



Engineers Labor-Employer Cooperative
The Labor-Management Fund of Operating Engineers Local 825
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Secretary of the Board
NJ Board of Public Utilities
44 South Clinton Ave, 3rd Floor
Trenton, New Jersey 08625-0350

Subject: NJBPU Docket No. AO20060471

The Engineers Labor-Employer Cooperative is a labor-management trust that represents the combined interests of the nearly 7,600 members of International Union of Operating Engineers Local 825, and the signatory union contractors who employ them. As a multi-state organization, ELEC focuses on promoting economic development and advocating for investments in infrastructure -- not only to provide work opportunities but to ensure that our members, contractors and their families, have the quality of life they deserve as residents of New Jersey.

IUOE and contractors invest millions annually, host and operate two state-of-the-art training campuses and are making significant advancements and investments in STEM higher education for our members to keep up with equipment technology, software and hardware, internal computers, GPS and other advanced features, which will be required to build the energy of the future. As we plan the energy mix of the future, it is critical to keep in mind that organizations like ours have already begun putting the pieces in place to ensure our membership is up-to-date and ready to work.

The Division of Rate Counsel's Petition for Relief, filed October 2, 2020, will have a negative impact on all rate payers as well as any attempt at our State's economic recovery.

Based on the issues outlined in the Rate Counsel's Petition, we have outlined specific areas of concern that potentially impact our organization:

- Actions taken by the Rates Counsel will drastically reduce the economic boost that utility infrastructure projects contribute to our State's economy. The Federal Reserve has estimated that infrastructure projects generate a three dollar return for every one dollar invested. Removing or limiting these investments will slow our State's economic recovery, which will place New Jersey in a dire economic position.

In addition, delaying these projects will further increase the cost in the future. The American Society of Civil Engineers has estimated that insufficient investment in water infrastructure repairs and improvements will lead seven times higher water utility costs, a \$2.9 trillion decline in the gross domestic product, and would result in \$7.7 billion in healthcare costs to households by 2039. Preventing these investments will increase costs on businesses and residents in the future.

- Upon the start of this pandemic, utility providers in New Jersey voluntarily suspended shut-offs for non-payment, followed by the moratorium on shut-offs created by Governor Murphy's E.O. 190 is in place through March 31, 2020. Some of the concerns mentioned in the petition are alleviated through the voluntary efforts and E.O. 190. In order to avoid taking actions that will negatively impact rate payers, the State should consider investments from federal pandemic funding and restructuring assistance programs to reduce customer arrears.

Conclusion

New Jersey's economic recovery and the state of our crumbling infrastructure is dependent upon continued and significant investments. Preventing utility infrastructure projects from moving forward will slow recovery and prevent utility providers from ensuring our utility infrastructure is reliable and safe for residents and businesses who depend on them. It is also crucial to employing the contractors, skilled tradesmen and women, engineers, planners and material suppliers up and down the supply chain, including our more than 7,600 members, most of which residents of NJ, and their families, during these difficult times.

Thank you for the opportunity to submit these comments.