



2018 WASHINGTON FLY-IN

April 25, 26, 27

LEGISLATIVE ISSUES

- 1. FLETC-** Current training projections indicate that FLETC will experience a workload increase of more than 50% this year and next, compared to Fiscal Year 2017 at Glynco and enterprise-wide. FLETC has requested funding for resources it will need to meet these expected increases. Agencies that are projecting the most training at FLETC this year and next include the Federal Bureau of Prisons, U.S. Immigration and Customs Enforcement, U.S. Customs and Border Protection, the Transportation Security Administration, and U.S. Citizenship and Immigration Services. The Chamber and the entire community are grateful to Senators Isakson and Perdue, Congressman Carter and the Georgia Congressional delegation for your continued commitment to meeting the needs of FLETC.

FLETC campuses at Glynco and Charleston experienced costly expenses related to the extensive damages by Hurricanes Matthew (Sept. 2016) and Irma (Oct. 2017). In each instance, FLETC reopened relatively quickly from having to shut systems, buildings, evacuate students to alternate sites, debris cleanup, make infrastructure repairs, etc. FLETC is grateful for your support in its receiving \$10.374 million in supplemental appropriations (H.R. 4667) enabling facility renovations and repair projects to be implemented. Additionally, FLETC is taking measures to mitigate water intrusion and flooding in the future.

- 2. Wetlands Permitting Issues-** The Glynn County community and the Chamber appreciate the delegation's continued support of the on-going work of the Coastal Plain Coalition to address problems with regard to securing Section 404 wetland permits for environmentally sound construction in our area. Good progress on this issue has taken place over the past year thanks to the direct assistance of Senators Isakson and Perdue and Congressman Carter. At the same time, we are concerned that there have been new instances in which the processing of some permits have been slowed or compliance requirements expanded to the point that important, job-producing projects on the coast have been put into question. We still do not have a permanent new chief of the Regulatory Division of the Savannah District of the Corps of Engineers, and we are concerned that many of the improvements we have seen in the past year could be reversed by a successor.

Our Senators and Congressman Carter are working now to help us present our concerns to officials in the Executive Branch. For example, when local economic development authorities or private developers secure a permit, they must know that the permit will be valid for ten or more years to allow time for marketing and responsible, phased development. Also, when a development authority or private developer secures a permit for a commercial or industrial complex, there must be assurance that a business prospect or subsequent purchaser is assured that they can build on that site without securing yet another permit.

In our meetings with federal officials being arranged by our delegation, we will also be asking for the automatic extension of previously approved jurisdictional delineations, for phased mitigation as

development takes place, and for revision of overly-expansive alternative analysis requirements, as well as, the Corps' expanded use of "speculative development." A final and very important goal is to return to the Corps of Engineers the Wetlands Delineation Manual in use prior to 2010.

3. Port of Brunswick- Glynn County, Brunswick, the Georgia Ports Authority and the State of Georgia appreciate the ongoing commitment and persistence of Senators Isakson, Perdue and Congressman Carter on behalf of Georgia's ports, especially the Port of Brunswick. We appreciate your continued support in two areas in Brunswick:

- **Operations & Maintenance Dredging-** Consistently, insufficient maintenance dredging funds have created costly safety and commercial concerns at the Port of Brunswick. As the 2nd largest U. S. automobile processing port with the largest single Roll-on/Roll-off terminal, the Port of Brunswick must receive relief for this maintenance dredging shortfall. Congressional assistance is requested in support of a request by the Georgia Ports Authority for \$8,000,000 (Operations & Maintenance account) for emergency maintenance dredging to return the channel to design dimensions.
- **Channel Alterations Study-** The WIIN Act of 2016 authorized a study to review channel modifications critical to the safety of vessel traffic at the Port of Brunswick. The Georgia Ports Authority has requested \$1,500,000 (General Investigation account) for a Port of Brunswick feasibility study. We appreciate the continued support of Senators Isakson, Perdue and Congressman for this needed port safety enhancement.

4. The National Flood Insurance Program (NFIP)- provides up to \$350,000 of flood insurance coverage where required for a federally backed mortgage in 22,000 communities nationwide. It also provides an alternative to taxpayer-funded disaster assistance, which averages \$5,500 per household but more often means an SBA loan that must repaid with any underlying mortgage. While there is a growing market for private flood insurance, for many, the NFIP continues to be the primary source of asset protection against flooding, the most common and costly natural disaster in the United States.

However, as currently structured, the NFIP is not financially sustainable over the long run. According to the Congressional Budget Office, the program is not charging enough in premiums to cover expected claims in catastrophic loss years, and has already borrowed over \$30 billion from taxpayers to make up the difference. For these reasons, NAR supports a strengthened NFIP coupled with a robust private market to offer choices and maintain access to flood insurance in all markets at all times.

NAR believes:

- NFIP reauthorization should be long term.
- Flood mapping should be done at higher resolutions with a streamlined and less expensive appeal process.
- Premiums should be more accurately priced to the property specific risk, but any rate increases should be gradual and phased in over many years.
- Private flood insurance options should be encouraged where cost effective, provided that NFIP remains a viable option for property owners.
- To keep rates affordable, the federal government should also provide pre-disaster risk mitigation options – including guaranteed loans, grants and buyouts for property owners to build stronger or relocate to higher ground.

- There should be better oversight and training of insurance companies marketing NFIP policies, and an adequately supported FEMA Office of the Flood Insurance Advocate to assist policyholders with flood map and rate disputes.

5. Health Care- Southeast Georgia Health System

- **Uncompensated Care/Health Reform-** Like many non-profit health systems, Southeast Georgia Health System (“the Health System”) supplies substantial uncompensated care to its community. For its Fiscal Year ending April 30, 2018, the Health System will supply more than \$83 million dollars in uncompensated care. The Health System did not support the 2017 health reform proposals because, in our view, they provided cuts to the Health System and other health care providers throughout Georgia that providers simply could not afford if much needed services, such as emergency and obstetrical care, continued to be provided to the community. The Health System does support providing flexibility to the states to expand coverage and create innovative financing and delivery models to improve care and program sustainability. The Health System would like to work with the delegation and assist in providing the delegation with more study, analysis and feedback from all stakeholders to develop a workable system.
- **Medicare and Medicaid-** The Health System understands that rising utilization of Medicare and Medicaid is a significant strain on the federal budget. However, these long-standing programs provide necessary coverage to the nation’s most vulnerable populations. With respect to Medicaid, it already pays providers considerably less than the cost of providing care. As with health reform, the Health System asks that any changes to these programs be carefully studied with stakeholders to ensure a system that is sustainable for providers is in place.
- **Prescription Drug Pricing-** The cost of prescription drugs continues to skyrocket, with no signs of slowing down. Cuts by CMS to reimbursement for drugs supplied by manufacturers through the 340(b) drug discount program has further increased the cost of pharmaceuticals. The Health System asks that the delegation work to reduce and/or slow the rise in the costs of prescription drugs.
- **Primary Care Physician Shortage-** Like much of the nation, the Health System is experiencing a shortage of nurses and physicians, particularly those with a primary care focus. We ask that the delegation support efforts and funding to get vital health care providers to our communities.
- **Moving Forward-** The Health System understands the high cost of providing health care and wants to work with delegation on ways to reduce costs while still being able to provide necessary health care services in its community. We look forward to working on proposals to achieve these goals.

6. **Federal Opportunity Zones-** The U.S. Department of the Treasury and the Internal Revenue Service (IRS) have designated Opportunity Zones in 18 States, including 260 census tracts in the State of Georgia. Economic investment in these areas, which are some of the most distressed communities in the country, may now be eligible for preferential tax treatment. These new Federal Opportunity Zones are intended to stimulate private investment in areas where poverty rates are greater than 20 percent. In Georgia, the program will be administered by the Georgia Department of Community Affairs (DCA), along with state Opportunity Zones and Rural Zones.

Georgia's 260 zones, located in 83 counties, represent some of the most concentrated poverty in the state and are found in both rural and metropolitan areas, with approximately 60% rural and 40% urban. Qualified Opportunity Zones retain this designation for 10 years, and investors can defer tax

on any prior gains until no later than December 31, 2026, so long as the gain is reinvested in a Qualified Opportunity Fund, an investment vehicle organized to make investments in Qualified Opportunity Zones. In addition, if the investor holds the investment in the Opportunity Fund for at least ten years, the investor would be eligible for an increase in its basis equal to the fair market value of the investment on the date that it is sold.

Treasury and the IRS will be developing the rules for implementation and plan to issue additional information on qualified Opportunity Zones in the future. Christopher Nunn, Commissioner of the Georgia Department of Community Development, has advised us he and his department look forward to assisting designated communities in Georgia, such as Brunswick, take advantage of this badly needed federal program administered by the U. S. Department of Treasury. The City of Brunswick and the Chamber appreciate the support of Senators Isakson and Perdue and Congressman Carter in urging the Department of Treasury to expedite the implementation of the program.

7. **PaR Marine-** headquartered in Brunswick, Georgia, is a leading manufacturer of sophisticated equipment to the defense industry and leading supplier to Newport News Shipbuilding in Virginia, for the construction of aircraft carriers, and to Ingalls Shipbuilding in Pascagoula, Mississippi for the production of amphibious warships. The CVN-79 Electric Elevator equipment has all been shipped to Newport News Shipbuilding for installation. A modification of this elevator has been ordered for installation by Ingalls Shipbuilding for LHA-8. The issues PaR Marine is interested in as Congress marks up the President's FY 2019 Budget Request are:
 - Authority for the Navy to procure CVN-80 and CVN-81 in a block-buy and increase the procurement rate of aircraft carriers to every four years. This will provide stable, predictable funding to the industrial base and lead to an estimated reduced cost to the taxpayer of \$1.6 billion.
 - The FY 2018 Omnibus Appropriations Bill included \$1.5 billion for the lead ship of the LX(R) class, LPD-30. There are thirteen of these ships planned. We support an acceleration of the second ship of the class from FY 2020 to FY 2019 to maintain production efficiency.
 - Lastly, we need an FY 2019 Appropriations Bill before the fiscal year starts. It has been over ten years since the Department of Defense had an Appropriations Bill on time. FY 2018 was funded by six different Continuing Resolutions. This lack of predictable funding presents challenges for managing the work force, planning work on the shop floor and getting the best pricing from our suppliers.

8. **Coastal Georgia Area Community Action Authority (CGACAA)-** is one of Georgia's 20 Community Action agencies. These agencies help ensure a safety net for low-income individuals and families that create opportunities for people to move from poverty to economic self-sufficiency. Coastal Georgia CAA addresses local causes and conditions of poverty with input from the entire community, including the low-income populations we serve.

Our agency designs programs and antipoverty strategies based on a comprehensive community needs assessment. By identifying local causes of poverty and barriers to self-sufficiency, and determines effective and innovative ways to address these causes and conditions of poverty.

The Community Services Block Grant (CSBG) provides critical funding for the nationwide network of community action agencies. Coastal Georgia CAA has been highly successful at leveraging our CSBG allotments to obtain a wide array of other public and private resources that address local causes and conditions of poverty. CSBG provides flexible funds to support gap-filling activities that address

unmet needs, innovative initiatives to combat poverty and promote self-sufficiency, and rapid responses to urgent community needs, such as the recent natural disaster of Hurricane Irma. Our agency identifies causes and conditions of poverty that may not be addressed through an existing program or for which existing resources are not adequate, based on the comprehensive community needs assessment conducted in our 9 county service area. CSBG funds are used alone and in combination with other resources to support important antipoverty initiatives that would not otherwise be possible. We are asking for your support of H.R. Bill 5365 Community Services Block Grant Reauthorization Act of 2018 so that we can continue to bring together public and private community stakeholders to create opportunities for families and individuals to achieve economic self-sufficiency.

9. Fort Frederica National Monument- HR 474 has passed out of the House in both the current session and the previous session. The current legislation pending Senate floor consideration seeks to expand Fort Frederica National Monument by 20 acres in order to avoid development immediately beyond the barracks ruins and the Monument property boundary. The current legislation contains additional National Park Service proposed purchases throughout the United States. Oklahoma Senator Lankford has a hold of his own on the bill. Many western Members are skeptical of the National Park Service, and Senator Lankford wants to amend the bill to make it either a donation or land exchange – instead of purchase. Efforts by Representative Carter and Senator Isakson have been significant in the past few years, but without success. Glynn County, the St. Simons Land Trust and the Chamber are most appreciative of the longstanding tireless efforts of our delegation and their staff towards this important issue.

10. The Glynn County Airport Commission- is appreciative of the support for the aviation industry by Senator Isakson, Senator Perdue and Congressman Carter. A number of issues of great interest exist which need Congressional involvement:

- The need to “uncap” the **Passenger Facility Charge** and also provide stable funding for the Airport Improvement Program so that airports can make sound and efficient business decisions and simultaneously allocate AIP funds to non-hub airports for safety and support of business growth.
- Remove **outdated and burdensome FAA regulations** that restrict airport land use beyond similarly situated private property and limit airports’ business practices, including how airports can use their money. Such regulations curtail projects on airport property supported by local government entities that would increase jobs and economic opportunities. They also limit an airport’s ability to maximize revenue generation and attract additional air service.
- Based on recent events, it is essential that **the Federal Law Enforcement Officer financial reimbursement** be continued and expanded.
- Nationally, the airline industry, as the result of additional burdensome regulations years ago, is showing a serious **shortage of airline pilots**. Much is caused by pilot certifications requiring 1,500 hours. Consequently, many pilots are taking positions with foreign airlines service serving the U.S. when they only have to have 500 hours for their certifications. With many retiring from the system, the shortages are increasing causing increased route and service cancellations.
- Please continue funding and expansion of the **Contract Tower Program** to new qualified airports.

We are seeking your support for McKinnon-St. Simons Island Airport to receive funding from the recently authorized 1 billion dollar **small/non hub and non-primary airport program**.