

Statement Of Congressman John Larson On Energy Secretary Bill Richardson's Announcement Today RE: REL

Updated 07/24/2003 07:33:42FOR IMMEDIATE RELEASE: February 10, 2000

Statement Of Congressman John Larson On Energy Secretary Bill Richardson's Announcement Today
RE: RELEASE OF ADDITIONAL LIHEAP FUNDS

WASHINGTON – I am pleased that the Administration has decided to release these funds (from the U.S. Department of Health and Human Services), but Energy Secretary Richardson must realize that this is only a temporary solution. His response yesterday during the meeting with the New York and New England delegations was under-whelming and his response today is equally under-whelming.

With this additional LIHEAP money many will be helped, but unless we can increase the level, which is currently set at 150% of the poverty level, we really are not meeting the needs of the working poor. We (in the Connecticut delegation) remain adamant that the Administration must follow the directives of my bill (H.R. 3608), and release oil from the SPR (Strategic Petroleum Reserve).

Clearly, the process of turning crude oil into home heating oil takes some time. But a release from the SPR would immediately drive down the price. For example, look at what President Bush did during the Gulf War when he released oil from the SPR: there was an immediate \$10.00 drop the market.

Today, Secretary Richardson was not the only one taking further action on this fuel crisis. We (various members of the NE/NY delegations) signed a letter to U.S. Attorney General Janet Reno requesting a review of the pricing of home heating fuel.

The Northeast is clearly experiencing a crisis. And to force people to make a choice between heat to keep them warm and food that put on the table is simply wrong. Moreover, this is a crisis that is aggravated by the corresponding increase in the price of diesel fuel. Many of my colleagues from northern New England states indicated at our meeting with Secretary Richardson yesterday, that truckers are choosing not to make the trip north to deliver the home heating oil because of the high cost of filling their tanks.

-30-

A copy of the letter to U.S. Attorney General Janet Reno is attached.
February 10, 2000

The Honorable Janet Reno
Attorney General
Department Of Justice
950 Pennsylvania Avenue, NW
Washington, D.C. 20530

Dear Attorney General Reno:

We are writing to you because of our concern about the recent sharp and unanticipated increase in the cost of home heating oil and diesel fuel that citizens of the Northeast have witnessed during this particularly cold winter period. Because these radical price increases are not being experienced by other regions of the nation, we request a comprehensive investigation into these drastic fluctuations in price.

Our states have experienced some of the most dangerous winter weather conditions in recent memory. At the same time, we have seen the price of home heating oil rise, often on an hourly basis. In many areas, the prices have surpassed those charged during the Persian Gulf War. Along with the escalating prices being charged to our constituents, suppliers in our districts report that prices they pay have nearly doubled.

We are concerned that these prices do not accurately reflect the actual cost of the product. In fact, we are worried that the prices charged along the supply line are being artificially manipulated to take advantage of the severe weather and increased demand by consumers. While we understand and appreciate that there are many factors that can influence the cost of oil, the current situation is having a severe impact on our constituents, forcing many to choose between heating their homes and providing food for their families.

Nothing has been initiated by the Administration on what we believe to be price gouging and manipulating of consumers. We are writing, therefore, to request that you begin an immediate and swift investigation into the sharp increase in home heating oil to determine if price gouging and anticompetitive actions have taken place and to take the appropriate legal action immediately. This is an increasingly serious problem not only to consumers but for our economy as well. For that reason, we ask that your investigation be completed as quickly as possible.

Thanks you in advance for your attention to this situation and we look forward to your reply.

###