

June 16, 2017

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

Senate Appropriators Scrutinize Ag Budget Proposals, Reorganization

Republicans and Democrats focused on how rural Americans and electric co-ops would be affected by the Administration's FY18 agriculture budget proposals during a Senate Appropriations subcommittee hearing. Sens. John Hoeven (R-ND), Jeff Merkley (D-OR), Jerry Moran (R-KS) and Jon Tester (D-MT) voiced doubts about cuts and elimination of several rural economic development programs and an agency reorganization plan that eliminates the Under Secretary for Rural Development position. Hoeven specifically asked Agriculture Secretary Sonny Perdue to support electric co-ops and rural broadband deployment. "Amen and amen," Perdue replied, "I think we're going to be looking both at our rural electric utilities as well as our independent telephone systems." Perdue said he's talked with Federal Communications Commission Chairman Ajit Pai about rural broadband and "it's a high priority."

On the issue of eliminating the Under Secretary Rural Development position, Perdue said "hold me accountable on this. If you do not think that we're making progress in rural development by the time the farm bill comes up, I'd welcome you all to direct us to create the nomenclature for an Under Secretary of Rural Development." Perdue said the newly-appointed [Assistant Secretary for Rural Development Anne Hazlett](#), a former Senate Agriculture Committee advisor and Indiana Agriculture Director, has rural development experience.

Future Leaders Bring Energy, Viewpoints to Electric Co-op Youth Tour!

It's been a tremendous week with a record 1,800 high school juniors and seniors here for the annual [Electric Cooperative Youth Tour](#). NRECA CEO Jim Matheson told the students they can help make a difference by joining others in their communities engaged on civic issues and speaking up about what is important to them. The students headed back home excited about new bonds and friendships with others from co-ops across country and insights shared during discussions with congressional leaders and staff. We had an impressive 26,000 Snapchat views during the week. See highlights and student posts on [Facebook](#) and [Twitter](#).



Nuclear Energy Bills Moving in Committees

The House Ways and Means Committee passed a bill (H.R. 1551) to lift the time limit on nuclear power production tax credits and treat not-for-profit nuclear project co-owners more fairly. NRECA and other utility associations [wrote](#) to the committee strongly supporting the bill, which would eliminate the 2020 deadline for power plants to start operating to receive the tax credits. There are four nuclear reactors under construction that would benefit from the tax credits but

which will not be operational by the current deadline. The measure would also allow tax-exempt entities to monetize their tax credits by transferring them to for-profit project partners. A Senate companion bill (S. 666) has been introduced. The House may take up H.R. 1551 as early as next Tuesday.

In related news, a House Energy and Commerce subcommittee approved the Nuclear Waste Policy Amendments Act to site a nuclear spent fuel repository at Yucca Mountain (NV) and authorize interim storage. The bill now goes to the full committee. Additionally, the Senate Environment and Public Works Committee [approved](#) Nuclear Regulatory Commission Chairman Kristine Svinicki's nomination for a third term, which now goes to the full Senate.

Committees Air Concerns on Proposed International Development Cuts

Senate and House committees pushed back on the Trump Administration's proposed funding cuts that would impact NRECA's International Program. Sen. Chris Coons (D-DE) spoke directly to co-op concerns during a Senate Appropriations subcommittee hearing. "Power Africa is also something that we [Congress] on a bipartisan basis authorized through the Electrify Africa Act. It is a way for us to bring the deployment of private sector capital and American expertise to sub-Saharan Africa," he told Secretary of State Rex Tillerson. At a House Appropriations subcommittee hearing, Appropriations Chairman Rodney Frelinghuysen (R-NJ) joined Rep. Hal Rogers (R-KY) expressing concerns about proposed international development cuts. Other House and Senate committees also raised similar concerns.

The Power Africa program also came up at a Senate Foreign Relations Committee hearing on former Rep. Mark Green's (R-WI) nomination for U.S. Agency for International Development Administrator. Committee Chairman Bob Corker (R-TN) and Ranking Member Ben Cardin (D-MD) stressed the bipartisan support for international development legislation, including the Electrify Africa Act enacted in 2016, and Green supports the initiative.

OMB Reviewing Proposal to Withdraw Power Plant GHG Rules

The EPA sent a proposed rulemaking dealing with the Clean Power Plan (CPP) to the Office of Management and Budget for interagency review. Administrator Pruitt has hinted that the agency will take a two-step approach to the CPP; first withdrawing the current rule and considering whether to simply repeal the rule or develop a revised rule in a future proposal. However, details about the rulemaking are not available and EPA has not issued any statements on the next steps they're planning. The GHG rule has been stayed under a U.S. Supreme Court order since February 2016 and the D.C. Circuit Court of Appeals has held the litigation in a temporary abeyance at EPA's request. This action by EPA is intended to help convince the court that EPA will take steps to rescind or revise the regulation, as it indicated in its petition to the D.C. Circuit to hold the litigation in abeyance.

FCC Reminded Co-ops Exempt from Pole Attachment Regulation

NRECA filed comments urging the Federal Communications Commission (FCC) to ensure that any proposals to expand broadband in rural areas recognize the electric co-op exemption from federal pole attachment regulations, as Congress directed in the Telecommunications Act. The FCC's [proposed rule and request for comments](#) on ways to speed up broadband deployment includes a request for comments regarding electric co-op poles and pole attachment rates. Our

comments stress that the FCC has no jurisdiction over attachments to co-op poles or access to rate information, and there is no policy justification for regulating electric co-op poles. While NRECA seeks to work with the FCC on rural access to broadband, and electric co-ops actively participate in broadband initiatives, we urged to the agency to remember Congress' intent in exempting co-op poles from regulation.

FEMA Administrator Nomination Goes to Full Senate

The Senate Homeland Security Committee agreed (voice vote) to send Brock Long's nomination for Federal Emergency Management Agency Administrator to the full Senate for a confirmation vote. Long served Alabama Emergency Management Agency Director from 2008 to 2011 and has 16 years of [emergency management experience](#). Long's nomination drew no concerns or objections during a confirmation hearing last week.

Resolutions Committee to Review Proposed Resolutions on June 23

NRECA's Resolutions Committee annual Issues Meeting on Friday, June 23, will be [streamed live](#) on Cooperative.com starting at 8 a.m. (EDT). The committee will consider proposed resolutions submitted by NRECA voting members, which are [posted](#) on the Resolutions Committee page on Cooperative.com. They include proposals on rural broadband and wildfire management funding. NRECA voting members may send comments to the committee at resolutions@nreca.coop.

Next Free Cybersecurity Summit at Pacific Northwest Lab July 12

NRECA's next Addressing Cybersecurity Risk summit will be on July 12 at the [Pacific Northwest National Laboratory](#) in Richland, WA. NRECA's new [Rural Cooperative Cyber Security Capabilities Program](#) will be discussed at the free summit. Co-op CEOs and staff with cybersecurity responsibilities (including office administrators, billing and finance and information technology staff) can get details and [register here](#). Sign up for NRECA's [TechUpdate](#) newsletter to receive the latest on our efforts.