## Congress of the United States Washington, DC 20515

July 16, 2008

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

## Dear Madam Speaker:

Our delegation strongly supports your call for the President to immediately use his authority to release oil from the Strategic Petroleum Reserve (SPR), in order to lower the price of oil and give relief to our constituents now.

Additionally, as you plan the remaining weeks of the Legislative session, the New England delegation urges you to take action that addresses the rising price of home heating oil and could provide immediate relief to our constituents. Specifically, we ask for two vital measures to be taken. First, that you consider legislation or include provisions to a second economic stimulus package that will increase the funding and expand the eligibility of the Low-Income Home Energy Assistance Program (LIHEAP). Second, we request you provide additional funding to Weatherization Assistance programs.

The rising cost of home heating oil will be difficult for millions of families throughout New England in the coming winter, but for some, it may be impossible to pay to heat their homes and also properly feed themselves. We have heard stories from our constituents of elderly individuals who have had to turn over their Social Security checks to pay for home heating oil, and of middle class families in search of third jobs in order to heat their homes. If oil prices remain close to the current highs, we expect the situation to get much worse in the coming winter. Fire Marshals are concerned that some may turn to dangerous makeshift solutions in an attempt to stay warm. Low-income families, especially those with children and senior citizens, are at risk of serious illness or even death during winter months if they do not receive help.

The continued volatility in the home heating oil market does not bode well for our constituents in the coming winter. According to the Energy Information Administration (EIA), there are over six million households in New England that will be affected by rising home heating oil prices. The average New England household uses 850-1200 gallons of oil to heat their home during the winter. With prices expected to remain above

\$4.00 a gallon, they could expect to spend minimally between \$3,400 and \$4,800 on heating oil this winter. This is going to severely stretch the budgets of New England families for which heating oil already comprises about 50 percent of household energy expenditures.

Given the high and volatile price of oil, members of the New England delegation believe that it is necessary to expand the eligibility and increase the funding for LIHEAP. Because of rising energy costs, it will cost twice as much just to cover the same number of households as last year. Under the leadership of Chairman Obey, the House Appropriations Committee has already made LIHEAP a priority and, even with the budget constraints, has provided \$770 million over the President's request for LIHEAP. As more and more family incomes that do not meet the traditional LIHEAP qualification threshold are squeezed by skyrocketing fuel and food prices, we believe it may require as much as \$9 billion to reach those in desperate need this winter. Fully funding LIHEAP will ensure that all states receive additional funding and will enable states to provide meaningful assistance to their residents during this time of economic instability.

In addition, the Weatherization Assistance Program represents another effective measure that must be a part of any strategy to help homeowners address rising energy costs. The program will immediately help stimulate the economy as homeowners take advantage of the incentive by putting money directly into the economy for home improvements and it will provide long-term conservation savings. Weatherization provides three important benefits: it lowers homeowners' bills by over \$400 every year for the life of the measures, reduces overall energy usage, and drives labor demand that can inject local economies with cash. While the President's FY09 budget request did not include any funding for the Weatherization Assistance Program, the House-passed budget rejected this cut. It is critical that the second stimulus reflect Congress's commitment to this program. For this reason, we request that the Weatherization Assistance Program be funded at a level of at least \$1 billion. Funding Weatherization Assistance will help bring both immediate and long-term energy relief to New England families this winter.

Finally, we would like to reiterate our strong support for your call for President Bush to release oil from the Strategic Petroleum Reserve (SPR) in order to provide immediate relief to American consumers facing skyrocketing gas and energy prices this summer. The SPR currently holds 706.2 million barrels of oil and is filled to over 97 percent of its capacity. Deploying our nation's oil stockpile has a proven history of success in quickly lowering prices for American families. We applaud you for your leadership in calling on the President to take this common sense and long overdue action, and we hope to work together to provide much needed relief now to families in New England facing record energy prices. We would also note that if oil prices remain high, it may also be necessary to tap the Northeast Home Heating Oil Reserve to assist New England consumers.

Madam Speaker, as we continue to consider initiatives to help stimulate the economy and provide relief to our constituents from skyrocketing energy costs, expanding LIHEAP eligibility requirements, increasing LIHEAP funding, funding

Weatherization Assistance programs, and releasing oil from the Strategic Petroleum Reserve will provide relief now to millions of Americans trying to prepare for the coming winter.

We look forward to continuing to work with you on these important matters.

Sincerely,

EDWARD J. MARKEY
Member of Consess

BARNEY FRANK Member of Congress

RICHARD E. NEAL Member of Congress

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