

June 12, 2015

TO: NRECA Board of Directors
Distribution CEOs
Statewide Managers
G&T Managers

FROM: Jo Ann Emerson



WORKFORCE FACT: More companies are putting a stronger focus on developing current employees to meet projected talent needs, according to a Human Capital Institute study. The number of businesses partnering with colleges is expected to increase by 14 percent over the next five years (from 72 percent currently); businesses developing high potentials will increase by 30 percent over the next 5 years (from 59 percent currently).

NRECA Opens Dialogue on Rural Issues

I'm excited and energized by the ideas and views shared by policymakers and opinion leaders at our Summit on Rural America. Our dialogue focused on promoting new and innovative partnerships to enhance rural America and foster economic growth and vitality in small communities. We thank all of the rural leaders and stakeholders who contributed their insights, with special appreciation to Reps. Frank Lucas (R-OK) and Collin Peterson (D-MN); Transportation Secretary Anthony Foxx; Under Secretary of Agriculture for Rural Development Lisa Mensah; Deputy Assistant Secretary for Commerce Matt S. Erskine; and Doug O'Brien, Senior Policy Advisor for Rural Affairs at the White House Domestic Policy Council.

Our goal in convening the summit was to begin a dialogue on critical issues facing rural America, and to provide a forum for leaders to network and develop plans for further activities. I am optimistic that the work we started at the summit can lead to a greater emphasis on rural issues and even better collaboration by rural stakeholders.

Senate Committee Advances WOTUS Bill

We applaud the Senate Environment and Public Works Committee's 11-9 vote to pass a bipartisan bill (S. 1140) addressing the EPA and Army Corps of Engineers' final Waters of the U.S. (WOTUS) rule. The bill would direct the agencies to withdraw the WOTUS rule, consult with local and state officials and complete an appropriate small business impacts review. We're urging the Senate to pass the bill and move it to conference with a House bill (H.R.1732). The rule takes effect 60 days after publication in the *Federal Register*, expected this month.

House Committee OKs Bill for Maintaining Rights-of-Way on Federal Lands

We thank the House Natural Resources Committee for passing (22-15 vote) a bill (H.R. 2358) that would make it easier to maintain power line rights-of way on federal lands. The bill now goes to the House floor. It would help improve Bureau of Land Management and Forest Service policies that make it difficult for utilities to remove trees and vegetation that threaten reliability

and could cause wildfires. Central Electric (OR) CEO [Dave Markham](#) and Missoula Electric (MT) General Manager [Mark Hayden](#) urged Congress to pass the bill in their testimony at a subcommittee hearing last month.

Co-op CEO Testifies on Reliability, Cybersecurity Legislation

Duane Highley, CEO of the Arkansas Electric Cooperative Corp., gave important [testimony](#) to the Senate Energy and Natural Resources Committee on three bills addressing grid reliability and cybersecurity. He supported grid reliability legislation (S. 1221) that would require federal agencies to “look before they leap” and carefully consider reliability impacts of any major rulemakings. He also said a cybersecurity emergency authority bill (S. 1068) should appropriately give DOE clear authority to order bulk-power system owners and operators to take immediate action to avert or mitigate an imminent cybersecurity threat.

On a related issue, Highley urged Congress to work with the electric sector, including co-ops, on reliability orders legislation (S. 1222) to protect utilities from environmental penalties and lawsuits when taking actions – whether mandatory or voluntary – to comply with emergency orders.

House Appropriators Moving Bills with Provisions Co-ops Support

We appreciate the House Appropriations Committee passing an FY16 State/Foreign Operations spending bill with \$10.5 million for the Cooperative Development Program, the same level as last year. NRECA’s International Program receives some of that funding. Full House debate could start this month.

An FY16 Interior and Environment bill with several provisions we support cleared subcommittee review and goes to full committee markup next Tuesday. The bill would prohibit EPA from implementing GHG emission regulations for new and existing power plants, and block the EPA and Army Corps’ WOTUS proposed rule to change the definition of federally regulated waters. It would also extend for another year language to delay Endangered Species Act (ESA) review for the greater sage-grouse and increase funds for sage-grouse conservation plans developed as an ESA alternative. The bill would expand permitted activities allowed under a [special \(4d\) rule](#) issued with the northern long-eared bat [“threatened” listing](#) in April.

House Passes CFTC Bill with Co-op Provisions

We welcome the House passing (246-171 vote) the Commodity Futures Trading Commission reauthorization bill (H.R. 2289) with end-user protection language we support. I sent a letter supporting provisions in the bipartisan bill that clarify end-user and recordkeeping requirements in the Dodd-Frank Wall Street Reform and Consumer Protection Act. The bill would ensure the Commodity Exchange Act is implemented as Congress intended. The bill’s outlook is uncertain due to Senate Democratic opposition and a White House veto threat over unrelated provisions.

NRECA Urges Broadband Programs Open for Co-ops

We filed comments urging the Broadband Opportunity Council (housed in the Department of Commerce) to ensure that non-traditional broadband providers like electric co-ops can participate and compete in federal broadband programs to bridge the digital divide in rural areas.

We emphasized that programs to provide robust broadband service to rural America must be an open process that includes electric co-ops that can bring their unique utility experience to extending broadband access to underserved areas and have the voice of the community.

NRECA Series Looks at Co-op Role in New Technology Investments

Check out the Business and Technology Strategies team's first report in a three-part series on the rapidly converging telecommunications and electric industries and the electric co-op role in making key infrastructure investments that directly benefit co-op members. The report, [*Business Forces Driving Telecommunications*](#), looks at the new technology-enabled, utility operating model and factors driving its growth.

Report: Freight Rail Policy Overhaul Needed to Protect Shippers

We're not surprised a new National Academy of Sciences Transportation Research Board (TRB) [*report*](#) to Congress found the freight rail rate dispute process is outdated and should be overhauled to provide more appropriate, reliable and usable procedures for rail shippers – especially captive shippers. That and other TRB [*findings*](#) are similar to proposals NRECA suggested in testimony on behalf of Consumers United for Rail Equity at a 2014 TRB hearing. TRB recommendations include: replace the Surface Transportation Board's (STB) rate reasonableness hearings with arbitration procedures; end STB's annual railroad revenue adequacy determinations; improve data used to assess rail service quality; and transfer STB's railroad merger oversight to agencies responsible for enforcing antitrust laws.

Congress must pass legislation for any of these changes to happen. Senate legislation (S. 808) to reauthorize the STB, which includes some freight railroad reforms that would help rail shippers, cleared committee review in March and awaits floor debate.

Co-op Safety Professionals Gain Insights from Former OSHA Personnel

I enjoyed meeting with co-op safety professionals who attended our workshop on complying with Occupational Safety and Health Administration rules. They spent 1-1/2 days getting insights from the retired OSHA staffer who wrote the latest OSHA standards on electric generation, transmission and distribution.

NRECA Hosts Young Professionals in Energy - DC

We hosted a networking event with Young Professionals in Energy – Washington, D.C. to educate local energy professionals on electric cooperatives. Our presentation included the impact of distributed generation and smart grid technologies on electric co-ops and their communities. Andrew Cotter in our Business and Technology Strategies Department shared his perspective on the transformation occurring within the industry and specifically the co-op network. We also highlighted the availability of energy jobs across the country.