

Fisher Sheehan & Colton

Public Finance and General Economics

34 Warwick Road***Belmont, MA 02478-2841
617-484-0597 (voice) *** 617-484-0594 (fax)
roger@fsconline.com (e-mail) *** <http://www.fsconline.com>

Other FSC Offices

33126 S.W. Callahan Road
Scappoose, OR. 97056
503-543-7172

3722 Hummingbird Lane SE
Iowa City, IA. 52240
319-338-1494

July 10, 2003

Internal Revenue Service
CC:PA:RU (Announcement 2003-40)
Room 5226
POB 7604
Ben Franklin Station
Washington D.C. 20044

Delivered by e-mail: notice.comments@irs.counsel.treas.gov

Re: Announcement 2003-40 (precertification procedures)

Dear Sir/Madam:

These comments are provided on behalf of the National Fuel Funds Network (NFFN). NFFN is the national association of charitable energy assistance providers. NFFN has more than 260 members nationwide. Its membership consists of nonprofit agencies, natural gas and electric utility companies, individuals, and state and local government agencies. NFFN submits these comments on the proposed precertification procedures based on the experience of low-income households with gaining access to low-income energy assistance.

THE INTEREST OF FUEL FUNDS IN EITC

NFFN and its membership have a particular interest in the Earned Income Tax Credit (EITC). The end of the winter heating season presents particular financial problems for low wage consumers. Many of these consumers simply cannot afford to pay their winter home heating bills. Protected by state restrictions on winter utility shutoffs, these consumers frequently accrue substantial dollars of arrears. When the shutoff restrictions end in March and April, these low-income consumers must either come up with hundreds of dollars of bill payments or risk losing their utility service altogether.¹

¹ While state shutoff restrictions focus on utility shutoffs, similar issues would arise from the loss of service from bulk fuel vendors. The loss of fuel oil service, for example, might arise from a refusal of a dealer to deliver additional oil when prior bills remain unpaid. There is no "disconnection of service" in the sense of a utility shutoff, but there is a loss of home heating nonetheless. Indeed, given the winter utility shutoff protections many

The problem is substantial. A June 2001 report by the National Fuel Funds Network, and other national organizations, found that at the end of the 2000/2001 winter heating season, at least 4.3 million low-income households were at risk of having their utility service cut off because of an inability to pay their winter home energy bills.² While natural gas prices moderated after the 2001/2002 winter heating season, recent increases in natural gas and fuel oil prices are again creating crisis situations for utility customers. These households are disproportionately low wage, low-income households.

That payment-troubled customers are disproportionately low wage households is commonly accepted. National data reported by the U.S. Census Bureau indicates that the proportion of households in arrears at any given point in time is substantially higher for the low-income population than for the population as a whole. One 1995 census study, for example, reported that while 9.8% of non-poor families could not pay their utility bills in full, 32.4% of poor families could not do so. According to the Census Bureau, while 1.8% of non-poor families had their electric and/or natural gas service disconnected for nonpayment, 8.5% of poor families suffered this same deprivation.³

Information from various states corroborates these findings as well. One 1998 Illinois report, for example, indicated that while 44.5% of LIHEAP-assisted natural gas customers were in arrears, only 28.9% of “general households” were. So, too, has an analysis by the staff of the New Hampshire Public Utilities Commission estimated that roughly 35% of the low-income *electric* customers entering the Electric Assistance Program (EAP) entered the program with arrears. As a general rule, estimates place the average number of customers in arrears at any given point in time at between 10% and 12% of the total customer base.

A 2002 study of energy assistance recipients in Iowa found:

The percentage of energy assistance accounts in arrears consistently and substantially exceeds the percentage of accounts in arrears in the total customer base in Iowa. The figure below presents information over a 46-month period (April 1998 through January 2002). While, on average, 24% of all energy assistance accounts were in arrears over that time period, only 12% of total accounts were in arrears.⁴

In addition to simply being in arrears, this study of Iowa accounts revealed additional patterns that identify the winter energy needs that would be directly addressed by the existence of the EITC. For example, the study tracked the relationship between energy assistance accounts in arrears and total population accounts in arrears by month.

states have adopted to prevent winter shutoffs –these are often referred to as a winter moratorium—customers of bulk fuels such as fuel oil and propane may be in *greater* danger than utility customers.

² National Fuel Fund Network, et al. (June 2001). *The Cold Facts*, at 1, National Fuel Fund Network: Washington D.C.

³ U.S. Census Bureau, *Extended Measures of Well-Being: 1992*, P70-50RV (November 1995).

⁴ Roger Colton (May 2002). *Payment-Problems, Income Status, Weather and Prices: Costs and Savings of a Capped Billed Program*, WeatherWise USA: Pittsburgh (PA). (hereafter referred to as *Winter Payment Problems*).

Graphing the monthly ratio of the proportion of energy assistance accounts in arrears to the proportion of the total population in arrears reveals a seasonal variation that is not evident in the annual data. Clearly, energy assistance customers fall into arrears at a faster rate than does the total population during the winter months. While the ratio of energy assistance customers in arrears to the total population accounts in arrears hovers around the 2.0 mark for most of the non-heating season, the ratio sees consistent increases during the winter heating months, up to 3.0 or more. In October 1999, for example, 10.6% of all customer accounts were in arrears while 21.7% of low-income accounts were (a ratio of 2:1). By March 2000, the proportion of all customer accounts in arrears had fallen to 8.0% while the proportion of low-income accounts in arrears had risen to 26.2% (a ratio of 3.3).⁵

It is not merely the nonpayment of bills that is of concern to NFFN, however. The paid-but-unaffordable bill is a generally-recognized phenomenon. One impact, but only one impact, of the unaffordability of home energy service is the nonpayment of bills. Previous research by the Iowa Department of Human Rights (DHR), which is the agency administering federal fuel assistance (called LIHEAP for the Low-Income Home Energy Assistance Program) in Iowa, found that bill nonpayment is perhaps not even the most significant of the adverse impacts of unaffordable winter home energy bills. A DHR study of Iowa LIHEAP recipients found that:⁶

- Over 12 percent of Iowa LIHEAP recipients went without food to pay their home heating bill. Projected to the total participating LIHEAP population, that meant that about 7,600 low-income households (representing 20,000 Iowa citizens) went without food at times as a result of unaffordable home heating bills.
- More than one-in-five went without medical care to pay for heating bills. This included not seeking medical assistance when it was needed, not filling prescriptions for medicine when a doctor had prescribed it, and/or not taking prescription medicines in the dosage ordered by the doctor.
- Almost 30 percent reported that they did not pay other bills, but did not elaborate as to which bills were not paid.
- In addition to not paying other bills, many low-income households incurred debt in order to pay both their home heating bills and other basic necessities. They borrowed from friends and/or neighbors, used credit cards to pay for food and other necessities, or did not pay the heating bill.

⁵ The ratio is created by placing the proportion of energy assistance accounts in arrears in the numerator and the proportion of total customer accounts in arrears in the denominator. The ratio does not provide any information about the total number of accounts in arrears. It merely tells you the *relative* rate at which accounts are in arrears. If the resulting ratio is 2.0, that tells you that energy assistance recipients are in arrears at a rate twice as high as the population as a whole.

⁶ Joyce Mercier, Cletus Mercier and Susan Collins (June 2000). *Iowa's Cold Winters: LIHEAP Recipient Perspective*, Iowa Department of Human Rights: Des Moines (IA).

The Earned Income Tax Credit (EITC) can be an important strategy for helping the working poor address otherwise unaffordable winter home energy bills. Coming as part of the federal income tax return process, the money will come at the time when low-income households are most vulnerable to unpaid energy bills. Tax returns filed in January and February would easily put cash in the hands of low-income households during the high bill winter months. Even tax credits coming back to customers in April may well serve as a source of downpayment on a payment plan to prevent the loss of service at the very time state winter shutoff moratoria are ending.

This cash can be used as a significant resource to retire unpaid utility bills. An Edison Electric Institute (EEI) staffperson reports, for example, that a 1994 study found that 90 percent of New Jersey EITC recipients used their tax credit to pay household living expenses. One-third of all recipients used their EITC to pay *past-due* bills and one-quarter used part of the refund to pay utility bills.⁷ NFFN would be concerned if eligible low wage households needing this tax credit were to have the assistance denied because of their inadvertent inability to access the credit. NFFN's specific concerns are discussed in more detail below.

NFFN'S CONCERNS ABOUT THE PROPOSED PRECERTIFICATION REQUIREMENTS

NFFN has considerable concern that the precertification requirements proposed by the IRS will interfere with eligible households gaining access to the resources that the EITC can provide to help pay winter-end utility arrears. Drawing upon our expertise in fuel assistance, NFFN's concerns as to the EITC precertification proposal are described in detail below.

The Lack of "Effective Knowledge"

The lack of "effective knowledge" is the primary barrier to participation in Pennsylvania's Low-Income Home Energy Assistance Program (LIHEAP).⁸ In a study of LIHEAP participation in Pennsylvania, Penn State University's Drew Hyman found that the lack of information substantially impeded participation. The Penn State study found that "while most consumers indicate awareness of energy assistance, in general, their knowledge is not sufficient to allow them to act. Almost half of those who say they 'know about' energy assistance cannot name a single program." The Penn State study found that fifty-four percent (54%) of the respondents were aware of energy assistance but could not name a specific program or were unaware of any specific program.

The Penn State report concluded: "While the level of awareness has improved considerably in recent years, these findings raise questions about the uninformed majority. People who are unaware of programs or cannot name an agency which they can contact for assistance most likely do not have effective access to help when they need it."

"Effective knowledge" involves not only conveying information, but teaching consumers how to use that information as well. According to the Pennsylvania work, consumers must know how to act upon the information they are given. NFFN has concerns that low wage employees will not have

⁷ Alexander Wilson (November/December 1994). "Another Perspective: Earning Credit in the Community," *Electric Perspective*, at 78.

⁸ Drew Hyman, *Consumer Budget Priorities and Utility Payment Problems in Pennsylvania*, prepared by Consumer Services Information System Project (Penn State University) for the Pennsylvania Public Utility Commission (1988).

“effective knowledge” as defined herein regarding how to claim their EITC in light of precertification requirements.

Special Problems of the “New Poor”

Research on energy assistance in New York identified the “new poor” as a particular population vulnerable to nonparticipation. The new poor include those households who have, in the New York study terminology, “become poor.”

According to the New York study, most elderly poor in New York did not know of, and did not use, the existing energy “intervention programs” designed for their benefit. Noting that “no intervention program can be effective unless it is known and used,” the New York study sought to determine “the degree to which (the sample of elders studied) was aware of and utilized these programs.”⁹

The New York report found that “fewer than 20% of the sample were aware of the SCIP¹⁰ or weatherization programs.” On the one hand, the study explained the low SCIP participation, notwithstanding “intensive outreach and heavy media advertising,” by noting the “brief time available for advertising and implementing the program.” On the other hand, the study noted that “the CSA weatherization program also had relatively low visibility despite extensive advertising and outreach campaigns.”

The report concluded as to the elderly:

It is quite likely that both of these attitudes derive from the fact that the elderly poor have frequently *become poor* with age. (emphasis in original). The newly poor have a long history of self-reliance and independence and quite often take pains to distinguish themselves from the welfare population. Programs that appear to present ‘something for nothing’ are difficult for many of them to accept. It appears, too, that many elderly perceive these programs as ‘welfare’ and thus as inappropriate for them --despite acknowledged need.

NFFN has substantial concern that many households who are eligible for the EITC are not the chronically poor, but rather are households that have “become poor.”¹¹ Identifying households that have “become poor” as a population in need of special attention, and that needs particular effort in outreach and education, are two of the primary lessons to be learned from the New York energy assistance study. NFFN’s concern is that households that have become poor are precisely those that qualify for the EITC but that are least likely to how to comply with the precertification requirements and how to obtain assistance in gaining such compliance.

⁹ Charles Unseld, *The Impact of Rising Energy Costs on the Elderly Poor in New York State*, at 61, prepared by Welfare Research, Inc. for the New York State Energy Office (January 1978).

¹⁰ SCIP was the special crisis intervention program.

¹¹ See generally, National Fuel Funds Network (May 2002). *A Fragile Income: Deferred Payment Plans and the Ability to Pay of Working Poor Utility Customers*, National Fuel Funds Network: Washington D.C.

The Impact of the Lack of Telephone Service

The lack of telephone service by low-income households can serve as a barrier to participation in low-income energy programs, one study in Maine concluded. The state of Maine has adopted a unique approach to the winter payment problems of low-income customers. Rather than adopting a "pure" winter moratorium, whereby disconnections of service are absolutely prohibited for income-eligible customers from November through April, Maine has adopted a two-pronged approach to winter shutoffs. The first prong requires utilities to make a reasonable effort to make personal contact with customers who are \$50 or more in arrears. This "personal contact" may occur either by telephone or by a premise visit.

The second prong is a system of payment plans. The Maine public utility commission (PUC) requires most utilities to offer eligible customers¹² an opportunity to enter into a Special Payment Arrangement. Under this plan, a customer may pay less than the full amount of winter bills as they become due; the difference is then "made-up" in equal increments paid during the non-heating months. In the event that (1) no personal contact is made with the customer, or (2) personal contact is made and the customer and utility fail to agree on a payment plan, or (3) a payment plan is agreed to but is subsequently broken, a utility may seek to disconnect service even during the winter months so long as it first seeks and obtains approval from the Maine PUC's Consumer Assistance Division.

A report for the Maine PUC, prepared by the National Consumer Law Center, found that these rules operated, however unintentionally, to exclude a discrete population of low-income households.¹³ The report found that 70 percent of the households for whom a winter disconnection was sought, and 80 percent for whom a winter disconnection was granted, lacked *telephone* service in their home. The study found that the homes without telephones did not have greater arrears than the remaining population.¹⁴

The study found instead that the structure of the utility's collection procedures worked to exclude these households that lacked telephones. It found that a statistically significant difference existed in the number of "no-phone households" that arranged to make full or partial payments, that obtained public assistance, and that entered into payment plans. The study concluded:

It would appear that households that lack telephone service do not have the same ability to undertake the basic activities necessary to maintain home heating. They cannot contact social service agencies for public assistance; nor can they contact their utility to make payment plan arrangements.

¹² An "eligible customer" is defined to be a customer who "is not able to pay for utility service in accordance with the terms of the bill without exposing the customer or other members of the customer's household to the probability of deprivation of food or other necessities for health or life." Chapter 81, sec. 17.A.5, Maine P.U.C. Rules.

¹³ National Consumer Law Center, *An Evaluation of Low-Income Utility Protections in Maine: Winter Requests for Disconnect Permission*, at 16 - 18 (July 1988).

¹⁴ Indeed, exactly the opposite was found. On average, the population without phones had \$158 in arrears at the time of the original disconnect notice issued by the utility while the population as a whole had \$170 in arrears. Similarly, at the time the utility sought permission to disconnect in the winter, the average arrears for the "no-phone" population was \$189 while the average arrears for the total population was \$210. *Id.*, at 17.

Based upon this analysis, the Maine PUC was urged to eliminate the source of exclusion from the energy assistance programs: heavy reliance upon telephone collection techniques. However unintentional, the unconscious assumption regarding the presence of telephones was serving as a barrier to participation in low-income energy payment solutions by a substantial segment of Maine's low-income population.

NFFN has substantial concern that the precertification procedures proposed by the IRS have this same implicit assumption as to the access to telephone service. Not only do the precertification requirements themselves assume that households can call to obtain necessary documents, but the outreach and education initiatives that underlie the start-up of the precertification requirements have an implicit assumption about adequate access to telephone service. The program assumes that low wage households can call the IRS for help. The program assumes that low wage workers can call for guidance and assistance in negotiating the precertification requirements. And, just as Maine's no-phone low-income population disproportionately lost its utility service due to the lack of phone service, the nation's no-phone population will lose their access to critical EITC benefits due to that same lack of telephone service.

The Special Needs of First Time Tax Filers

First time tax filers present unique problems of their own. Consider the lessons from Vermont's Food Stamp program. The application forms for the Food Stamp program in Vermont were a major barrier to participation.¹⁵ The participants, according to the Vermont researchers, "viewed the 12-page application form as complex and overwhelming." The report continued, however, to note that while the monthly income reporting forms were *not* major problems for most Food Stamp recipients, problems did exist. For example, the report found, "there were several participants who mentioned that ***the first time*** (emphasis in original) the monthly reporting form arrived in the mail, they had been confused about what was expected."

NFFN has concerns that the precertification process must work well the first time around. We know from experience with fuel assistance that if households are found to be ineligible once, they are less likely to apply for assistance again. Many eligible nonparticipants have misperceptions regarding their eligibility for a program. We know from fuel assistance research in Colorado, for example, that persons who have been found ineligible for one program (however unrelated to fuel assistance) are less likely to apply for fuel assistance. Similarly, persons who have been found ineligible in the past for fuel assistance are not likely to apply again, even if their circumstances have changed.¹⁶

The implication is that if households are denied access to the EITC the first time they apply due to their inability to comply with the precertification requirements, however inadvertent, the chances are very high that those households will not seek to claim the EITC again, even if the household is eligible. Ensuring that the precertification requirements work the first time around has program implications that extend well beyond the first year of program operation.

¹⁵ Sandage Advertising & Marketing, *Food Stamp Program: Focus Group Research Report*, at 6, prepared for Vermont Department of Social Welfare (1989).

¹⁶ Roger Colton (1997). *Home Energy Assistance Review and Reform in Colorado*, at Chapter 10, Colorado Energy Assistance Foundation: Denver (CO).

The Special Needs of the Frequently Mobile/Recently Mobile Tax Filer

Frequently mobile households present special needs as well from a program implementation perspective. A 1997 study of fuel assistance in Colorado found that the frequent mobility of low-income households was a major barrier to participation in the LIHEAP program. The Colorado study reported:

The length of time at which households have lived at their current residence affects the barriers that those households cite to LIHEAP participation. The data in Colorado lends support to the concept of “effective knowledge” and “effective access” first advanced in a study of LIHEAP nonparticipation in Pennsylvania in 1988.¹⁷ According to that study, “while most consumers indicate awareness of energy assistance, in general, their knowledge is not sufficient to allow them to act. Almost half of those who say they ‘know about’ energy assistance cannot name a single program.”

* * *

What the data in Colorado adds to these Pennsylvania insights is that the barriers presented by the lack of “effective knowledge” are positively related to the length of residence at a particular location. The Table below compares the barriers cited by Colorado LIHEAP nonparticipants who have lived at their current location for 1 – 24 months to those nonparticipants who have lived at their current location for 36 or more months. As the numbers show, while the knowledge of the LIHEAP program generally does not vary based on length of residence, persons who have lived at their current residence for a shorter period of time more frequently cite, as reasons for LIHEAP nonparticipation, having trouble finding out about LIHEAP, not being able to find transportation to apply for LIHEAP, missing application deadlines, and not being able to find help in applying for LIHEAP. These factors seem to be positively associated with “newness” to an area and the lack of “effective knowledge” as cited in Pennsylvania. * * * Barriers associated with program knowledge (or lack thereof) are positively associated with recent residency. Given the barriers cited by households who have lived at their current residence for 24 months or less, in other words, the theory of “effective knowledge” as a barrier to LIHEAP participation has been confirmed in Colorado.¹⁸

NFFN has substantial concerns about the impact of the precertification requirements on frequently mobile households. We know that poverty contributes to the frequent mobility of households. The precertification requirements, as well as outreach and education, should be strictly required to ensure that the very fact of mobility does not contribute to keeping these households in poverty by denying them access to the EITC.

¹⁷ Drew Hyman, *Consumer Budget Priorities and Utility Payment Problems in Pennsylvania*, prepared by Consumer Services Information System Project (Penn State University) for the Pennsylvania Public Utility Commission (1988).

¹⁸ Roger Colton (1997). *Home Energy Assistance Review and Reform in Colorado*, at Chapter 10, Colorado Energy Assistance Foundation: Denver (CO).

The Role of “Trust” in Outreach and Education

Finally, in seeking to provide information to eligible households on what may, and on what must, be done to comply with precertification requirements, substantial learning can be obtained from fuel assistance outreach. A national study by the Center on Budget and Policy Priorities (CBPP) examined specifically why elderly households did not participate in the LIHEAP program.¹⁹ This report noted substantial barriers to participation, including a lack of program trust. A study of methods for marketing energy conservation programs to the elderly, this report noted, found that "many of the elderly did not *trust* the programs." (emphasis added). The report found that in designing outreach efforts, "the specific informational techniques used were less important than the amount of trust [that] potential participants had in the sponsoring organization."

Research in Philadelphia found that "trust" is directly correlated with income and socio-economic status. An April 1997 report by The Pew Charitable Trusts found that education and age are other important factors.²⁰ Older, more educated and more affluent respondents are more trusting than the less schooled and poorer. Poorly educated young whites and young blacks are extremely distrustful. The Pew study found that few Philadelphia residents trusted the news media (either print or broadcast). Conversely, the most trusted institutions are ones that involve personal contact. Four of the five most trusted institutions in the city included family members (#1), people at church (#3), your boss (#4), and co-workers (#5).

In contrast to this personal contact, excessive reliance upon a media campaign is not likely to be successful. Professor Brenda Dervin²¹ states that one "well-established premise of public communication/education campaign design [is] that mass mediated messages are rarely effective."²² According to Professor Dervin, media-based campaigns tend to have low penetration levels, with a typical public service announcement campaign producing awareness rates as low as 5 - 10%. Similarly, media advertising was found to generate low consumer awareness of a low-income energy assistance program in New York State. As the study of New York weatherization discussed above found: "[T]he CSA weatherization program. . .had relatively low visibility despite extensive advertising and outreach campaigns."

NFFN has concerns that adequate outreach and education has not yet been developed for the precertification requirements. The systems and networks are not yet in place that will produce and deliver outreach and education in a form that will be accessed, understood, and trusted by the population of people who need it.

¹⁹ Kathryn Porter (December 1989). *Participation by the Elderly in the Low Income Home Energy Assistance Program*, Center on Budget and Policy Priorities: Washington D.C.

²⁰ Andrew Kohut. (April 1997). *Trust and Citizen Engagement in Metropolitan Philadelphia: A Case Study*, Pew Research Center for People and the Press: Washington D.C.

²¹ Communications Department, Ohio State University, Columbus, OH.

²² Brenda Dervin (1995). *Evaluation of the Pacific Bell Customer Notification and Education Plan on CPN Delivery*, California PUC: Sacramento (CA).

Summary of NFFN Concerns

It is axiomatic among persons who design programs to deliver public benefits to the poor that the tasks of informing potential clients and securing their acceptance and participation are of major concern. As one Ohio review (by Edric Weld) of a variety of energy assistance programs concluded: "almost by definition, poor and elderly persons are likely to be less able than others to cope with their situations, seek help when it is needed, or respond to programs of assistance when these are made available."²³

The Weld report concludes that there are two aspects to providing effective public assistance. The report states: "aid should be accessible to potential users and accepted by them if the program is to be fully effective." This two-fold "accessible" and "acceptable" analysis translates into ensuring that potential recipients can be successful "both in learning about possible sources of assistance and in actually completing all procedures required to receive aid." NFFN's recommendations below are built on this notion of "accessible" and "acceptable" with respect to claiming the EITC.

Moreover, NFFN agrees with a dated, but still relevant, observation that the General Accounting Office (GAO) made with respect to participation in the federal Food Stamp program. According to the GAO: "From a policy viewpoint, an informed decision on the part of an eligible household not to participate in the program is not an issue. Lack of information about the program, however, and at least some program and access problems can and should be remedied."²⁴

RECOMMENDATIONS

Based on all of the above, NFFN requests the IRS to take the following actions relative to the proposed recertification program:

- **Delay the implementation of the precertification program until the summer of 2004.** Insufficient time exists this year to remedy the information problems that NFFN has identified above. It is possible to conclude up front that there are inadequate resources and time to provide effective knowledge to low wage tax filers about the recertification process. No plan exists to create "effective knowledge." No plan exists to have education and outreach be delivered in a form that can be accessed, understood and trusted by the necessary populations. No plan exists to have the precertification requirements be both "acceptable" and "accessible."
- **Engage in an extensive community-based outreach program to provide information about the recertification process to potentially eligible low wage tax filers prior to implementation of the precertification requirements.** The IRS should not rely upon traditional means of outreach to the affected low wage households. There should be extensive use of agencies such as community action

²³ Edric Weld, *Energy Assistance Programs and Pricing Policies in the Fifty States to Benefit Elderly, Disabled or Low-Income Households*, prepared by Cleveland State University, Institute of Urban Studies, for Ohio Energy Credits Advisory Committee (1979).

²⁴ General Accounting Office, *Food Stamp Program: A Demographic Analysis of Participation and Nonparticipation*, at 15 (January 1990).

agencies, fuel funds, and related nonprofit organizations that reach directly into the low-income community. This outreach is needed to address the trust issues and the reliance of the low wage community on community-based sources of information. In addition, the use of such community-based networks can help address the harms from an implicit assumption of the availability of telephone service as well as the special needs of frequently-mobile households.

- **Delay the implementation of the precertification program until there are specific strategies adopted for reaching particularly vulnerable populations.** The particularly vulnerable populations that NFFN has identified include households that are recently mobile, households that have “become poor,” and households that lack telephone service. The identification of these populations is not in derogation of other vulnerable populations that may be identified by other parties providing comments on the precertification proposal.
- **Delay expansion of any precertification program until after a comprehensive review of its impacts has been completed.** NFFN is skeptical as to whether or not the precertification program can *either* reduce the overpayments of EITC benefits *or* even if it does so, accomplish this objective without substantial harm to eligible tax filers that are low wage workers who qualify for the EITC. The comprehensive evaluation should be undertaken in a public forum; should be subject to public review and comment; and should be accomplished *before* any decision to expand the precertification process to additional low wage households.

Thank you for providing the National Fuel Funds Network (NFFN) an opportunity to comment upon the IRS precertification proposal. We ask that NFFN be provided with copies of any future notices on this proposal.

Sincerely,

Roger D. Colton, Vice-chairperson
NFFN Board of Directors

ON BEHALF OF:

George Coling, Executive Director
National Fuel Funds Network
733 15th Street, Suite 940
Washington D.C. 20005
202-824-0660 (voice)
coling@nationalfuelfunds.org (e-mail)