

2017 NGWA Government Affairs: Year in Review

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Year in Review: NGWA Government Affairs

- New Era in Washington
- Legislative Updates
- Regulatory Updates
- How to Get Involved
- Discussion and Questions



A New Era in Washington



New Era in Washington: A Slow Start

- Is Trump adjusting to Washington or vice versa?
- Emphasis on Executive Orders
- Executive Branch Vacancies
 - 173 out of 610 Positions Filled
- Outsider's Approach to Traditions
 - Internal/External Circle of Influencers
 - Businessman's Approach to Washington
 - New Metrics to judge success



A New Era in Washington: Executive Orders

- Clean Power Plan
- Waters of the United States
- STEM Education
- Infrastructure Council
- Apprenticeships
- Regulatory Reform Task Force



Meanwhile in Congress....

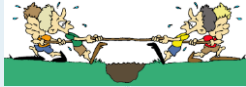
- The Usual Suspects
 - Mitch McConnell, Senate Majority Leader
 - Chuck Schumer, Senate Minority Leader
 - Paul Ryan, Speaker of the House
 - Nancy Pelosi, Minority Leader



Meanwhile in Congress...

The Art of the Deal:

- House 238 GOP – 193 Dems
- Senate 52 GOP – 46 Dems – 2 Ind
- Freedom Caucus vs. the Tuesday Group
- Legislative Branch vs. Executive Branch



Legislative Update



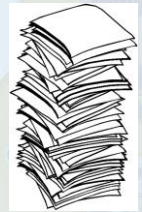
FY2018 Budget and Appropriations

- Trump unveiled budget request in May 2017
 - Called for draconian cuts across the agencies
 - President's budget request is a messaging document, little else
- NGWA weighed in with Congress on objections to proposed budget at NGWA Groundwater Fly-In and throughout the year



FY2018 Budget and Appropriations

- House passed all 12 appropriations bills this year
- Government currently funded through 12/8
- Unclear how far they will kick the can
- Long-term "omnibus spending bill" is the goal



FY2018 Budget and Appropriations

- NGWA priorities fared well in House and Senate bills
 - Level funding for National Ground-Water Monitoring Network
 - Slight increases for State Revolving Funds
 - Continued support for Brownfields and Superfund programs
 - NSF Funding
 - Stymied efforts to single out Geosciences



Tax Reform

- House and Senate each passed bills, primarily focused on lowering tax impact on businesses
- NGWA priorities reflected in both House and Senate bills
- Goal to sign bill into law by end of 2017
- Conferees named this week
 - Potential hurdles: ANWR, SALT, Senate rules, Freedom Caucus, Senate moderates



Tax Reform: Estate Tax

House Bill	Senate Bill
Immediately doubles the estate tax exemption, with complete elimination by 2024	Immediately doubles the estate tax exemption, but includes no plans for complete elimination
<i>Elimination would create more certainty for family-owned businesses in the tax code, but comes at a high price tag.</i>	



Tax Reform: Section 179 Expensing

House Bill	Senate Bill
Increases the amount of business expenses that can be immediately deducted to \$5 million per year	Increases the amount of business expenses that can be immediately deducted to \$1 million
<i>Both House and Senate bills offer an improvement over the current level, which maxes out at \$500,000 in deductions per year. Both are subject to phase out.</i>	



Tax Reform: Pass-Through Income

House Bill	Senate Bill
Businesses structured as pass-throughs would see rates decrease to 25%; Does not include professional service providers (i.e. consultants)	Businesses structured as pass-throughs would see rates drop to 23%; Does not include professional service providers (i.e. consultants)
<i>Both bills would relieve the tax burden on small businesses structured as pass-throughs—current rates of taxation are 30%.</i>	



Tax Reform: Geothermal Heat Pumps

House Bill	Senate Bill
Restores parity with other renewable energy technologies by including Sec 48a and 25D through 2021	Does not include either provision; Senate committed to tax extenders
<i>The House bill is obviously preferable, as the likelihood of a tax extenders package is diminished this year due to the shadow of comprehensive tax reform.</i>	



Tax Reform: Graduate School Tuition Waivers

House Bill	Senate Bill
Makes tuition waivers taxable as income for graduate students	Does not include this provision
<i>The Senate bill is preferable, as the provision would make gaining advance degrees much more difficult.</i>	

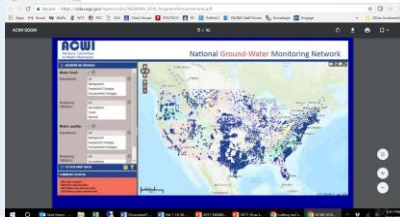


National Ground-Water Monitoring Network

- Funding and support consistent in House and Senate
 - \$2.6 million for FY2015
 - \$3.6 million for FY2016
 - \$3.6 million for FY2017
 - FY2018 Unclear: Likely \$3.6 million or \$4.1 million
- House and Senate leadership praised the program in press releases circulated earlier this year



National Ground-Water Monitoring Network



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Workforce Development

- American Innovation and Competitiveness Act signed into law in 2017
 - Creates STEM advisory panel
 - Has programs to boost women and diversity in STEM fields
 - Provides support and autonomy for NSF research
 - Keeps geosciences on even playing field

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Workforce Development

- House passed unanimously HR 2353, Strengthening Career and Technical Education for the 21st Century Act in June
 - Increases appropriations in support for career and technical education programs
 - Flexibility for states and local governments to tailor programs
- NGWA joined an effort to urge Senate to take up similar legislation

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Brownfields Legislation

- House passed legislation on 11/30 reauthorizing the program for first time since 2002
- Joint effort between Energy & Commerce and Transportation & Infrastructure Committees
- Legislation provides authorization through 2022:
 - Creates multi-purpose grant program
 - Creates pool of funds for small communities
 - Increases total grant amount to \$500,000 or \$1 million for multi-purpose grants

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Brownfields: Senate

- BUILD Act: Bipartisan effort to reauthorize the program
 - Contains similar provisions to House:
 - Directing funds to rural communities for brownfields clean-up
 - Increases technical assistance
 - Incentivizing redevelopment of brownfields for renewable energy projects

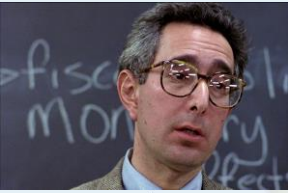

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National Defense Authorization Act

- PFAS concerns across country generated momentum for funding to study health impacts of PFOS and PFOA contamination at military bases
 - Study authorized, \$7 million in funding needed
 - NGWA and WQA are working together to secure funding in an end of year package
- NGWA's PFAS state of knowledge document finalized and will be invaluable tool to raise awareness


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Infrastructure?


2007 Drinking Water Infrastructure Needs Survey
20 Year National Groundwater-Related Small Water System Needs
2007-2026
For Community Water Systems Serving 1,000 or Fewer Persons

Major Infrastructure Category	Estimated Units Needed Nationally Over 20 Years of Survey
Wells - New	8,282 Wells
Replacement	1,101 Wells
Rehabilitation	20,205 Wells
Pumps - New	241 Units
Replacement	25,221 Units
Rehabilitation	7,961 Units
Well Houses	10,770 Units
Chlorination Units*	15,361 Units
Transmission Lines	7,125,574 Feet
Distribution Mains*	232,575,901 Feet
Valves, Controls & Backflow Devices*	914,913 Units
Water Meters*	5,144,201 Units
Storage** - Elevated	7,028 Units
Ground Level	23,524 Units
Hydropneumatic	28,454 Units



Infrastructure

- NGWA advocating for rural focus of any large-scale infrastructure package
 - Prepared small system needs data to highlight the amount of business opportunities and economic development potential
 - Asked Congress to ensure a portion of any infrastructure money would be devoted to rural communities
 - Encouraged drought resilience measures to be included, as well
- Rebuild Rural Coalition



Infrastructure

- Lack of momentum, not lack of ideas
 - WIFIA modifications
 - Lifting tax exempt bonds
 - SDWA Reauthorization
 - Drought response legislation
 - Emerging contaminants



Regulatory Update



Trump's Regulatory Agenda

- Executive order on repealing regulations
- Each agency required to submit regulatory review plans
 - Focus on creating jobs
 - Streamlining permitting processes
 - Eliminating duplication




FMCSA Regulations

- Several pending/prospective regulations shelved in January
 - Sleep Apnea Testing
 - Speed Limiters
 - Safety Fitness Determination Rule



FMCSA Regulations: ELDs

- Electronic Logging Device Mandate
 - Goes into effect on December 18, 2017
 - Enforcement delayed until April 1, 2018
- Exemptions:
 - Paper RODS fewer than 8 days in 30 day period
 - Operations in 100 air mile radius
 - Engines older than 2000



FMCSA Regulations: ELDs

- HR 3282, ELD Mandate Delay Act
- House appropriations language on two-year delay
- Indiana Attorney General letter
- Presidential Executive Order



Status of Additional Regulations

- Clean Power Plan
- WOTUS Rule
- BLM Hydraulic Fracturing Regulations
- Stream Protection Rule
- Household Water Well Loan and Grant Program
- NEPA Permitting



Looking Ahead to 2018



What's next?

- Water Resources Development Act
- Farm Bill
- Comprehensive Infrastructure Legislation
- Superfund Reauthorization

.... Mid-term elections will drive the content and pace



How to Get Involved



2018 NGWA Groundwater Fly-In & Water Resources Congressional Summit

- March 6 and 7 Washington, D.C.
 - 20F Conference Center (venue)
 - Washington Court Hotel (conference hotel)
 - WQA and Irrigation Association also participate
 - Two-day event is the premiere opportunity to engage in advocacy with NGWA members
- "If you don't speak up for groundwater, who will?"**



Avoid the Beltway: Visit the District Office

- Check the congressional schedule
- Same rules as Washington, D.C. meetings apply
- Bringing representatives from multiple businesses helps to reinforce breadth and depth of NGWA
- NGWA can provide information on who to contact and details on approach



Avoid the Beltway: Host a site visit

- Drilling sites, brownfields clean-ups, or just your office are important ways to show groundwater's presence in your district
- Plan ahead; Check the congressional schedule to see when they'll be in the district
- NGWA can help with publicity, talking points, and putting your best food forward
- Consider safety regulations, photo opportunities, NGWA calendar



Short on time? Start simple.

- NGWA's Legislative Action Center
 - www.ngwa.org/advocacy
- 2017 Legislative Action Alerts
 - Restore parity for geothermal heat pumps
 - Delay the ELD mandate
- Stay Tuned:
 - Tax Reform
 - PFAS Health Study
 - Grad school tuition deduction
 - End of year spending package



NGWA PAC

- NGWA-PAC is a bipartisan political action committee to support the election of candidates to the House & Senate
- NGWA-PAC serves allows NGWA members to support and help elect candidates who care about the issues that matter to our businesses
- PACs allow the pooling of contributions, which increases the impact of contributions, rather than acting alone to support candidates



Thank you!

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