



**THE SELECT COMMITTEE ON
ENERGY INDEPENDENCE AND GLOBAL WARMING**

Chairman Edward J. Markey

Opening Statement

“The Future of LIHEAP Funding: Will Families Get the Cold Shoulder this Winter?”

September 25, 2008

While the debate in Congress over high gas prices has been red hot this summer, families in the Northeast and Midwest have also been thinking about how they will cope with the cold weather this winter. The prices of home heating fuels have been skyrocketing and millions of families will face tough choices during the upcoming months between purchasing fuel or purchasing food.

The Department of Energy’s projections for home energy prices this winter are grim. DOE forecasts that families in the Northeast who use heating oil will spend 30 percent more this winter than last year – an increase of more than \$600. Those families using natural gas will spend nearly 20 percent more this year. And regardless of the region of the country or the home heating fuel, the Department of Energy is forecasting that families will experience a substantial increase in their heating costs this winter.

American consumers, who have already been getting tipped upside down when they pull up to the gas pump, will now also face high energy prices when they return home. Incredibly, this year many low income families will spend even more to heat their homes than they have already spent on record gas prices. Low income families spend, on average, roughly 15 percent of their income on home energy bills.

For nearly 30 years, the Low Income Home Energy Assistance Program (LIHEAP) has helped low income families pay their home energy bills. This program has been a vital safety net for millions of Americans. However, under the Bush Administration, this program has been woefully under-funded. In his budget request this year, President Bush proposed cutting total LIHEAP funding by 22 percent – from \$2.57 billion to \$2 billion. Indeed, in recent years LIHEAP has generally been funded at under half of its authorized level of \$5.1 billion. As a result, last year LIHEAP was only able to provide assistance to about 15 percent of eligible families nationwide.

In a time of record oil prices, the president can’t continue to freeze funding for this important heating assistance program.

Earlier this week, nearly 100 House Members signed a letter requesting that LIHEAP receive full funding in any continuing funding resolution. Yesterday, under the leadership of Speaker Pelosi, the House passed a Continuing Resolution that would massively increase LIHEAP funding – providing a total of \$5.1 billion for the program. This

additional funding could not come at a more important time to ensure that families will not be left out in the cold this winter. Indeed, the *increase* in LIHEAP funding over last year's level that is included in the CR would be greater than the *total* funding level for the program in 25 out of the 27 that the program has existed.

The House-passed continuing resolution would also expand the number of people eligible for LIHEAP assistance in order to help additional families already struggling under the increased costs of everything from gas to groceries. In my home state of Massachusetts, where Governor Patrick's outstanding leadership has maximized the benefit of the LIHEAP program, 350,000 more households could potentially be eligible for assistance this winter.

As President Bush is proposing \$700 billion in lending assistance for firms on Wall Street, surely he can agree on the need for \$5 billion in heating assistance for families on Main Street. More families than ever will need assistance this winter and the additional LIHEAP funding that Democrats have provided will hopefully ensure that everyone in need of help this winter will be able to get it.