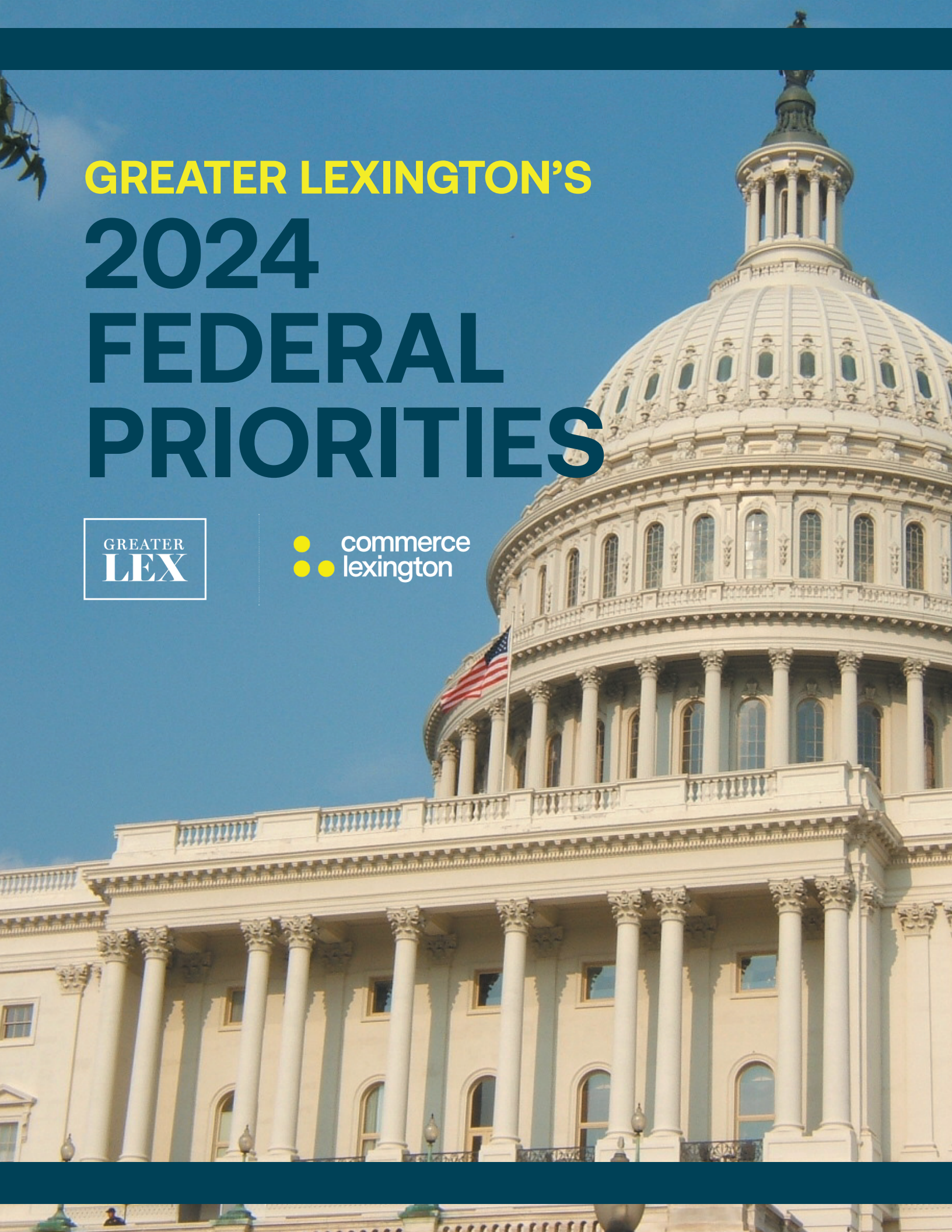


GREATER LEXINGTON'S 2024 FEDERAL PRIORITIES

GREATER
LEX

● commerce
● lexington



REGIONAL POLICY GROUP

ADVOCATING FOR REGIONAL COMPETITIVENESS

The Greater LEX Policy Group was formed 18 years ago from regional chambers of commerce, business leaders, education and elected officials who recognized the need to have a uniform, consistent and powerful voice in Washington and Frankfort. Successes from the Washington Fly-In include initial funding for the I-75 Connector, funding for the Kentucky Blood Center, contract awarded to ECU for its Bio-Fuels program, funding for the University of Kentucky, funding for the Bluegrass Army Depot and funding for Newtown Pike expansion. The Greater LEX Policy Group hosts a variety of receptions, meetings and briefings throughout the year to engage and provide a forum for dialogue among regional leaders and elected officials.

Leaders are focused on executing The Regional Competitiveness Strategy over the next four years. This plan will foster greater collaboration among public and private sector leaders through the execution of a limited number of mutually agreed upon initiatives that will be economically impactful and benefit each community in the region, and that have broad financial support from regional public and private sector leaders.

THE PLAN IS STRATEGICALLY FOCUSED ON THESE 7 ACTION ITEM GOALS:

- Developing a regional brand identity, regional website, and marketing strategy to raise awareness about the region's positive attributes.
- Elevating regional marketing strategies to site selectors and key sector business targets in high growth clusters.
- Executing a talent marketing campaign to attract more businesses and labor force to the region.
- Enhancing the connections between businesses and talent to retain more students and attract more young professionals in the region.
- Identifying and prioritizing product development opportunities to provide a continuum of shovel ready sites and buildings throughout the region.
- Coordinating advocacy to attract state and federal funding for infrastructure needs and product development.
- Advocating for public policy improvements at the local, state, and federal levels of government to improve regional competitiveness.

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CONSISTENT AND STABLE REGULATORY CLIMATE:

The Greater LEX Policy Group is concerned about the current federal agency regulatory climate and the impact of inconsistent statutory interpretations to the region's business competitiveness. Federal agency regulatory overreach and uncertainty is impacting all sectors, including healthcare, housing, broadband, energy, banking, and transportation. Businesses must operate in a regulatory environment that remains relatively consistent over time and keeps up with the pace of change in the marketplace. Businesses cannot effectively plan when federal agencies are free to unilaterally change the basic rules at any time or create unreasonable standards out of balance with technological innovation and market demands. We support the elimination or update of new and/or outdated regulations to ensure that rules and regulations coming out of federal agencies are technologically feasible and economically achievable with proper timelines for implementation, as well as provide a level playing field for all industries.

The Supreme Court's Chevron decision is viewed as an important course correction that will help create a more predictable and stable regulatory environment. The Court's previous deference rule allowed each administration to change regulations and not provide consistency rules for businesses to navigate, plan and invest in the future. While we recognize the need for commonsense federal regulations to ensure workplace safety and protect public health, the Greater LEX Policy Group supports federal regulatory reform that restores accountability, transparency, and public participation in the rule-making process across all federal agencies. We support the development of regulations that are stakeholder driven and based on scientific evidence, technical viability, and economic rationality. We urge Congress and the Administration to engage in a thorough review of existing regulations and guidance documents across all agencies, specifically those involved in regulating commerce, financial services, energy, environment, broadband and labor to identify policies that need to be clarified, eliminated, or modified to increase economic competitiveness for businesses. Congress may need to consider legislative changes to support this effort.

BOURBON:

The Greater LEX Policy Group supports the passage of the United States Postal Service Shipping Equity Act, HR 3721, that prevents the USPS from shipping alcoholic beverages to consumers and allow the USPS to ship directly from licensed producers and retailers to consumers over the age of 21, in accordance with state and local laws at the delivery location. Second, we support allowing the spirits industry to participate in the Duty Drawback program- as Congress intended as recently as the 2015 Customs Reauthorization. Third, we advocate for transparent, fair and bias-free development of U.S. dietary guidelines for adult alcohol use by the U.S. Department of Health and Human Services and the U.S. Food and Drug Administration in a manner based solely on the preponderance of scientific and medical knowledge, as required by the law.

HEMP:

Hemp is now permanently a legal agricultural commodity, no longer considered a controlled substance. After more than a century of prohibition, Kentucky is poised to reemerge as the global leader in hemp production. However, roadblocks remain to the full realization of hemp's potential for farmers and businesses. The Greater Lex Policy Group supports efforts that clarify the legality of financial transactions in hemp commerce, and that promote fair and expeditious regulations of hemp products like cannabidiol (CBD) by the U.S. Food and Drug Administration. We oppose congressional efforts to ban hemp products and prefer the regulatory model developed in Kentucky by a unanimous vote of the General Assembly.

ECONOMIC STABILITY & INFLATION:

The Greater LEX Policy Group urges Congress to examine and adjust fiscal, monetary, regulatory, and labor policies to help lower inflation, increase supply chain independence, encourage competition and workforce participation, and reduce prices for consumers. We support reducing tariffs, increasing domestic production of goods vital to the economy, investments in innovation and reducing regulatory burdens and uncertainty.

PRO-GROWTH TAX POLICIES:

The Greater LEX Policy Group supports making permanent the strongest pro-growth provisions of the 2017 Tax Cuts and Jobs Act, such as the 100% bonus depreciation of capital assets, and repealing or mitigating harmful new taxes included in the Inflation Reduction Act.



INTERNATIONAL TRADE:

The Greater LEX Policy Group supports open trade policies with promising markets abroad and removing barriers that shut U.S. exports out of foreign markets. We remain concerned about trade and tariff policies that have a negative impact on the Greater Lexington region's industries, including agriculture, equine, advanced manufacturing, and bourbon. These impacts include supply chain disruptions, increased costs for parts, equipment and supplies, and competitive disadvantages in the marketplace due to increased manufacturing costs. We also support the Duty Drawback export incentive program allowing all spirits to participate including Kentucky Bourbon.

WORKFORCE

HOUSING ACCESS & AFFORDABILITY:

The Greater LEX Policy Group supports Congress taking action on innovative legislative solutions to help address housing access and affordability challenges for the region's workforce. We support a review of regulatory impacts on housing costs and modernizations to help allow for flexibility and efficiency while lowering costs and maintaining safety. We also support continued investment in programs to support affordable housing such as the HUD's 202 senior and project based rental assistance programs, and the Neighborhood Homes Investment Act to help revitalize distressed urban, suburban, and rural neighborhoods with federal income tax credits, and policies to help mobilize private investment to build and rehabilitate homes for lower- and middle-income homeowners through tax incentives. We support additional funding opportunities to support downpayment assistance for single family homeownership projects for low-and moderate-income families. We support opportunities to emphasize/support this unique partnership with the banks and utilization of Community Reinvestment Act credit to help with affordable housing developments like Lexington's Transformational Housing Affordability Partnership.

WORKFORCE INVESTMENTS:

The Greater LEX Policy Group supports continued investment, innovation, and policy reforms that align and improve existing workforce programs at the state level, and to support local and regional sector partnerships with employers to meet the workforce needs of a 21st Century economy. The Greater Lex Policy Group encourages the reauthorization of WIOA with continued focus on business led initiatives, allowing for more flexibility in funding use, use of industry recognized apprenticeship programs (and other integrated work and learn models) and developing benefit off-ramps for those on assistance take entry level jobs or promotions that create barriers to work/promotion. We also support continuing to remove barriers to employment to improve workforce participation.

IMMIGRATION REFORM:

Highly skilled immigrants will become an increasingly critical part of the future workforce. We support Congress acting on reforms to secure the border and ensure Kentucky employers have full access to a global talent pool. Specific recommendations include reforming the guest worker visa program, renewing the Returning Worker Exemption, raising the limit for H2B visas, increasing the allotment of employer-based green cards, and providing legal certainty for DACA recipients and long-term beneficiaries of the Temporary Protected Status program.

CHILDCARE ACCESS:

The Greater LEX Policy Group supports Congress to examine federal policies related to childcare and support reforms that increase access to affordable, quality childcare options for working families, and prioritize a robust reauthorization of the Child Care Development Block Grant and improve federal tax incentive programs such as the Employer-Provided Child Care Credit.

HIGHER EDUCATION ACT REAUTHORIZATION:

The Greater LEX Policy Group supports maintaining the federal student loan programs that Kentucky college students rely on, help with education and training for workers dislocated, simplifying and enhancing financial aid programs, and ensuring accurate measurements of student success and reducing regulatory burdens. Reforms include: Improving college access and affordability for all students; improving accountability measurements and transparency over financial aid and student loan programs, including support of the implementation of Workforce Pell to support short-term industry credential attainment; Continuing to support modernizing Pell to better serve today's non-traditional, low-income students and incentivize completion, including incarcerated students; promoting innovation in the system, including federal legislation that allows college flexibility to pursue more competency-based education opportunities for students.

HEALTH CARE

LIABILITY & WORKFORCE:

The Greater LEX Policy Group supports liability reforms to protect Kentucky's health care sector, changes to worker visa programs to help ensure hospitals have proper staffing and investments in public health that promote research and development, provide planning protocols for local communities, develop incentives, and strengthen the overall health care infrastructure.

HEALTH CARE COSTS:

The Greater LEX Policy Group continues to be concerned about the cost of health insurance for employers and employees and support policy changes that help control costs, advance quality of care, promote greater transparency and improve health outcomes.

SUBSTANCE ABUSE & MENTAL HEALTH:

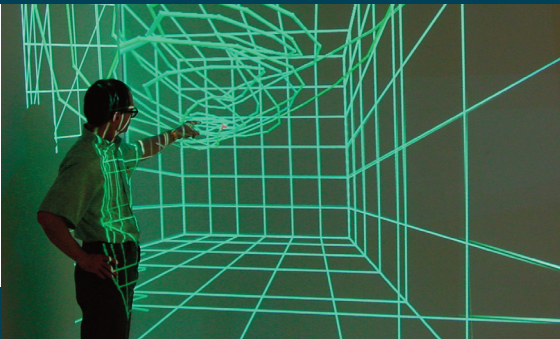
The Greater LEX Policy Group supports efforts to curb the drug epidemic through prevention, treatment and criminal justice reforms. We support improved collaboration among local, state and federal elected officials, public health officials, law enforcement, health care providers, and employers to ensure resources are available and being effectively used to combat the illness of addiction. The Greater LEX Policy Group supports increasing resources for mental health treatment and research and encourages programs that provide treatment alternatives to incarceration.

LOW-COST ENERGY ADVANTAGE:

Maintaining Kentucky's low cost, reliable energy advantage is a top priority for the Greater LEX Policy Group. Kentucky offers some of the lowest electricity rates in the nation due in large part to the abundance of coal, natural gas and two regional transmission organizations as resources for electricity generation. The nation's energy landscape is changing rapidly. Generating low-cost electricity from coal and natural gas is under pressure on all fronts. ESG investors, the federal government, and companies with sustainability and/or clean energy goals seeking to locate in the Commonwealth continue to drive the need for significant investment in new lower-carbon or carbon-free technologies, while still supporting the use of our baseload sources of energy. Although running existing generation plants continues to be the most cost-effective strategy for Kentuckians in the near-term, the inability to access low-cost capital from investors amid the growing need to provide clean energy to attract economic development necessitates a conversation around a clean energy transition and how Kentucky can best control its own future as this transition occurs. Kentuckians need federal solutions that facilitate this transition, but also secure the jobs, strong communities, affordable rates, reliable service, and economic competitiveness upon which we have long depended. We support the elimination or update of new and/or outdated regulations to ensure that rules and regulations coming out of federal agencies are technologically feasible and economically achievable with proper timelines for implementation, as well as provide a level playing field for all low-cost fuel sources.



INNOVATION



RESEARCH & TECHNOLOGY INVESTMENTS:

The Greater LEX Policy Group supports the continued funding for the Established Program to stimulate Competitive Research (EPSCoR) in the FY25 appropriations. EPSCoR is vital for innovation in Kentucky, particularly for universities in central Kentucky, as it stimulates competitive research and encourages collaboration among researchers and institutions across the state. Continued investment in EPSCoR will further drive the Commonwealth's technological progress and economic development, ensuring that Kentucky remains at the forefront of innovation and research excellence.

MILITARY / DEFENSE

BLUEGRASS STATION:

Bluegrass Station continues to keep pace with the needs of its customers, including defense agencies, state agencies and their contractors. As a defense-industry centric facility and as an economic engine belonging to the Commonwealth, Bluegrass Station needs this city/state/federal interagency cooperation in finding solutions for future needs. The successful repurpose of restricted acreage to Homeland Security and the subsequent addition of six buildings resulted from an interagency team approach. These successes have set the stage for more growth, requiring intermodal infrastructure improvements. Bluegrass Station seeks to use the best balance of state, local, federal and private resources to benefit its customers and the citizens of Kentucky.

BLUEGRASS ARMY DEPOT:

The Greater LEX Policy Group urges the Kentucky federal delegation to remain aware of the need to work with the Department of Defense in efforts to strategically plan for the sustained economic development of Blue Grass Army Depot and the surrounding region upon the completion of the demilitarization project. Strict regulations within the Office of Enforcement Analysis prohibit financial assistance until the project is three years or less from mission completion. At the height of the project, the estimated payroll is approximately \$185.01 million in 2022 with a total of 1,773 employees. We ask for continued assistance from the Kentucky federal delegation to help community leaders maintain effective communication with Department of Defense officials about investment opportunities.

INFRASTRUCTURE

TRANSPORTATION INVESTMENTS & REGULATIONS:

Central Kentucky's location offers the region a logistical competitive advantage when recruiting businesses. The Greater LEX Policy Group urges Congress to support long-term funding solutions to strengthen all transportation systems and additional investment packages in other critical infrastructure for economic development, public safety, and workforce development.

The Greater LEX Policy Group also supports Congressional action to change in U.S. DOT weight limits from 80,000 lbs. to upwards of 120,000 lbs. to meet the requirements of the growing electric vehicle/advanced manufacturing sector. Government growth targets cannot be met with current regulations. In addition, the regulatory environment is not keeping up with advancements in technology reshaping the transportation industry. We support utilizing a multi-axle trailer that disperses the weight across multiple axles and has increased stopping power with added brakes and tires on the roadway. HEV, PHEV, & EV Batteries and Battery components are heavy and standard 2-axle trailers hit the 80,000 lb. weight limit at only 1/3 of the truck capacity. By utilizing a 5-axle trailer of the same length at 120,000 lbs. could safely reduce the number of trucks needed by 35% and reduce the transportation emissions with better utilization of trailer capacity. This change also allows for few trucks on the highway. For example, Toyota ships EV batteries from NC to KY, requiring 8,948 trucks per yr. with std 2-axle trailers. If allowed to use 5-axle trailers, the number of trucks is reduced to 5,790 trucks per year reducing 3,158 trucks off the road each year.

ROADS & BRIDGES:

The Greater LEX Policy Group supports increasing federal funding for critical regional infrastructure projects that improve connectivity for local communities, such as the BUILD GRANT Transportation Grant Program program. We also support policies that ensure timelines are maintained for the completion of environmental impact studies and the inclusion of funding for necessitated utility infrastructure costs required by public improvement projects. Without inclusion of such funding, local utility customers would disproportionately bear costs associated with public improvement projects benefiting the public at large.

AIRPORTS & AVIATION:

The Greater LEX Policy Group strongly supports federal and state funding to ensure on-going and stable development of Blue Grass Airport and the three general aviation airports vital to the regional economy. At the federal level, Commerce Lexington supports passage of annual FAA Airport Improvement Program funding bills are desperately needed to continue development of the aviation infrastructure needed to support the growth of the region. We support the relocation of the current FAA Air Traffic Control Tower at Blue Grass Airport (LEX) so that the airport can redevelop the passenger Terminal to meet the demands indicated in the most recent airport master plan. We also support continued investment in the Central KY Regional Airport (CKRA) in Madison County. We support key infrastructure improvements including new ramp and connector pavement and a control tower to improve safety and meet the high traffic needs of the central Kentucky Regional Airport (KRG) in Madison County.



RAILROADS:

The Greater LEX Policy Group supports continuing to have a safe and sustainable rail network across Kentucky, but opposes legislation aimed at placing overly burdensome regulations and costly mandates on the network that may divert resources from technology and track infrastructure investments and ultimately may result in freight diversion from rail. We support efforts to increase R&D on wayside detectors and tank car safety, including the phase out of older tank cars, and continuing grant programs that provide an opportunity for railroads to make major investments in their rail lines. The Consolidated Rail Infrastructure and Safety Improvements (CRISI) Program has shown to be an impactful program for the freight rail network in Kentucky. We support more resources overall for the CRISI program and ask that Congress focus the existing CRISI resources on efforts such as freight rail safety and recommend USDOT support passenger rail activities from other available funding pools. Finally, in light of recent regulatory action in places like California, we re-iterate our belief that locomotive emissions regulations should move forward only at the federal level and in a responsible, measured fashion that takes into full account technology readiness, comprehensive costs and benefits of government actions, and impacts on small business.



E.V. CHARGING STATIONS & HYDROGEN HUB NETWORKS:

The Greater LEX Policy Group supports continued focus and investment in grid reliability in order to support Electric Vehicle charging stations and Hydrogen Hubs network infrastructure, especially along interstate corridors in Kentucky for both passenger vehicles and freight movement. This helps assure success of the Hydrogen Hub Supply Corridor along the Interstate system and develops an EV Charging network supporting interstate travel. Kentucky already has 3 Hydrogen Hubs identified (Louisville, Bowling Green & Georgetown) in the federal Infrastructure Bill.



:WIRELESS & BROADBAND INVESTMENTS

The Greater LEX Policy Group supports creating incentives for investment in broadband networks throughout the region as this infrastructure is critical to economic development. Vibrant economic ecosystems need sufficient broadband connectivity to allow Kentuckians to work, study, and connect with services from home. This trend will only accelerate in the future, and more support is needed for the deployment of robust broadband access in unserved and underserved areas, particularly in rural areas where the costs of broadband deployment are high. This requires consideration of creative solutions that will provide access for all. For example, policy makers should ensure that the FCC's Affordable Connectivity Program can be restarted and is funded for the longer term and should also ensure that the USF, which supports important universal broadband programs, has a stable, sustainable, and fair funding source, by requiring that the largest beneficiaries of broadband – the big tech platforms – start contributing.

FUND BROADBAND ACCESS IN RURAL AREAS:

We urge the National Telecommunications and Information Administration to continue to work quickly to make the Broadband Equity Access and Deployment Program funding available to the states, provide them with flexible frameworks, and refrain from adopting requirements that are more burdensome or restrictive than the underlying federal legislation, to ensure broad participation and maximize fiber deployments to as many unserved and underserved locations as possible.

PROTECT PRIVACY ACROSS THE INTERNET ECOSYSTEM:

Varying policies from state-to-state lead to inconsistent safeguards that foster confusion and erode consumer confidence in their interactions online. We support Congress passing a uniform law that provides privacy and data security protections and applies the same standard to all companies, whether internet service or edge providers, across the internet ecosystem.

ALLOCATE MORE SPECTRUM TO MEET GROWING DEMAND:

We urge Congress to reauthorize the FCC's spectrum auction authority and specify a robust pipeline of mid-band frequencies to be auctioned for full-power licensed use. Spectrum is the oxygen of wireless broadband and licensed spectrum is the foundation of the wireless ecosystem. Additional spectrum is required to expand and enhance wireless networks in order to meet increasing consumer demand.

BUSINESS SITE DEVELOPMENT:

The Greater LEX Policy Group seeks federal support for product development grants or other federal resources that may accelerate the development of more shovel-ready land and buildings for job creation opportunities, such as a regional business park in Scott County in partnership with local governments in Scott, Madison and Fayette counties.

PASS A FEDERAL NET NEUTRALITY LAW:

We support thoughtful federal policies, initiated by Congress, not the FCC or the states, that reflect the needs of the modern marketplace and encourage connectivity, transparency, and accessibility. We urge Congress to strike an appropriate balance by adopting a law with bright-line rules prohibiting blocking, throttling, discrimination based on content, and anti-competitive paid prioritization and that balances the needs of consumers to obtain the content of their choice online, while avoiding heavy handed regulation that would discourage innovation and investment. We do not support the FCC's readoption of the Title II framework for broadband that relies on open-ended utility-styled regulation and believe it should be, and will be, overturned in federal court. Broadband service transcends state boundaries and should be overseen at the federal, not state, level. Congress must step up to avoid a patchwork policy approach that ultimately harms businesses and consumers.



