



August 11, 2020

Re: HEROES Act Service Disconnect Moratorium

Dear Chairman Murkowski and Chairman Crapo, &
Ranking Member Manchin and Ranking Member Brown;

This past May, the House passed the largest spending bill in American history, the 1800-page Health and Economic Recovery Omnibus Emergency Solution (HEROES) Act. In Congress' rush to provide economic relief to Americans in this time of need, and among the hundreds of billions of dollars in spending and new programs, it included a provision that was not helpful for consumers related to their utility bills. The proposed legislation prohibits utilities from disconnecting or terminating service for nonpayment of bills during this emergency pandemic period.

The language states, "no debt collector may during a covered period...disconnect or terminate service from a utility service, including electricity, natural gas, telecommunications or broadband, water, or sewer for nonpayment."

While well-intended, the proposed solution of allowing consumers a safe harbor for non-payment of utilities is truly misguided, overly broad, duplicative, and only will entrap low income consumers and families in a further lifecycle of debt.

The provision would establish a federal moratorium on consumer debt collection for the duration of President Trump's National Emergency Declaration from March 13, 2020. This so called "safe harbor" of non-payment would even extend four months beyond whatever day the National Emergency is lifted. Given the open-ended nature of these "protections" during the "covered period," consumers could go months or even well into 2021 depending the world's ability to develop a cure, and then America's ability to source the active pharmaceutical ingredients and provide enough supply for all Americans, and not even to mention peoples' acceptance of receiving this potential vaccine. With no timeline in place, bills would pile up for consumers, only putting them deeper and deeper in debt. This provision is the equivalent of financial quicksand, sinking consumers into larger and larger financial debt with no real program assistance or structure of repayment.

Among the additional concerns of the provision of the HEROES Act is that it is overly broad, as it applies to even to the wealthiest Americans. This language notably fails to target this relief to Americans who are impacted most by the pandemic and those who are truly unable to pay

their bills as a result; allowing forgoing payments to anyone, at any time, for any reason. Put simply, this broad legislative stroke is not aimed at consumers that in fact need help the most.

Fortunately, there is a solution. Programs are already in existence to help consumers and families during times like these if they lack the financial resources to pay their utility bills. Congress has already established a functioning government mandated program that addresses utility-related aid to those who need it most and provides this financial support at the state and local level. Established in 1981, the Low-Income Home Energy Assistance Program (LIHEAP) is a federal program that serves block grants to states, allowing lower-income residents, and those truly in need, to off-set utility costs by applying to a state agency or partner organization for financial assistance. The program allows local communities to receive the tailored financial support they require based on their individual and family needs. In fact, \$900M in supplemental funding was already recently released to LIHEAP grantees to help prevent, prepare and respond to home-energy needs surrounding the national emergency created by the Coronavirus pandemic. This was a 27% increase over FY2020. It should also be noted that Congress has appropriated an additional \$1.5 billion for LIHEAP in the Coronavirus Response 5 Additional Supplemental Appropriations Act, 2020 and the funds are to remain available through September 30, 2021.

Additionally, all 50 states already have state public service commissions which manage utilities, potential disconnections and allow customers to get on payment plans. The National Association of State Utility Consumer Advocates (NASUCA) represents the interests of utility consumers before state and federal utility regulators and works every day to ensure that universal access to affordable utility services is not diminished during this public health emergency and economic crisis. NASUCA recognizes the need for a uniform programmatic assistance and financial help for consumers to get back on their feet and has pledged to continue to work closely with utilities and communication providers, state governors, legislators, public utility commissions, energy and health agencies and other interested parties to address these needs during these times. Furthermore, NASUCA recently passed a resolution titled, "NASUCA Recommendations Concerning the Effects of the Public Health and Economic Crises Resulting from COVID-19 upon Utility Rates and Services Provided to Consumers by Public Utilities" that cites LIHEAP as an essential for low-income consumers as well as requests Congress to respect state jurisdictional and decision-making authority to determine the extent and duration of any shutoff moratoria and to control any rules related to disconnections and reconnections, utility communications, payment programs and revenue collection activities. In a letter to Congress on May 22, 2020, NASUC stated they understood the good intention of Congress wanting to help utility consumers through a "one-size-fits-all" approach to moratoria, yet continue to support the position on state authority. NASUCA members strongly believe that state decision makers, including the public utility commissioners, are in the best position to assess the needs of both utilities and utility consumers and best equipped to determine the steps necessary to provide the broadest remedy to those impacted by this crisis. In this letter, NASUCA went on to urge Congress that a "one-sized-fits-all" approach does not recognize the on-the-ground differences among the many states and that Congress should not impose

requirements or restrictions that impede state authority to craft the solutions necessary to address state.

In its current form, this utility related provision in the HEROES Act will only create more financial burden to consumers and their families, allowing them to fall behind in utility bills with little chance of ever being able to repay them.

As you consider additional stimulus legislation aimed to help consumers with their electric utility bills, Congress should exclude this misguided federal “fix” for utilities’ debt collection and look to fund existing programs such as LIHEAP rather than pass blind and sweeping legislation that financially entraps the very consumers it’s looking to help.

Sincerely,
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