

September 29, 2005

The Honorable Thad Cochran  
Chairman  
Committee on Appropriations  
United States Senate  
S-128 Capitol Building  
Washington, DC 20510-6025

Dear Mr. Chairman:

As you prepare for further action on both an emergency supplemental appropriations request and the FY2006 Labor/HHS appropriations bill, the Coalition of Northeastern Governors (CONEG) urges you to provide additional funding for the Low Income Home Energy Assistance Program (LIHEAP). In light of record high energy prices and the diminished purchasing power of LIHEAP program funds, we ask that you provide \$1.276 billion in emergency funds as part of an upcoming supplemental appropriations bill. We also urge the Congress to appropriate at least \$3.4 billion in regular funding for LIHEAP as well as \$300 million in emergency contingency funding as provided in the Senate Labor/HHS and Education Appropriations bill. This increased funding – for emergency and regular LIHEAP funds – is urgently needed to help the nation's most vulnerable citizens afford to heat their homes this winter – and to ensure that adequate funds will also be available in the coming year to address heating and cooling needs across the nation.

Record high and persistent energy prices for home energy fuels – aggravated by the disruption and lingering effects of the recent Gulf Coast hurricanes – threaten to create a home energy crisis for millions of Americans this winter. These record prices occur as many citizens still struggle to pay off high energy bills from last winter and from this summer's heat wave. The Energy Information Administration has forecasted that households heating with home heating oil are expected to see a 31 percent increase in costs this winter over last winter. Heating costs for the average family using heating oil this upcoming winter are projected to hit \$1,666 – an increase of \$403 over last year's prices and \$714 over the winter heating season of 2003-2004. For families using natural gas, prices are projected to hit \$1,568 – representing an increase of \$611 over last year's prices and \$643 over 2003-2004.

An emergency LIHEAP appropriation of \$1.276 billion is urgently needed to restore the purchasing power of LIHEAP funds eaten away by the double digit rise in energy prices over the past year. As the heating season begins, a low income household in some Northeast states would exhaust its entire benefit on just one delivery of heating oil. LIHEAP programs across the Northeast states are receiving increased requests from low-income households with significant arrears.

As Congress continues to consider the FY2006 appropriations for the LIHEAP program, the combination of recent energy prices spikes and projected price increases at the start of the winter season means that additional dollars are needed immediately to assist these most vulnerable households. Faced with diminished purchasing power of LIHEAP funds, states face the prospect of serving even fewer eligible households, reducing benefits, or curtailing the duration of the program even before the heating season gets underway.

An additional \$1.276 billion in emergency supplemental funding for the Low Income Home Energy Assistance Program – released to the states in a timely manner – is the minimum needed to maintain the purchasing power of LIHEAP funds. Emergency funds are urgently needed to ensure this valuable program can assist the nation’s most vulnerable low-income citizens to afford the basic need of home energy. The CONEG Governors thank you for your attention to this request and stand ready to provide you with any additional information on the importance of this vital program to the Northeast and the nation.

Sincerely,

/o.s./

John E. Baldacci  
CONEG Chair  
Governor of Maine

/o.s./

Donald L. Carcieri  
Vice-Chair  
Governor of Rhode Island

*Identical letters were also provided to House and Senate Leadership, to Leadership of both House and Senate Labor/HHS Subcommittees and both Appropriations Committees.*