

**STATEMENT OF THE HONORABLE JOHN CONYERS, JR. ON INTRODUCTION OF
H.R. _____, THE PREVENTING TERMINATION OF UTILITY SERVICES IN
BANKRUPTCY OF 2014**

July 17, 2014

Utility companies provide many basic and life-saving services, such as electricity to light our homes, water to drink, and gas to heat our homes. Sometimes, however, individuals, through no fault of their own, struggle to pay for these services often in the face of devastating medical debt, job loss, or economic disruption caused by divorce. While resorting to bankruptcy provides some relief from financial distress, current law permits utility companies to force these debtors to pay security deposits for continued service even if they were current on their bills before filing for bankruptcy or if they promise to be current on their bills after bankruptcy. Utility companies typically insist that debtors pay at least two months or more of their average bills as a deposit – in addition to requiring that they remain current on their utility bills after bankruptcy – in exchange for the utility continuing to supply service.

H.R. _____, the “Preventing Termination of Utility Service in Bankruptcy Act of 2014,” corrects this injustice. It provides that if the debtor remains current on his or her utility bills after filing for bankruptcy relief, the debtor should not have to pay a deposit to the utility to continue service.

In Detroit, for example, families across the city have seen their water rates increase by 119% over the past decade. During the same period, the Nation generally and Detroit in particular suffered in the aftermath of a global financial crisis that left one-in-five local residences in foreclosure and sent local unemployment rates skyrocketing.

Fortunately, we are incrementally recovering from the Great Recession of 2008. For those individuals who must seek bankruptcy relief, however, we should ensure that their ability to pay their utility bills going forward is not hindered by unnecessary demands for deposits if these debtors remain current on their payments to these companies.

Terminating a family’s access to such life-saving services that keeps the lights on, warms our homes, and ensures that they can bathe, hydrate and prepare meals is simply wrong if these utility bills are being paid on time.

This legislation is part of a range of solutions that are needed to address the still pervasive adverse impacts of the Great Recession of 2008. I continue to work with my colleagues in Congress, state and federal officials, and my constituents to defend the right to water and protect public health. I will not tolerate the notion that—in the 21st Century, in the wealthiest nation on earth—families should go without access to affordable public water and sanitation services.