ABL Friday HAPPY HOUR

August 28, 2026

Welcome to your **ABL Friday Happy Hour** ... *907 words* ... *3-4 minutes*. Here's the latest on legislative policy, industry developments, and other news affecting beverage alcohol retailers.

1. U.S.-Canada Talks Collapse; 50% Tariff Takes Effect on Canadian Goods

The U.S. and Canada failed to reach a trade agreement before last weekend's deadline, triggering a new 50% U.S. tariff on approximately $20 billion worth of Canadian goods. The 50% tariff targets many sectors that were previously protected under older trade frameworks, such as spirits and wine. Canada subsequently announced it will retaliate dollar-for-dollar, planning counter-tariffs of up to 50% on roughly 700 American products starting September 8. The breakdown also means Canadian provincial restrictions on U.S. beverage alcohol remain in place, continuing to shut many American wine and spirits producers out of a key export market.

- **Why it matters:** ABL and its partners in the Toasts Not Tariffs Coalition recognize the Administration's efforts to restore U.S. wine and spirits to Canadian shelves, but imposing 50% tariffs on Canadian alcohol creates new costs for American businesses without resolving the underlying problem. U.S. bars, restaurants and retailers rely on Canadian products to meet consumer demand, and tariffs can translate into higher costs, tighter margins and potentially higher prices or fewer choices for customers. The coalition is urging leaders in both countries to return to the negotiating table, restore access for American products in Canada, and avoid further escalation that harms hospitality businesses.

2. House Eyes Quick Vote on Senate CR

House Republican leaders are looking to move quickly when lawmakers return to Washington next week, with plans to vote on the Senate-passed continuing resolution (CR) that would fund the federal government through December 11. The Senate approved the measure 90-6 before leaving for August recess. House passage without changes would send it directly to President Trump, resolving government funding a month ahead of the September 30 deadline and pushing the next funding fight until after the midterm elections. The package also includes a clean extension of federal surface transportation programs through December 11, as well as a one-month delay in implementation of the new federal definition of hemp.

- **Why it matters:** Moving the Senate bill without changes would allow congressional leaders to avoid a politically risky government shutdown immediately before the midterms while clearing the deadlines for government funding and surface transportation programs in a single vote. But it would also set up a significant post-election lame-duck session, with government funding, highway policy, and hemp regulation all coming due again in December. The outcome of the election and which party will control the House and Senate in the 120th Congress play a significant role in the lame-duck agenda.

3. Hemp Debate Moves to the House…and Possibly December

The hemp industry's push for additional time to develop a federal regulatory framework faces its next test when the House considers the Senate-passed CR. The measure would move the effective date of the new federal hemp definition from November 12 to December 11, providing one additional month before restrictions that remove many currently legal hemp-derived products from the marketplace take effect. The provision survived a Senate challenge earlier this month when senators voted 61-32 to table an amendment from Sen. Ted Budd (R-NC) that would have stripped the extension. ABL members and industry partners have engaged in significant grassroots advocacy supporting the delay and urging Congress to pursue regulation rather than an outright prohibition.

- **Why it matters:** Winning the House vote would be an important victory, but the one-month extension does not settle the issue. The additional time would be helpful in advancing a federal framework addressing age restrictions, testing, labeling, product standards, synthetic intoxicating cannabinoids, and state authority. However, there remains disagreement in Congress over whether hemp products should be regulated or prohibited, and some lawmakers who opposed the extension have already indicated they will renew the fight in December. The politics could become even more complicated after the midterms, particularly if Democrats win control of the House and the lame-duck Congress must decide whether to enact a regulatory solution, provide another extension, or allow the new hemp definition to take effect.

4. House Returns with Common Cents Act Still on the To-Do List

When the House returns to Washington, retailers will be looking for lawmakers to quickly finish work on the bipartisan **Common Cents Act (S. 1525)**. The House passed its version of the legislation by voice vote in July, followed by Senate passage of a slightly modified version by unanimous consent on August 7. That means one final House vote on the Senate-passed bill is needed before it can go to President Trump for his signature. With the September legislative calendar potentially getting shorter as lawmakers prepare for the midterm elections, ABL, its state affiliates, and its Main Street coalition partners are urging House leaders to bring S. 1525 to the floor during the upcoming work period.

- **Why it matters:** With penny production halted and fewer pennies circulating, retailers increasingly face uncertainty over how to handle cash transactions when exact change is unavailable. The Common Cents Act would establish a uniform federal framework for rounding cash transactions, giving bars, taverns, package stores and other Main Street businesses clear rules to follow rather than risking a patchwork of state requirements or potential legal challenges. Congress has already demonstrated overwhelming bipartisan support for the legislation; now the House needs to finish the job before lawmakers leave Washington again.