

COVID-19 Relief Legislation – “HEROES Act”

On May 12, 2020, House Democrats unveiled their Phase 4 COVID-19 relief package, the “Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act.” It proposes \$3 trillion in new federal spending aimed to ease the burdens associated with COVID-19. The HEROES Act is expected to pass the House on a party line vote and is not expected to be considered by the Senate in its current form.

The HEROES Act is a starting point for House Democrats in negotiations with Senate Republicans on the next COVID-19 relief package. Senate Majority Leader Mitch McConnell has indicated that Senate Republicans are working on their own package and do not expect Senate action before the end of May. Because the HEROES Act identifies the key priorities that Democrats will seek, below is a top-line summary of the provisions that may impact co-ops and their consumer-members.

Disconnects/Debt Collection

Debt Collections/Disconnects:

- Institutes a temporary moratorium on debt collection and disconnects for utility service (including electric and broadband) to consumers, small businesses and nonprofits. The moratorium runs from the date of enactment through 120 days after the end of the COVID-19 disaster declaration.

Home Energy and Water Service Continuity:

- Requires states and utilities receiving federal emergency funds under the HEROES Act to adopt or maintain in force, to the maximum extent practicable, policies to prevent shutoffs and ensure safety and continuity of home energy and water services to residential customers during the COVID-19 public health emergency.

For any questions related to the disconnect/debt collection provisions, please contact Billie Kaumaya at billie.kaumaya@nreca.coop.

Utility Assistance

Low Income Home Energy Assistance Program (LIHEAP) - \$1.5 billion:

- Provides an additional \$1.5 billion to the Low Income Home Energy Assistance Program (LIHEAP).
- Requires states and Tribes to accept layoff or furlough notices and verified unemployment benefit applications as proof for income verification.
- Increases administrative costs to 12.5% (from 10%).

Emergency Rental Assistance - \$100 billion:

- Provides \$100 billion under the Emergency Solutions Grant program to give assistance for rent and rent-related costs (including utilities).

Mortgage Assistance - \$75 billion:

- Provides \$75 billion to a new homeowner assistance fund at the Department of Treasury (distributed through state housing finance agencies) for mortgage and utility assistance (includes electric, gas, water and internet).

For any questions related to the utility assistance provisions, please contact Billie Kaumaya at billie.kaumaya@nreca.coop.

Payroll Tax Credit

- Provides a 50% refundable payroll tax credit for qualified fixed costs to include covered rent obligations, covered mortgage obligations, and covered utility payments.
- Credit limited to employers with no more than 1,500 fulltime equivalent employees or no more than \$41,500,000 in gross receipts in 2019.

For any questions related to the tax provisions, please contact Paul Gutierrez at paul.gutierrez@nreca.coop or Russ Wasson at russell.wasson@nreca.coop.

Broadband/Telecom Provisions

Funding:

- Establishes a \$5 billion “Emergency Connectivity Fund” at the Federal Communications Commission with an initial funding level of \$1.5 billion.
 - The Emergency Connectivity Fund is intended to close the homework gap by providing funding for WiFi hotspots and connected devices for schools and libraries.
- Creates an \$8.8 billion “Emergency Broadband Connectivity Fund” with an initial funding level of \$4 billion.
 - The Emergency Broadband Connectivity Fund is intended to maintain home connectivity needs of consumers in COVID-related financial distress by providing a \$50 monthly benefit (\$75 on tribal lands) per eligible household.
- Provides \$24 million to implement the Broadband DATA Act which improves accuracy and accountability associated with broadband mapping data.

Policy Directives:

- Accelerates the Rural Digital Opportunity Fund (RDOF) timeline for the upcoming RDOF Phase I auction by speeding up certain deadlines for auction participants wanting to build fiber-to-the-premise networks, in an effort to bring vital services to unserved areas sooner.
- Prevents disconnects and late fees during the outbreak, codifying a voluntary pledge hundreds of ISPs have committed to through the end of June.
- Require providers to make Wi-Fi hotspots public.

For any questions related to the broadband/telecom provisions, please contact Kelly Wismer at kelly.wismer@nreca.coop or Brian O’Hara at brian.o’hara@nreca.coop.

Paycheck Protection Program

- Provides expanded eligibility for the Paycheck Protection Program to explicitly include additional non-profit entities – including 501(c)(12) businesses.

For any questions related to the Paycheck Protection Program, please contact Bobby Hamill at bobby.hamill@nreca.coop or Russ Wasson at russell.wasson@nreca.coop.