

# Top Judicial Advocacy Wins for the Construction Industry

### #1 – U.S. Supreme Court Shields Contractors from Unfair NPDES Permit Liability

- **Court Victory** U.S. Sup Ct (5-4) ruled in favor of AGC in *City and County of San Francisco v. EPA*.
- ✓ Eliminates "Backstop" (End Result) Provisions Prevents unfair liability for receiving water quality.
- ✓ **Protects Contractors** Ensures costly enforcement and severe penalties don't apply if contractors comply with their National Pollutant Discharge Elimination System (NPDES) runoff permit (i.e., Permit Shield).

#### ✓ AGC's Role:

- Filed construction-specific amicus brief, cited by the Court.
- Successfully argued that permits must clearly define compliance requirements; numeric limits <u>not</u> needed.

### #2 - EPA Commits to Clarify "Waters of the United States" Jurisdiction

▼ Trump Administration Acts – EPA pledged to simplify WOTUS definition to reduce permitting confusion. WOTUS triggers federal control, risk of costly enforcement and severe penalties for noncompliance.

### **✓** AGC's Role:

- Filed amicus brief in *Sackett v. EPA* Supreme Court ruling reshaped WOTUS.
- Filed lawsuits and secured temporary injunction blocking Biden's WOTUS rule in 27 states.
- Testified before Congress for a durable, commonsense definition.
- Next Steps Feds solicit public input. AGC-led litigation paused pending new rule; Biden's rule still blocked.

# #3 - FHWA Drops Court Appeals, Commits to Rescind GHG Measurement Rule

- Court Victory Federal courts (TX, KY) sided with AGC, striking down FHWA's greenhouse gas performance measure rule that would've diverted highway funds to non-construction uses like EV charging stations.
- ✓ Mandate Declared Illegal Courts ruled no authority; gov't dropped court appeals.
- ✓ AGC's Role:
  - Fought the rule in Congress, at FHWA, and in courts.
  - Highlighted concerns in a letter to President-elect Trump to push for repeal.
- ✓ **Next Steps** FHWA readies proposed rule to officially rescind Biden's GHG rule.

# #4 - Treasury Halts Corporate Transparency Act Enforcement, Commits to Narrow Rule

**☑** Enforcement Suspended – Treasury won't impose penalties and plans to limit rule to foreign entities. Law requires small businesses (fewer 20 employees) to disclose their "beneficial ownership information" (BOI).

### AGC's Role:

- Protected small contractors from burdensome reporting requirements that mandate disclosure of personal identification documents, ostensibly to prevent money laundering but increasing identity theft risks.
- Supporting legal challenges to permanently overturn the law.
- Engaging with Congress to push for permanent legislative changes.
- ✓ Nex Steps Continue fighting in courts. CTA is still law—future administrations could reinstate enforcement.

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## #5 - Court Strikes Down Fed Gov't Mandate for Project Labor Agreement (PLA) Use

- **Court Victory** − U.S. Ct. Fed. Claims ruled in favor of AGC members in bid protest litigation, striking down Biden's mandate for federal contractors' use of PLAs as a condition of bidding/work on large-scale federal projects.
- ✓ Mandate Declared Illegal Court held PLA requirement violates the Competition in Contracting Act—by excluding responsible offerors capable of performing contract—and lacked Congressional authorization.

#### ✓ AGC's Role:

- Developed novel bid protest strategy—fast, effective challenge.
- Used in AGC-members' protests (12 projects), which resulted in the removal of PLA mandates.
- Feds Begin to Drop PLAs DoD and GSA pull mandates.
- AGC of America neither supports nor opposes contractors' voluntary use of PLAs.
- Next Steps Awaiting court decision on permanent nationwide injunction to stop the gov't PLA mandate entirely; ruling expected soon. Urging Trump administration to revoke PLA executive order and FAR rules.

### #6 - Court Blocks DOL's Davis-Bacon Expansion

**Court Victory** − Federal court blocked enforcement of AGC-challenged provisions of DOL's Davis-Bacon rule; saying AGC likely to succeed on merits.

#### ✓ AGC's Role:

- Filed lawsuit challenging DOL's rule that unlawfully extends Davis-Bacon Act coverage.
- Secured temporary injunction after AGC members testified in court. DOL appealed but injunction remains in effect pending appellate review.
- Fighting expanded coverage to:
  - o Truck drivers spending any "non-de minimis" time onsite.
  - o Material suppliers owned/operated by contractors, thereby narrowing exemption.
  - o Project contracts lacking explicit Davis-Bacon terms.

Next Steps – Litigation has been paused while new leaders assess each case and determine whether to proceed or change course. AGC continues to fight for permanent relief.

AGC's <u>Judicial Advocacy</u> is protecting contractors from unnecessary federal overreach!

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