental health resources for pilots, employment opportunities within the veterans' supply chain, and limitations on courthouse construction, along with the reauthorization of the U.S. Grain Standards Act.

The Senate voted its version of the NDAA and undertook votes on judicial nominees. Senate leadership is preparing to initiate procedural actions related to a proposed rule change for presidential nominee confirmations. Should this change proceed, it would enable most nominees, with the exception of Cabinet-level and judicial appointments, to be confirmed en bloc rather than individually. The specific timing of the final vote on this rule modification remains undetermined.

Status of FY26 Funding

The Republicans are split on how to keep the government running after September 30. Many Senate Republicans support a short-term funding bill, hoping to highlight Democratic resistance if they oppose it. However, the Senate's bipartisan spending proposals exceed those from House Republicans and the White House, decreasing the likelihood of a House vote. Additionally, President Trump's recent pocket recission request complicates bipartisan cooperation.

A majority of House Republicans may support a stopgap continuing resolution (CR) to fund the government through mid- to late-November. House Appropriations Committee Chair Cole (R-OK) has stated that a short-term CR could be included in a minibus appropriations package, which would also contain the Military Construction-Veterans Affairs, Agriculture, and Legislative Branch spending bills. Some Republican

members have expressed interest in a long-term CR that would maintain current spending levels, citing this approach as a way to prevent potential increases found in broader appropriations agreements. If the House majority chooses to advance a spending measure without Democratic support, there is limited allowance for internal disagreement. Any bill passed along partisan lines in the House would require sufficient Democratic votes to pass in the Senate.

The White House seeks a CR to fund the government into early next year, aiming to prevent multiple shutdowns and allow time for negotiations. Last spring, Democrats conceded on FY 2025 funding but say they will not do so again. However, it's uncertain whether they are willing to risk a shutdown or unite on clear demands to resolve it.

Released: MAHA Commission Report

On Wednesday, the Make America Healthy Again (MAHA) Commission released its strategy report, which contains several significant initiatives. These include plans to overhaul the FDA's vaccine adverse event systems, review direct-to-consumer pharmaceutical advertising, and launch a gut microbiome research initiative. Additionally, the report proposes forming a multi-agency working group to assess whether mental health drugs, such as antidepressants, antipsychotics, and stimulants, are overprescribed to children, and explores repurposing drugs for chronic disease treatment.

The document is divided into sections covering research, policy reforms (including deregulation and agency restructuring), public awareness, and private sector collaboration. Notably, the report highlights a specific focus on pediatric and young adult cancer research, emphasizing the use of AI to uncover causes, identify risks early, and take preventive action. However, it does not provide details on the tools or methodologies that will be employed.

The NIH and the Office of Science and Technology Policy will spearhead an evidence-based, AI-driven approach to transform pediatric cancer research and clinical trials, potentially serving as a model for other critical research areas. The final report also rebrands the task force as the "NIH MAHA Chronic Disease Initiative."

Research on sleep, nutrition, fitness, and supplements is addressed under the "Longitudinal Research for Chronic Disease Prevention" section. This segment outlines NIH's plans to leverage existing programs, such as the Adolescent Brain Cognitive Development Study, Healthy Brain and Child Development Study, All of Us Research Program, and Environmental Influences on Child Health Outcomes Program, to identify root causes, modifiable risk factors, and prevention strategies.

The report also aligns with high-priority topics championed by Secretary Kennedy, including the effects of highly processed foods, food additives and dyes, fluoride in water systems, and nutrition initiatives.

To be introduced: The REAP Modernization Act

Within a few days, Rep. Johnson (R-SD) is expected to introduce legislation affecting the Rural Energy for America Program (REAP), specifically the *REAP Modernization Act of 2025*. The broader REAP program, administered by the U.S. Department of Agriculture (USDA), offers grants and guaranteed loan financing to agricultural producers and rural small businesses for renewable energy systems and energy efficiency improvements. Johnson's proposed legislation is one of several efforts by Congress to update and improve the federal program, and it will include the opportunity for cooperatives to take advantage of the REAP Program.

IRS Funding

The House's Financial Services and General Government Appropriations bill proposes a 23% cut to IRS funding and over a third reduction in enforcement funds. The report expresses concern about potential burdensome audits on small businesses by the Large Business and International Division and includes a policy rider preventing new beneficial ownership reporting rules from the Financial Crimes Enforcement Network.

U.S. Japan Trade Relations

On Tuesday, President Trump signed an Executive Order implementing the framework agreement between the United States and Japan that he announced on July 22, 2025.

- The framework agreement provides American producers and manufacturers well over \$15 billion of unprecedented access to Japanese markets while still accounting for U.S. national security needs.
 - American farmers and producers will immediately benefit from the deal with Japan's commitment to purchase \$8 billion of U.S. agricultural goods, including corn, soybeans, fertilizers, bioethanol, and sustainable aviation fuel.
 - Japan will make stable and long-term incremental purchases of U.S. energy, including liquified natural gas, totaling \$7 billion per year.
 - Japan will expedite implementation of a 75% increase in purchases of American rice.
 - Japan will now recognize U.S. automotive standards and lift longstanding restrictions on U.S. car and truck imports, creating billions of dollars in increased market access for U.S. automakers.
 - Japan will provide Clean Energy Vehicle Introduction Promotion Subsidies for American cars.
- Under the framework agreement, the United States will apply a baseline 15 percent tariff on nearly all Japanese imports entering the United States, including automobiles and auto parts, with separate sector-specific tariff treatment for steel and aluminum, copper, certain aerospace products, generic pharmaceuticals, generic pharmaceutical ingredients, and unavailable natural resources.

Japan committed to provide President Trump \$550 billion to invest into the United States towards critical industries of importance to our national and economic security.

- Japan's historic \$550 billion investment commitment to President Trump will be invested in U.S. projects selected by President Trump, creating hundreds of thousands of U.S. jobs, dramatically expanding domestic manufacturing, and securing American prosperity for generations.
- The investments will fund projects in sectors across the United States to advance U.S. national and economic security, including semiconductors, pharmaceuticals, metals, critical minerals, shipbuilding, energy (including pipelines) and artificial intelligence/quantum computing.
- The United States and Japan are committed to enhancing economic and national security alignment to bolster supply chain resilience and innovation through complementary action to address non-market policies of third parties, as well as to combat duty evasion and cooperate on investment security and export controls.

Interim Final H2A Visa Rule

The Trump administration is introducing new regulations to govern the wages of seasonal farmworkers on temporary H-2A visas. The U.S. Department of Labor has sent an interim final rule (RIN: 1205-AC24) to the White House, which focuses on the adverse effect wage rate for non-range occupations.

The H-2A program has seen significant growth over the last two decades, enabling farm employers to hire foreign workers for seasonal agricultural jobs when there isn't enough U.S. labor available. Employers must pay the highest of a collectively bargained wage, prevailing wage, or adverse effect wage rate to the workers hired through the program, with the latter covering the majority of H-2A workers.

Last week, a Louisiana court vacated the 2023 adverse effect wage rate (AEWR) regulations issued by the White House after the Labor Department chose not to oppose an industry group's motion to overturn the rule. As a result, the AEWR wage standards reverted to the 2010 DOL regulations.

Update: Overtime Rule

The U.S. Department of Labor has included an update to overtime pay eligibility in its “long term action” regulatory agenda, indicating that the Trump administration does not intend to address this rule in the near future. The DOL re-released its Spring 2025 regulatory agenda last Thursday, after previously publishing and removing it from the Office of Management and Budget website in August. The decision to defer updates to the so-called “white collar” overtime exemption follows multiple ongoing lawsuits regarding a Biden-era overtime rule currently pending in federal court.

Two federal courts struck down the rule last year, which would have extended overtime protections to an additional four million workers. These matters are under review by the U.S. Court of Appeals for the Fifth Circuit. Another lawsuit challenging the rule, filed in the U.S. District Court for the District of Columbia by a Christian school association, has been stayed while the DOL considers rewriting the regulation. Within the regulatory agenda, the Trump administration stated that it is “reviewing the 2024 rule and determining how to proceed,” but did not specify a timeline for introducing a new proposal.

Revised: OSHA Rules

The Trump administration aims to revise over 40 workplace safety rules, narrowing or removing provisions seen as obstacles to technological and economic progress. The OSHA Standards Improvement Project 2025 proposes changes to numerous Occupational Safety and Health Administration standards. Key changes include excluding hazards “inherent and inseparable from the core nature” of a job from protections under the general duty clause, updating medical evaluation requirements for respiratory protection, and ending coordinated enforcement efforts for migrant farm workers—despite concerns this could harm those workers. Regulatory changes also cite recent Supreme Court decisions and executive orders to limit agency powers. Additionally, the US Mine Safety and Health Administration plans to amend regulations, such as removing MSHA district managers’ authority over mine ventilation plans.