

Winter Heating Costs Will Likely Soar In Wake of Hurricane Katrina; Members of Congress Call on White House for Action

Rep. Slaughter Leads Bipartisan Coalition in Asking President for Assistance

Washington, DC - Rep. Louise M. Slaughter (D-NY), Ranking Member of the House Rules Committee, today released a letter to President George W. Bush addressing the wider effects Hurricane Katrina will have beyond the shores of the Gulf Coast. Particularly that energy prices will continue to rise rapidly and create a looming crisis for cold weather states this winter.

The letter, signed by a tri-partisan coalition of more than 50 other Members of Congress, encourages the President to consider the expected surge in costs to consumers of natural gas, electricity, heating oil and propane this winter when developing legislation to deal with the effects of Hurricane Katrina.

According to the Energy Information Administration, the full impact on near-term domestic oil and natural gas supply of Hurricane Katrina is still being assessed. The fuel price outlook for the upcoming winter remains particularly uncertain for now.

Assuming that the Medium Recovery case holds, the general expectation for increases in residential per-household expenditures for fuels this winter generally shapes up as follows: **+71% for natural gas; +17% for electricity; +31% for heating oil; and +40% for propane relative to last winter.**

Expenditure increases for natural gas are expected to be particularly strong in the East North Central region (Ohio, Indiana, Illinois, Michigan and Wisconsin) because of expected higher heating-related demand in comparison to the relatively mild conditions seen last year.

Text of the Tri-partisan Letter:

Thursday, September 08, 2005

President George W. Bush
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President:

Hurricane Katrina stands to be one of the worst natural disasters our country has ever endured. With millions of Americans displaced, an untold number of fatalities, and massive areas in need of clean up, Congress is poised to help in anyway we can. The United States always comes together in times of crisis and this will be no exception; the Gulf States will receive the full support of our nation. Congress has approved, and you have signed into law, the first emergency supplemental that demonstrates the government's commitment to meeting these needs. But we must do more.

As you consider additional emergency supplemental funding in response to this disaster, we urge you to give serious thought to the wider effects this catastrophe will have beyond the shores of the Gulf. Even prior to Katrina, our nation was feeling the squeeze of record high energy prices; with the massive disruption of this Hurricane, prices will continue to rise rapidly and create a looming crisis for our cold weather states. As a result, we urge you to include \$900 million in emergency Low Income Home Energy Assistance Program (LIHEAP) funds in the upcoming relief package. In the face of soaring energy costs, this additional funding will help maintain the program's 2004 purchasing power this winter. This funding is critical to stymie further fallout of Katrina's destruction and reduce the anxiety of a home heating crisis this winter.

Oil and natural gas prices were already at record levels prior to the damage Katrina inflicted on this critical energy region. As a result, we can expect to face the most expensive winter heating season in history across the country. **On Thursday, September 7th, the U.S. Energy Information Administration projected that residential per-household expenditures on natural gas could be up as much as 71 percent over last year and home heating oil could increase by as much as 31 percent. These increases are on top of double digit increases in 2004.**

The newly enacted Energy Policy Act recognized the vastly reduced purchasing power of recent LIHEAP funding levels and increased the authorization from \$2 billion to \$5.1 billion. This modest request for \$900 million in the emergency supplemental will at least keep the program level with the purchasing power of 2004.

Congress stands firm in our commitment to rebuild the Gulf communities destroyed by the storm. It is also our responsibility to address the wider ramifications of this natural disaster and avert another crisis down the road by providing additional LIHEAP emergency funds. Thank you for your consideration of this request.

Sincerely,

/s/

Rep. Louise M. Slaughter (D-NY-28)

Rep. Tom Allen (D-ME-01)

Rep. Charles Bass (R-NH-02)

Rep. Melissa Bean (D-IL-08)

Rep. Sherwood Boehlert (R-NY-24)

Rep. Jeb Bradley (R-NH-01)

Rep. Sherrod Brown (D-OH-13)

Rep. Julia Carson (D-IN-07)

Rep. Mike Castle (R-DE)

Rep. Jerry Costello (D-IL-12)
Rep. Joseph Crowley (D-MA-07)
Rep. Rosa DeLauro (D-CT-03)
Rep. John Dingell (D-MI-15)
Rep. Michael Doyle (D-PA-14)
Rep. Rahm Emanuel (D-IL-05)
Rep. Phil English (R-PA-03)
Rep. Lane Evans (D-IL-17)
Rep. Vito Fossella (R-NY-13)
Rep. Wayne Gilchrest (R-MD-01)
Rep. Melissa Hart (R-PA-04)
Rep. Maurice Hinchey (D-NY-22)
Rep. Rush Holt (D-NJ-12)
Rep. Nancy Johnson (R-CT-05)
Rep. Tim Johnson (R-IL-15)
Rep. Paul Kanjorski (D-PA-11)
Rep. Patrick Kennedy (D-RI-01)
Rep. Dale Kildee (D-MI-05)
Rep. Ron Kind (D-WI-03)

Rep. James Langevin (D-RI-02)

Rep. John Larson (D-CT-01)

Rep. Steven LaTourette (R-OH-14)

Rep. Frank LoBiondo (R-NJ-02)

Rep. Ed Markey (D-MA-07)

Rep. Thaddeus McCotter (R-MI-11)

Rep. James McGovern (D-MA-03)

Rep. John McHugh (R-NY-23)

Rep. Michael McNulty (D-NY-21)

Rep. Martin Meehan (D-MA-05)

Rep. Michael Michaud (D-ME-02)

Rep. Jerrold Nadler (D-NY-08)

Rep. Richard Neal (D-MA-02)

Rep. John Olver (D-MA-01)

Rep. Todd Platts (R-PA-19)

Rep. Bobby Rush (D-IL-01)

Rep. Tim Ryan (D-OH-17)

Rep. Bernard Sanders (I-VT)

Rep. Janice Schakowsky (D-IL-09)

Rep. Joe Schwarz (R-MI-07)

Rep. Rob Simmons (R-CT-02)

Rep. Bart Stupak (D-MI-01)

Rep. Peter Visclosky (D-IN-01)

Rep. James Walsh (R-NY-25)