

April 7, 2017

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

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### ***House RUS Letters Send Strong Message***

Electric co-ops turned in another record effort with 226 House members supporting the Rural Utilities Service (RUS) Electric Loan Program (list attached). Thank you to the statewide associations for helping to get 51 new House members to sign on this year. Letter signers include 57 lawmakers whose districts are not served by an electric co-op. House Agriculture Chairman Mike Conaway (R-TX) and Ranking Member Collin Peterson (D-MN) led this effort again. Our annual congressional letters in support of the RUS program helps protect against proposals that would undermine its value to electric co-ops and rural Americans.

### ***Senate Confirms Supreme Court Justice; Ag Secretary Vote Expected Soon***

The Senate voted 54-45 to confirm Judge Neil Gorsuch's nomination to the U.S. Supreme Court. To clear the way for the nomination, Senate Republicans voted (52-48) yesterday to change the rules requiring 60 votes to end debate and avoid a filibuster. It's called the "nuclear option" because it increases partisan tensions and makes it difficult to reach consensus on issues. The decision by Senate Majority Leader Mitch McConnell (R-KY) to allow a vote on the rule change follows a precedent set by former Majority Leader Harry Reid (D-NV) in 2013 to allow votes on other nominations.

In welcome news for electric co-ops, Senate leaders said they will vote on Agriculture Secretary-designate Sonny Perdue's nomination when Congress returns in two weeks after spring recess. NRECA [supports](#) Perdue's confirmation. He is a member of Flint Energies in Georgia.

### ***NRECA's Matheson to Serve on Broadband Deployment Panel***

NRECA CEO Jim Matheson is among industry leaders selected to serve on a new [Broadband Deployment Advisory Committee](#). The Federal Communications Commission named a broad range of [stakeholders and government leaders](#) to make recommendations on broadband deployment. Matheson's appointment is an opportunity for electric co-ops to present their views on ensuring a robust broadband network for rural communities. Thank you to co-op leaders who sent statements of support for Matheson's nomination, which was chosen from hundreds submitted. The first advisory committee [meeting](#) is on Friday, April 21.

### ***Co-op CEO: More Information-Sharing Needed to Bridge Cybersecurity Gaps***

Providing the best protection against cyber attacks takes a collaborative effort across the industry and with government, Arkansas Electric Cooperative Corp. CEO Duane Highley said at a Senate Energy and Natural Resources Committee hearing. Highley highlighted electricity sector efforts

to work with government officials on cybersecurity protections over the past several years through the Electricity Subsector Coordinating Council, and its co-chairs' recent meetings with the new Administration to continue that cooperation. There was a good exchange with committee members on the rollout of the [Cyber Mutual Assistance](#) efforts in the electricity sector, a concept very similar to mutual assistance in response to severe weather. To help enhance ongoing efforts, he urged Congress to help ensure the government shares faster, more actionable threat information with the electricity sector.

### ***NRECA Supports 'Closed Plan' Relief Legislation***

NRECA sent letters supporting bipartisan House and Senate legislation (H.R. 1962, S. 852) to fix a growing problem for electric co-ops both in the [Retirement Security Plan](#) or sponsoring a stand-alone defined-benefit plan that have "closed" their plans to new employees, but continue to provide benefits for employees in the plan before the "close" date. Under current IRS "Non-Discrimination" rules, co-ops that "closed" their plans to new employees will eventually be forced to close their plans completely for all employees simply because long-service employees in the plan are paid more than new employees being hired. This doesn't make sense. The bills solve this problem completely for all co-ops in the NRECA RS plan, and any co-op with its own defined benefit pension plan. See the letters to the [House](#) and [Senate](#).

### ***Co-ops Pushing for Bill on Federal Lands Rights-of-Way Maintenance***

NRECA is set to make a renewed push on legislation to make it easier for electric co-ops and other utilities to maintain power line rights-of way on federal lands. The [bill](#) (H.R. 1873) 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. It will provide certainty for co-ops to do proper vegetation management on power line rights-of-way, which is important for ensuring reliable electricity for millions of families and businesses. The bill is identical to legislation the House passed in 2015, but it did not move in the Senate.

### ***SBA Petitions EPA to Reopen Power Plant Wastewater Rule for More Review***

The Small Business Administration (SBA) Office of Advocacy sent a [petition](#) requesting that EPA reopen its power plant wastewater [final rule](#) (Effluent Limitation Guidelines). SBA's petition also supports the Utility Water Act Group petition filed last month. NRECA is actively participating in that effort. SBA emphasized the final rule has significant flaws and will have a negative economic impact on communities served by small electric co-ops and several hundred private and municipal utilities. SBA expressed concern that EPA's final rule did not include SBA recommendations to address small business concerns and that EPA did not complete a small business impact review before the final rule was issued.

### ***NRECA Supports Administration Request for Court to Put GHG Lawsuits on Hold***

NRECA and 39 G&T co-ops filed a response in the D.C. Circuit Court of Appeals supporting the Justice Department's request to put a hold on lawsuits challenging the Clean Power Plan for existing power plants and New Source Performance Standards for new plants. The Trump Administration asked the court to hold off ruling on the lawsuit. It would give the Environmental Protection Agency time to reconsider the regulation and what steps it will take to repeal or revise the power plant emission regulations. The Supreme Court has stayed the rule.

### ***Electric Co-ops to Honor Line Crews Monday***

NRECA will join electric co-ops around the country this Monday, April 10, in celebrating Lineman Appreciation Day. We're very proud of our co-op lineworkers who work to ensure the power lines provide affordable, reliable and safe electricity. NRECA has appreciation day resources for you on [Cooperative.com](http://Cooperative.com). Use #ThankALineman on social media.

### ***Congress in Recess, Next Update in Two Weeks***

With the pace on Capitol Hill slowing for the next two weeks, we'll send the next update on April 22 just before Congress returns. We're gearing up for the [2017 Legislative Conference](#), when co-op leaders will take several [priority issues](#) to the Hill. You can see the [schedule of events](#) and [register](#).

**Attached:** RUS letter signers list