CONEG
COALITION OF NORTHEASTERN GOVERNORS

Governor John E. Baldacci, Chair
Governor Donald L. Carcieri, Vice-Chair
Anne D. Stubbs, Executive Director

December 9, 2005

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

Dear Mr. Chairman:

As Congress prepares to conclude the current session, it has the opportunity to provide urgently needed increased funding for the Low-Income Home Energy Assistance Program (LIHEAP). While we recognize the difficult choices confronting the Congress, the Coalition of Northeastern Governors (CONEG) urges you to act promptly to provide no less than the $2.183 billion in LIHEAP appropriations contained in the conference report for H.R. 3010 as reported, as well as at least an additional $1 billion in LIHEAP funding as currently provided in the House reconciliation bill (H.R. 4241) or through any legislative measure available before Congress adjourns for the year.

These measures contain discrete and urgently needed LIHEAP funding and are designed to provide immediate funding to the states as the winter heating season gets underway. Together, they are a critical step toward providing some of the additional LIHEAP funding needed to enable all states to offer meaningful assistance to help vulnerable households deal with the consequences of high energy prices this winter. Such funds should be immediately available to the states and should not jeopardize LIHEAP funding in future appropriations bills.

Persistent record high prices for energy, and the prospect of energy shortages in some areas, are creating a home energy crisis for millions of low-income Americans this winter. While the annual appropriation for LIHEAP has remained flat over the past several years, the price of most home heating fuels has increased by more than 35 percent just within the past year, continuing a trend that has seen the purchasing power of LIHEAP funds erode over 40 percent since the program began. At current prices, the cost of just one delivery of home heating oil exceeds the amount of the LIHEAP benefit in some Northeastern states. LIHEAP programs across the country are receiving increased requests from low-income households with significant arrears.

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States recognize the emerging crisis, and many have taken proactive steps to stretch scarce LIHEAP funds, such as providing additional state financial resources, entering into pre-buy agreements with vendors, requiring margin-over-rack pricing, sharing administrative costs with other programs, and promoting weatherization and conservation. However, even with these steps, the available funding for the program is just not adequate to meet the needs of the nation's low-income citizens struggling to afford the staggering costs of home energy.

An increase in funding in the FY 2006 Labor, Health and Human Services, Education, and Related Agencies Appropriations conference report for the Low Income Home Energy Assistance Program to at least $2 billion, as well as at least $300 million in emergency contingency funds is urgently needed to help states assist the nation's most vulnerable low-income citizens afford the basic necessity of home energy. In addition, Congress should act promptly this session to provide up to $2.9 billion in additional LIHEAP emergency funds to meet the home energy needs this winter and beyond for low-income households across the nation.

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
Chair
Governor of Maine

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

Identical letters were also provided to both House and Senate Leadership, Chairmen and Ranking Members of Appropriations Committees, Labor HHS Subcommittees and Budget Committees.