

Press Release

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**SCHAKOWSKY CONDEMNS LATEST ENERGY BILL FOR FAILING TO ADDRESS HIGH GAS, HEATING PRICES**

**SAYS THE AMERICAN PEOPLE SHOULD NOT BE LEFT IN THE COLD WHILE ENERGY COMPANIES HAVE MONEY TO BURN**

WASHINGTON, D.C. -- In a hearing today before the Energy and Commerce Committee, U.S. Representative Jan Schakowsky, ranking member on the Subcommittee on Commerce, Trade, and Consumer Protection, condemned the new energy bill introduced by Chairman Barton for failing to address high gasoline or natural gas prices. The bill, H.R. 3893 or the Gasoline for America's Security Act, largely gives tax breaks and legal protections to the energy industry.

Representative Schakowsky released the following statement on H.R. 3893:

The energy bill will do little to bring down gas prices at the pump and nothing to address the impending heating crisis Americans face this winter. With energy prices, particularly natural gas prices, skyrocketing, this package of giveaways to the oil industry without relief for consumers is an insult to the American people.

I want to thank my colleagues Congressman Stupak, Congressman Boucher and Congressman Markey for their work on an amendment to improve this bill by giving the FTC the authority to prosecute price gougers and creating a reserve of refined petroleum to avert shortages in case of a national disaster. But in addition to bringing down gasoline prices, this committee should also address the impending heating bill crisis facing poor and middle class Americans this winter.

The title of this bill, the Gasoline for America's Security Act, shows how narrowly focused this legislation is because it disregards a serious problem about which the Administration warned this committee several weeks ago. In a hearing before the full committee on September 7, EIA Administrator Caruso said that the cost of heating oil would increase 30% this winter, and that the cost of natural gas would increase at an even higher rate. The next day, the EIA released a report that predicted natural gas costs in the Midwest would rise 71% this winter. Apparently, the EIA's warnings fell on deaf ears, because there is nothing in this bill that would provide relief for the countless number of poor and middle class families who will no longer be able to afford

their heating bills this winter.

LIHEAP is one critical program that is left out of this bill. LIHEAP will help millions of families make it through the winter. Because of the expected steep rise in heating costs, LIHEAP should be further expanded to help more American families pay their bills this winter. In Chicago, Peoples Energy, a natural gas distribution company that had significant reserves in storage before Katrina, predicted that the average consumer will pay \$1,475 to heat their homes this winter. LIHEAP only protects individuals and families whose incomes are at 150% of the poverty level. In Illinois, that's \$14,300 for an individual or \$29,000 for a family of four. Make no mistake: rising energy costs will hurt millions of middle class Americans and small and medium-sized businesses this winter and could significantly impact our national economy.

If Congress fails to act, what will happen to people like Diane Bennett, a Chicago resident who is still struggling to pay her heating bills from the past few winters even though she has a steady job working in a bank? Diane has had to miss 40 days of work this year due to health problems and is now \$2,800 in debt owed to her utility company. Diane's heat was shut down this July. Right now, there is no policy in place that will provide Diane Bennett with heat in the Chicago winter. States such as Illinois prevent utilities from shutting off the heat during the winter months but do not require it to be turned back on before winter strikes.

There are at least four steps we can take today to address these rising heating costs. First, as I mentioned before, we should further expand LIHEAP to assist the growing number of families who will be unable to pay their heating bills this winter. Second, we must ensure that no corporation or individual is reaping excessive profits at any point in the natural gas supply chain. Third, we must prevent speculators on the New York Mercantile Exchange from driving up the actual price of natural gas; the monthly average price of natural gas futures on NYMEX has gone from \$1.50 in 1999 to over \$10.00 today. Finally, we should issue grants to the states to help Americans weatherize their homes to reduce energy demand and heating costs this winter. There is more we can do and I want to work with my colleagues to do everything we can to avert a wider scale problem. But this bill fails to even attempt to address the impending heating bill crisis facing our constituents.

When the cold weather hits America this winter, we cannot be caught unprepared like we were with Katrina. The Members on this Committee face a fundamental choice: representing average consumers or big oil companies. We must not leave the American people in the cold this winter while big energy companies are left with money to burn.