

Investing in Georgia

Economic Development Newsletter



Welcome to King & Spalding's economic development news bulletin, *Investing in Georgia*. In this edition, you will find:

- A recap of the recent primary elections in Georgia, and a peek at the upcoming run-offs
- Analysis from a recent article discussing the ongoing debate over the best way to create jobs
- Review of various federal actions taken or pending regarding the reauthorization of the Export-Import Bank; the Water Resources Reform and Development Act; and the new greenhouse gas emissions standards
- Comments regarding the shift in regulatory emphasis with respect to municipal bonds from tax to securities laws

We hope you find this helpful, as we partner to keep Georgia a great place to live and work!

Bill Holby
King & Spalding Economic Development Practice Group

Recent Developments

Georgia Primary Produces Few Surprises; Some Races Still to be Decided.

As we look back on the May 20 primaries, and look ahead to the July 22 run-off elections, we wanted to provide you with this inside look at the races to watch (Senate, School Superintendent and General Assembly), and also take a deeper dive into the Senate election numbers. Enjoy! [More »](#)

President Obama Signs Water Resources Reform & Development Act of 2014: Legislation expands American iron and steel requirement to additional water programs. On June 10, President Obama signed into law the Water Resources Reform and Development Act of 2014 ("WRRDA"). The final version, which resolved differences between each chamber's version of the water resources reauthorization legislation, adopts the same American iron and steel ("AIS") requirement that was included in the Consolidated Appropriations Act of 2014, which requires the use of specific AIS products in (1) all treatment works projects funded by a Clean Water State Revolving Fund assistance agreement and (2) all public water system projects funded by a Drinking Water

June 2014

By the numbers

40,000

Number of people who attended the annual meeting of Berkshire Hathaway, Warren Buffett's corporation, in Omaha, Nebraska last month. Only twelve people attended his annual corporate meeting in 1981!

21.2%

Percentage of American homeowners at least age 75 with mortgage debt – a number that has more than doubled in the last 10 years.

\$174,000

Annual salary of members of Congress (both Senators and Representatives). The last pay hike came in January, 2009.

\$414 billion

Total tax receipts in April, 2014, the largest monthly total ever collected, resulting in a \$107 billion surplus for the month (the first monthly surplus of the

State Revolving Fund assistance agreement in Fiscal Year 2014. [More »](#)

In The News

Job Creation: Let the Debate Begin. An interesting article prepared by Walter C. Jones, of the Morris News Service, and published by The Augusta Chronicle on June 2, focused on the debate on how to create Georgia jobs. The article noted that the announcement on Friday, May 30, that Georgia is one of twelve states to receive extra federal help in stimulating manufacturing jobs comes in the midst of elections when job creation is a major issue. [More »](#)

Debate Swirls As Deadline Approaches For Export-Import Bank Reauthorization. Opponents, primarily conservative Republicans, are challenging the potential reauthorization of the Export-Import Bank of the United States (Ex-Im Bank). Chairman Jeb Hensarling (R-TX) of the House Financial Services Committee used a speech at the Heritage Foundation on May 20 to argue against re-authorization of the Ex-Im Bank, calling it "corporate cronyism" and describing it as an element of the "Washington insider economy." Hensarling's committee has jurisdiction over the Ex-Im Bank, and the Bank's charter will expire if it is not renewed by September 30. [More »](#)

Looking Ahead

Municipal Bond Regulatory Actions: Emphasis Shifts from Tax to Securities Laws. A recent comment published by the National Association of Bond Lawyers notes that it was not too long ago that the municipal bond community (evidenced by numerous articles published in this newsletter!) was focused on the possible effects of tax law changes on state and local obligations. While that should still be a concern, it is not an immediate one. The short-term focus has shifted to the securities side. [More »](#)

EPA Issues Proposed Greenhouse Gas Emissions Standards for Existing Power Plants. On June 2, the U.S. Environmental Protection Agency (EPA) unveiled its long-awaited proposed greenhouse gas (GHG) emission standards for existing power plants. A cornerstone of the President's Climate Action Plan, the rule will require existing power plants to reduce GHG emissions to a level 30 percent below 2005 levels and achieve those reductions by 2030. [More »](#)

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calendar year).

31%

Percentage of existing homes sold nationwide in calendar year 2013 for "all cash".

2.57%

Yield on the 10-year Treasury note on August 5, 2011, the day that S&P announced a downgrade of the USA from AAA to AA+. 33 months later, the yield on the 10 year Treasury note remains approximately 2.50%, as global bond investors continue to buy U.S. debt.

85%

Percentage of firms in Georgia with less than twenty employees.

288

Number of consecutive days that White Sox broadcaster Harry Caray visited the same bar during 1972.

194

The number of pitches thrown by 5' 7" Rochester (Washington) High School pitcher Dylan Fasnacht on May 13, 2014, in 15 innings of work. His team won in the 17th inning.



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