

January 19, 2005

The Honorable George W. Bush
President of the United States
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President:

The Coalition of Northeastern Governors (CONEG) welcomes the recent release of \$100 million in FY2005 Low Income Home Energy Assistance Program (LIHEAP) contingency funds. As the winter season deepens and home heating fuel prices remain historically high, we urge to you release immediately the remaining \$200 million in LIHEAP contingency funds. Continued high prices for home heating fuels are placing a severe burden on the nation's low-income households. These contingency funds are urgently needed throughout the United States to help the nation's most vulnerable citizens – the elderly and disabled living on fixed incomes and families with young children – pay unaffordable home energy bills this winter.

Winter weather has just begun, and states in the Northeast and across the country are seeing a significant increase in the number of applications for assistance as low-income households struggle with the effects of continued high home energy prices. This winter, the requests are expected to exceed five million – the highest number in a decade. The Energy Information Administration predicts that, compared to last year, it will cost 34 percent more to heat a home with home heating oil, 22 percent more for households heating with propane, and 9 percent more for households heating with natural gas. EIA projects a national and regional average price of \$1.80 for home heating oil in early 2005; but in some areas of the Northeast, the price is already between \$1.90 and \$2.00 per gallon. In the Northeast, where a large number of households use home heating oil, these price increases hit vulnerable residents especially hard. As low-income residents are faced with these staggering price increases for a basic daily necessity, many are still struggling to pay down energy debts from last winter. Without assistance, these households will be forced to make dangerous choices between heating their homes, seeking medical attention, purchasing food or vital medication, or paying their full rent or mortgage.

Although LIHEAP has seen an increase in its annual appropriation in recent years, the soaring prices of home heating fuels have dramatically decreased the program's purchasing power. The FY2005 Consolidated Appropriations Act provides valuable additional resources for the program; yet the increased appropriation, while welcome, barely covers the increased heating costs attributed to rising energy prices. Some states are reducing LIHEAP benefits to stretch limited resources, and others are having to limit their crisis programs. Other public and private social service programs can offer only limited home heating crisis assistance since their own resources are strained.

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The Governors urge you to release the remaining \$200 million in FY2005 LIHEAP contingency funds before the winter heating crisis worsens. Your prompt attention to this request, and your consideration of this important need as you complete your FY2006 budget request, will assist states in helping to make home energy more affordable for the nation's most vulnerable households.

Sincerely,

/o.s./
John E. Baldacci
Chairman
Governor of Maine

/o.s./
Donald L. Carcieri
Vice-Chairman
Governor of Rhode Island