



N A R U C
National Association of Regulatory Utility Commissioners

December 4, 2020

The Honorable Mitch McConnell
Senate Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Chuck Schumer
Senate Minority Leader
U.S. Senate
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, DC 20515

Re: Help is needed now to ensure that Americans retain access to power, communications, and water.

A broad utility disconnection moratoria can only make a difficult situation worse.

Dear Speaker Pelosi and Leader McCarthy:

NARUC is a bipartisan organization that represents the public service commissions in all 50 states and U.S. territories that regulate the utilities that provide essential services such as water, energy, telecommunications, and transportation. Our members work closely with utilities grappling with the immense task of securely maintaining complex aging infrastructure while keeping rates affordable, especially for vulnerable populations.

It is obvious that some sort of COVID-19 relief legislation is needed. In such legislation, Congress should avoid well-meaning proposals that could have unexpected and unforeseen consequences – and instead target existing problems using time-tested approaches. One obvious area that should be high on the list of targets – assuring that low-income Americans continue to have access to crucial utility services. The pandemic has highlighted this issue. Many utility customers have already fallen behind on utility bills and will need uniform programmatic assistance to get back on their feet in the wake. Now is the time to provide this essential support.

Congress should properly fund the Low-Income Home Energy Assistance Program to help Americans pay heating bills.

Congress has already created and each year funds the Low-Income Home Energy Assistance Program to help low-income customers pay electric and gas bills. But in the current environment, the program is significantly underfunded. Congress provided an additional \$900 million for energy assistance as part of the Coronavirus Aid, Relief, and Economic Security Act

passed last March. But that funding barely scratches the surface of what this country needs. Congress needs to provide at least \$10 billion in additional funding as soon as possible in relief legislation.

Congress should ensure that Lifeline Phone service remains fully supported.

Congress has also created a “Lifeline” program administered by the Federal Communications Commission (FCC) to boost low-income Americans’ access to phone and broadband services. This program provides a subsidy for both wireline and wireless voice and data services. But voice-only services remain essential. Reducing support for voice-only service can only leave people without access to emergency services or means of communications with loved ones and potential employers. Over the objections of many, the FCC’s *2016 Lifeline Modernization Order* phased down support for voice services starting in December 2019. This December, the amount available to support phone service was further reduced from \$7.25 to \$5.25. The impact of this decline in support is potentially severe. When the agency sought comment on reinstating full financial support for voice-only service in rural areas only, the record showed widespread support for restoring full subsidies for voice services in all areas. Congress should act where the agency has chosen to do nothing.

Congress should help low-income customers pay their water bills.

The Congressionally created LIHEAP and Lifeline programs help low-income customers with their power and phone bills. However, in spite of the obvious need, there is no companion program to help with water bills. Each version of the HEROES Act approved by the House of Representatives this year (H.R. 6800 and H.R. 925) contained language to establish a \$1.5 billion Low-Income Household Drinking Water and Wastewater Assistance program, which would provide funds to local water and wastewater utilities to offset water rates charged to low-income customers during the pandemic. Water systems report that delinquent residential water accounts have increased dramatically over the past several months – especially among low-income customers – so this type of targeted assistance is vital to getting these vulnerable customers back on track while also providing a needed stream of operational funds to water and wastewater systems. Now is the time to create a Low-Income Water Assistance Program to ensure low-income customers can afford these essential-to-life services.¹ A water-focused, low-income customer assistance program should be part of any pandemic relief package.

Any relief bill should eschew broad utility service disconnection moratoriums.

Moratoria on utility disconnections, some ordered by NARUC’s state commission members and some ordered by state governors, have been implemented in the overwhelming majority of jurisdictions across all utility sectors. Whatever else happens, for regulated utilities, NARUC’s member commissions will be dealing with the financial aftermath of those moratoria and the existing waivers of late fees and restructured payback arrangements. The costs for utility services are predominately covered by local ratepayers. Any forgiveness for unpaid bills or free

¹ See, NARUC’s July 22, 2020, [*Resolution Recommending Federal Rate Relief Remedies for Low Income Water and Wastewater Customers Resulting from the COVID-19 Health Emergency*](#).

service will also ultimately be covered by customers. In this circumstance, federal action to prevent service disconnections via a broad moratorium is not necessary or advisable. As outlined earlier, ensuring that federal subsidy programs for low-income consumers are adequately funded, and for the water sector — created — is a less complicated and proven approach to address the pandemic-induced increase in unemployed and limited-income Americans.

Any relief bill broadband provision should eschew eliminating state oversight of carriers’ use of federal subsidies and the services provided to individual Americans.

A number of well-meaning measures to subsidize broadband service or provide incentives for additional broadband infrastructure roll-out unfortunately significantly reduce oversight of each company’s use of federal subsidies as well as oversight of the actual service provided to consumers. By statute, Congress already provides that to access any federal broadband subsidies, a carrier must be designated an “essential telecommunications carrier.” Under the statute, NARUC’s state commission members usually conduct those designations. But they also do a lot more. Much of carrier fraud and abuse in several FCC subsidy programs has been uncovered by NARUC’s state commission members. Moreover, when a carrier fails to provide, or more likely, provides poor quality “subsidized” services, your constituents will have a local option to seek relief. The solution? To the extent additional carrier subsidies are included in any relief legislation, Congress should make sure that any carrier that wants to receive such subsidies is designated an essential telecommunications carrier using the existing statutory provisions, *e.g.*, 47 U.S.C. § 214.

Finally, at our July 2020 meeting, NARUC highlighted one additional obvious and easy action for Congress to help the economy recover in 2021.² Congress should eliminate the volume cap on so-called private activity bonds for water infrastructure projects. This creates a valuable tool for state and local governments to spark needed investments in this critical infrastructure.

NARUC is committed to working with members of Congress, the Administration, industry, and other stakeholders to ensure that all communities have access to reliable and safe vital utility services.

If you have any questions, please contact NARUC’s General Counsel, Brad Ramsay, at 202-898-2207, jramsay@naruc.org, or NARUC’s Legislative Director for Energy, Chris Mele, at 202-898-2206 or cmele@naruc.org.

Sincerely,



Paul Kjellander
NARUC President

² See, NARUC’s July 22, 2020, [Resolution Recommending Lifting the Private Activity Bonds’ Volume Cap for Water and Wastewater Projects](#).