

May 28, 2008

The Honorable Nancy Pelosi
Speaker
United States House of Representatives
H-232 The Capitol
Washington, DC 20515

The Honorable John Boehner
Minority Leader
United States House of Representatives
H-204 The Capitol
Washington, DC 20515

The Honorable David Obey
Chairman
Committee on Appropriations
United States House of Representatives
H-218 The Capitol
Washington, DC 20515

The Honorable Jerry Lewis
Ranking Member
Committee on Appropriations
United States House of Representatives
1016 Longworth House Office Building
Washington, DC 20515

The Honorable James Walsh
Ranking Member
Subcommittee on Labor, Health and
Human Services, and Education
1016 Longworth House Office Building
Washington, DC 20515

Dear Speaker Pelosi, Republican Leader Boehner, Chairman Obey, Ranking Member Lewis and Ranking Member Walsh:

As the House continues its consideration of H.R. 2642, the Supplemental Appropriations Act of 2008, the Coalition of Northeastern Governors (CONEG) urges you to support the additional \$1 billion in FY2008 funding for the Low-Income Home Energy Assistance Program (LIHEAP), as provided by the Senate. In addition, we also urge the House to support allocating these funds equally between the regular LIHEAP block grant and emergency contingency programs, and to ensure that such funds are released in a timely manner to address the needs of the most vulnerable low-income households in both the 2008 cooling and heating seasons. The additional funds are urgently needed now in the face of continually rising energy prices (particularly for delivered fuels), the rising number of households in arrears to energy utilities, and the prospect that a new FY2009 appropriations bill to fund LIHEAP may not be enacted by the start of the 2008-2009 winter heating season.

LIHEAP funding is targeted to low-income households that are especially hard hit by high home energy costs. The demand for this highly effective program continues to increase, but the steady rise of prices for home heating fuels has caused the purchasing power of the LIHEAP dollar to

The Honorable Nancy Pelosi
The Honorable John Boehner
The Honorable David Obey
The Honorable Jerry Lewis
The Honorable James Walsh
Page Two
5/28/08

plummet, and the average LIHEAP benefit to decrease since 2006. Faced with rising energy costs for home and transportation needs, a slowing economy and rising food prices, more households are struggling to pay their home energy bills. As summer approaches and winter shut-off moratoria end, the National Energy Assistance Directors Association (NEADA) reports that a record number of households – an estimated 15.6 million – are in arrears to utilities. For the many households, particularly in the Northeast, who depend upon delivered fuels such as heating oil and propane, the outlook is even more troubling since they lack the benefit of a utility shut-off moratorium. Even before the price of crude oil reached its current record price levels, EIA estimated that households heating primarily with home heating oil will pay approximately \$2,000 to heat their homes this year. Without an adequate benefit that can meet the minimum delivery requirement, these households face the prospect that a dealer will not make a delivery or will require a surcharge, further reducing the purchasing benefit of the LIHEAP benefit.

Additional federal funds are needed now if states are to provide timely assistance to these low-income families for the upcoming cooling and heating season. The Northeast states have already incorporated various strategies to minimize the program's administrative costs – already among the lowest of human service programs. Increased, predictable and timely federal funding is vital for LIHEAP to assist the nation's vulnerable, low-income households faced with exorbitant home energy bills.

On behalf of all the CONEG Governors, we urge you to support the additional \$1 billion in LIHEAP funding in the FY2008 supplemental appropriations bill; to allocate these funds equally between the regular block grant and emergency contingency programs; and to ensure that such funds are released in a timely manner to address the needs of the most vulnerable low-income households in both the upcoming cooling and the heating seasons.

Regards,

/o.s./
Jim Douglas
Chair
Governor of Vermont

/o.s./
David A. Paterson
Vice-Chair
Governor of New York

/o.s./
John Lynch
Lead Governor for LIHEAP
Governor of New Hampshire