

March 10, 2017

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

NRECA Emphasizes Infrastructure Needs in White House Meeting

NRECA CEO Jim Matheson stressed the importance of addressing rural infrastructure needs in a meeting with White House staff who are focused on rural and infrastructure issues. The Administration is beginning to develop an infrastructure package that could be unveiled during the second quarter of this year, but timing on any such package remains highly uncertain. Matheson highlighted the important work the RUS electric loan program has continued for 80 years to develop and modernize rural electric infrastructure. He also discussed the need to reduce various administrative barriers to infrastructure development and highlighted the need for high-speed broadband deployment across much of rural America. We anticipate several follow-up meetings on infrastructure and other priorities in the coming weeks and months.

House Legislation would Delay Cadillac Tax, Co-ops Still Pushing for Full Repeal

In a step forward for electric co-ops, House committees passed health care overhaul legislation that would delay the “Cadillac Tax” on employer-sponsored health plans from 2020 to 2025, and doesn’t include any additional tax on health care benefits. The American Health Care Act passed along party lines in the Ways and Means Committee (23-16 vote). The Budget Committee will merge the bill with a House Energy and Commerce version next week.

While NRECA welcomes the Cadillac Tax delay language in the American Health Care Act, we continue to push for [full repeal](#) of the tax that would impact our ability to provide affordable health benefits to co-op employees. Congress has twice delayed the Cadillac Tax. The House bill language to push it back another five years gives us leverage to work for a full repeal in the upcoming Senate debate. With the legislation moving at slower pace than planned, it will affect the timing for appropriations and tax overhaul legislation.

Statewide CEO: Ensure Strong Farm Bill Support for Rural Energy - Development

Georgia statewide association CEO Dennis Chastain urged Congress to maintain strong support for Rural Utilities Service (RUS) programs in the upcoming farm bill. In testimony to a House Agriculture subcommittee, Chastain highlighted the electric co-op story and their commitment to serving rural communities. He explained how co-ops use programs like the RUS electric loans and rural economic development loans and grants to provide affordable, reliable power and boost quality of life. Chastain also stressed that rural Americans need access to robust broadband service and that need should be addressed in any infrastructure package. He emphasized that electric co-ops want to work with Congress to address these and other rural issues.

House Agriculture Leaders Support RUS Electric Loan Program

We're pushing to ensure adequate levels for the RUS Electric Loan Program as Congress starts work on the annual appropriations bills. We're working with your statewide associations to get lawmakers to sign the RUS support letters led by House Agriculture Chairman Conaway (R-TX) and Ranking Member Peterson (D-MN). The letter supports the current \$5.5 billion RUS loan levels. The letter emphasizes that RUS loans will reduce the deficit nearly \$300 million just in FY17.

Senate Votes to Stop BLM 'Planning 2.0' Rule, President to Sign It

The Senate voted ([51-48](#)) along party lines for a disapproval resolution to block the Bureau of Land Management's (BLM) "[Planning 2.0](#)" regulation that took effect on January 11. President Trump will sign it possibly as soon as next week. Electric co-ops opposed the Planning 2.0 rule because it undercuts state and local government and community input in the federal lands planning process and weakens state consultation. There's significant opposition among state officials and regional planners in the West, where the BLM oversees about 160 resource management plans.

FCC Should Maintain Rules for Utility Autodial Calls

NRECA filed joint comments to the Federal Communications Commission (FCC) opposing an [activist petition](#) to reverse the commission's orders that eased Telephone Consumer Protection Act (TCPA) requirements for "express prior consent" to contact customers by autodialer or text message. The petition threatens the recent positive FCC ruling that makes it easier for electric co-ops to notify their member-owners about outages, prepaid low-balance alerts and other information.

NRECA Supports OSHA's Proposed Delay on Beryllium Rule

NRECA joined in an electricity sector statement supporting the Occupational Safety and Health Administration's [proposed rule](#) to delay the effective date of its beryllium exposure rule until May 20, 2017. The rulemaking responds to the President's January 20 regulatory freeze order. The rule is due to take effect on March 21. Compliance with some parts of the new rule will occur on the effective date, other requirements have compliance dates in 2018, 2019 and 2020.

NRECA Urges Bee Endangered Listing Delay until 2018 for Closer Review

NRECA signed a coalition letter urging the Fish and Wildlife Service (FWS) to delay the rusty patched bumble bee [endangered listing](#) under the Endangered Species Act until January 11, 2018. The agency issued a [final rule](#) for a 60-day delay until March 21 in response to the President's regulatory freeze. We're urging the FWS to do a closer review of the listing because it was issued in an effort that is unprecedented in timing, scope and lack of agency preparation to implement it. We also question many scientific uncertainties associated with the listing decision and potential conflicts with other federal mandates. NRECA is pushing the FWS for a solution that ensures electric utilities can maintain grid reliability and safety, while protecting the bee.

Updated Rate Design Guide Available with New Rate Communications Guide

NRECA and the Cooperative Finance Corp. have a new [Retail Rate Guide](#) designed to help co-

ops think through various rate design options. It's accompanied by a communications guide, "Introducing A Rate Change to Consumer-Members," developed to help co-ops roll out a new rate structure.