



July 20, 2020

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

The Honorable Mitch McConnell
Senate Majority Leader
United States Senate
Washington, DC 20510

The Honorable Steny Hoyer
House Majority Leader
U.S. House of Representatives
Washington, DC 20515

The Honorable Charles Schumer
Senate Minority Leader
United States Senate
Washington, DC 20515

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

Subject: Home Comfort Industry Priorities for Next Coronavirus Relief Package

Dear Speaker Pelosi and Leaders McConnell, Schumer, Hoyer, and McCarthy:

We applaud your efforts to provide relief to American small businesses as they continue to face ongoing challenges resulting from the coronavirus pandemic and its economic impacts. This letter outlines some priorities for Main Street heating fuel providers and their employees and customers. We ask that you keep these priorities in mind as you evaluate next steps in addressing this ongoing crisis.

The National Energy & Fuels Institute (NEFI) represents wholesale and retail distributors of liquid heating fuels and other home comfort products and services. These mostly small multi-generational family businesses deliver conventional and biofuel-blended heating oil to nearly six million homes nationwide, in addition to countless accounts in the commercial, industrial, and agricultural sectors.

When the pandemic began, much of the nation was still in the grasp of winter. Schools were closed, storefronts temporarily shuttered, and millions of people were asked to stay-at-home. Heating fuel retailers heeded the call to action. They kept families warm, hospitals running, and other essential businesses operational. Many are supporting local community response efforts and have gone above-and-beyond to assist those customers most affected by the health and economic impacts of this virus. Heating fuel retailers offer budgeting options and payment plans, participate in fuel assistance programs, and even deliver discounted fuel to their neediest customers - sometimes at a loss to their businesses.

Our industry strongly believes the proverbial mantra, "*leave no customer out in the cold.*" This is especially true during times of great crisis. With the next heating season now only a few months away, NEFI members and their consumers hope Congress will take the necessary actions to help them prepare for whatever mother nature - and importantly, the coronavirus - may bring. In addition to common-sense liability protections and back-to-work incentives being sought by other small business advocates, NEFI urges you to consider the below list of issues important to the home comfort industry.

1. Financial Assistance

Nearly all NEFI members are benefitting from the Paycheck Protection Program (PPP) or other financial assistance provided by the CARES Act. These programs have bolstered liquidity and are helping family businesses maintain full or near-full employment and in some cases, defer seasonal layoffs.

Unfortunately, these programs were designed to be a temporary bridge between government-imposed lockdowns and a fully reopened economy. Many are slated to expire or no longer have available funds.

Congress must consider ways to provide additional relief and if possible, direct financial support for these small businesses as the coronavirus rages and economic uncertainty persists.

In this vein, NEFI supports the bipartisan *Small Business Expense Protection Act* (H.R.6821, S.3612), which seeks to resolve a major area of tax uncertainty for many struggling businesses. This bill reverses a recent IRS decision (Notice 2020-32) that prohibits businesses from deducting expenses that were paid-for with forgiven PPP loans. This misguided decision undermines the intent of the PPP and will result in significant tax liabilities for cash-strapped small businesses at the worst possible time.

Our consumers also face continued hardship and will need additional support. Certain elements of the CARES Act, including federal stimulus payments and the additional \$900 million provided for the Low-Income Home Energy Assistance Program (LIHEAP) have assisted some of the hardest-hit families. However, more needs to be done to bolster household incomes for the duration of the crisis. NEFI supports additional stimulus payments for the hardest hit families, the President's proposed temporary payroll tax cut, and another boost to LIHEAP funding in advance of the next heating season.

2. Workforce Integrity

A robust and healthy workforce is vital to meeting consumer demands when the cold weather arrives. NEFI is working closely with the Federal Motor Carrier Safety Administration and other agencies to avoid delays in commercial vehicle registration and licensing and hazardous material endorsements, and to ensure the necessary actions are taken to avoid driver shortages. Heating fuel delivery drivers and HVAC service technicians will also require greater access to personal protective equipment (PPE) and coronavirus testing, including anti-body testing. Service technicians are among the few essential workers that will require access to the customer's home, even in cases where residents are COVID-19 positive. NEFI hopes Congress and federal agencies will prioritize access to PPE and coronavirus testing and continue to provide regulatory relief for essential workers in the transportation and home energy sectors.

3. Environmental Security

Lastly, forthcoming coronavirus legislation should support the biofuels industry. Many NEFI members actively blend biodiesel and other advanced biofuels into home heating oil. This product, often referred to as Bioheat® Fuel, enhances environmental competitiveness and provides an opportunity for our members to contribute towards local greenhouse gas reduction goals. Unfortunately, biofuel producers are operating in uncertain economic environments. This is particularly true for those that produce biodiesel from used cooking oil, as many restaurants are not yet fully operational. NEFI supports pandemic assistance for biofuels producers and feedstock suppliers as provided in Section 60305 of the House-passed HEROES Act and legislation offered by Senators Grassley and Klobuchar (S.3756).

Heating fuel dealers and other home comfort providers are working every day to meet the challenges presented by the ongoing pandemic. We stand ready to help rebuild the American economy and ensure that it is stronger, more resilient, and sustainable than ever. Thank you in advance for your consideration.

Sincerely,



Sean Cota, President & CEO