

Sample Letter you Can Use/Modify to Contact your Representatives.

Dear Representative _____ or Dear Senator _____:

I write this to urge you to support H.R. 7305, an important piece of legislation that would provide federal tax relief on legal settlements awarded to wildfire victims who have suffered significant personal and financial losses.

In 2017, the Pacific Gas & Electric Company (PG&E) was placed under criminal probation for its conviction after a 2010 natural gas pipeline explosion killed eight people. That probation ended earlier this year, but PG&E remains “[a continuing menace](#),” wrote the supervising judge in a concluding report. According to federal Judge William Alsup, PG&E has failed to rehabilitate itself, which leaves Californians “trapped in a tragic era of PG&E wildfires because, for decades, it neglected its duties.”

While on probation, PG&E set off 31 wildfires that killed 113 Californians and burned nearly 1.5 million acres, including nearly 24,000 structures. The utility is blamed for some of the largest fires in California’s history, including the deadly Camp Fire of 2018, which destroyed the town of Paradise. PG&E went on to plead guilty to 84 counts of involuntary manslaughter for its role in the Camp Fire.

In 2019, PG&E filed for Chapter 11 bankruptcy protection because it lacked the funds to fully compensate many thousands of individuals and businesses who suffered significant fire losses. The final PG&E bankruptcy plan established the Fire Victim Trust (FVT), which was intended to provide needed compensation for fire victims. Even with the trust, however, innocent fire victims faced the prospect of limited recovery for their losses.

I want you to understand what fire victims have endured. We had to flee our homes and businesses with only what we could carry, leaving behind things like life-sustaining medications and priceless family heirlooms. We watched news coverage of our devastated communities from shelters, cramped motel rooms, or the living rooms of family and friends. When we were finally able to see the damage for ourselves, we had to come to grips with the fact that things we owned, built, and cherished were gone forever. Over 70,000 fire victim claimants lost nearly everything.

Think for a minute about what it means to face a reality of not having your home, your job, your business, your car, your school, or your town. On top of all that, imagine you must put your life back together and find stability in the absence of family, friends, and the community you cherished and relied on. [Given the facts surrounding the FVT](#), I ask that you understand how important these settlement awards are to reconstruct our homes, our businesses, and our communities.

Due to the “pro rata” rules dictated by bankruptcy law, the FVT has thus far compensated fire survivors at 60% of their accepted awards. Considering that each fire claimant’s award is financial compensation for their losses (we are not “gaining” anything), those of us who received

a 60% pro rata distribution are still 40% below zero. Some fire survivors have been living in tents, trailers, and other makeshift homes for years while awaiting payments from the FVT. Many of those who have been paid their 60% pro-rata awards have incurred further losses. After losing everything, we are not only burdened with a fractured recovery for our losses, we are faced with the very real possibility that the FVT will not be able to pay out claims at 100% of awarded amounts.

This brings us to H.R. 7305: Forcing fire victims to declare our settlement recovery as income and potentially incur tax liability is like throwing salt on a wound. It has been widely reported that [financial institutions actually profited from PG&E's bankruptcy](#) and stand to pay proportionally less in taxes on their fire claim profits than fire victims will pay on their losses. I cannot express how upsetting it is to know that the tax system takes a higher percentage of recovery from the human beings who lost everything than it does from the financial institutions that profited from the PG&E bankruptcy.

No fire victim claimant has realized a financial gain because of their settlement. No fire victim claimant will ever be made whole for their losses. H.R. 7305 acknowledges these realities and seeks to alleviate the crushing tax burden on settlement funds we desperately need. By advancing the modest and impactful measures in this bill, you are giving the fire victim community the opportunity to heal and financially recover from disaster.

Thank you for taking the time to hear our voice and support fire victims. I hope that you will vote to pass H.R. 7305.

Sincerely,