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

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

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

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 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
• Conferences named this week
  • Potential hurdles: ANWR, SALT, Senate rules, Freedom Caucus, Senate moderates
**Tax Reform: Estate Tax**

<table>
<thead>
<tr>
<th>House Bill</th>
<th>Senate Bill</th>
</tr>
</thead>
<tbody>
<tr>
<td>Immediately doubles the estate tax exemption, with complete elimination by 2024</td>
<td>Immediately doubles the estate tax exemption, but includes no plans for complete elimination</td>
</tr>
</tbody>
</table>

Elimination would create more certainty for family-owned businesses in the tax code, but comes at a high price tag.

**Tax Reform: Section 179 Expensing**

<table>
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<th>House Bill</th>
<th>Senate Bill</th>
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</thead>
<tbody>
<tr>
<td>Increases the amount of business expenses that can be immediately deducted to $5 million per year</td>
<td>Increases the amount of business expenses that can be immediately deducted to $1 million</td>
</tr>
</tbody>
</table>

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.

**Tax Reform: Pass-Through Income**

<table>
<thead>
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<th>House Bill</th>
<th>Senate Bill</th>
</tr>
</thead>
<tbody>
<tr>
<td>Businesses structured as pass-throughs would see rates decrease to 25%; Does not include professional service providers (i.e. consultants)</td>
<td>Businesses structured as pass-throughs would see rates drop to 23%; Does not include professional service providers (i.e. consultants)</td>
</tr>
</tbody>
</table>

Both bills would relieve the tax burden on small businesses structured as pass-throughs—current rates of taxation are 30%.

**Tax Reform: Geothermal Heat Pumps**

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<th>House Bill</th>
<th>Senate Bill</th>
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<tr>
<td>Restores parity with other renewable energy technologies by including Sec 48A and 25D through 2021</td>
<td>Does not include either provision; Senate committed to tax extenders</td>
</tr>
</tbody>
</table>

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.

**Tax Reform: Graduate School Tuition Waivers**

<table>
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<th>House Bill</th>
<th>Senate Bill</th>
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<tbody>
<tr>
<td>Makes tuition waivers taxable as income for graduate students</td>
<td>Does not include this provision</td>
</tr>
</tbody>
</table>

The Senate bill is preferable, as the provision would make gaining advance degrees much more difficult.

**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

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

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

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
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
  - WFIA modifications
  - Lifting tax exempt bonds
  - SDWA Reauthorization
  - Drought response legislation
  - Emerging contaminants

Regulatory Update

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

Trump’s Regulatory Agenda
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 foot forward
- Consider safety regulations, photo opportunities, NGWA calendar

**Short on time? Start simple.**
- NGWA’s Legislative Action Center
  - [www.ngwa.org/advocacy](http://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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