

## Delahunt brokers Venezuela oil deal

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STAFF WRITER

A deal sparked during an August sit-down in Caracas between the Cape's congressman and a Venezuelan president known for stormy relations with the Bush administration will help thousands of Bay State residents pay record heating bills this winter.

Two Massachusetts nonprofit groups yesterday signed a contract with Citgo Petroleum Corp., the Houston-based subsidiary of Venezuela's state-owned oil company, to supply more than 12 million gallons of discounted home heating oil to the state's low-income population, starting next month.

Citizens Energy Corp. will deliver 9 million gallons directly to income-eligible customers at a 40 percent discount, saving residents an estimated \$10 million.

The Massachusetts Energy Consumers Alliance will supply the remaining 3 million gallons at the same reduced rate to human service agencies across the state that serve low-income residents.

Rep. William Delahunt, D-Mass., joined Venezuelan ambassador to the U.S. Bernardo Alvarez, the president of Citgo and heads of the two Massachusetts nonprofit groups yesterday in North Quincy to welcome the first delivery.

"It's the first time that a major oil company has extended itself to this degree to help low-income people defray the costs of what turns out to be enormous price

hikes," said Steve Schwadron, Delahunt's chief of staff.

### **Short-term relief**

With uncertainty about how Congress will fund the Low Income Home Energy Assistance Plan, and with winter heating bills expected to spike up to 50 percent, Schwadron said the Citgo deal provides short-term relief.

Joseph P. Kennedy II, chairman of Citizens Energy, challenged American oil executives to follow suit.

"I wrote every single oil company asking them to give us a little break on the price of oil after they made tens of billions, if not hundreds of billions of dollars in one quarter," Kennedy said. "I didn't hear back from one of them. The only one that came back was Citgo."

The federal LIHEAP program, founded in 1982, provides income-eligible residents with up to \$765 to pay heating costs between Nov. 1 and April 30.

The South Shore Community Action Council in Plymouth administers the program for 39 Southeastern Massachusetts towns, including the Cape. The maximum income for a family of four to qualify for the benefits is \$38,700.

Despite significant in-creses in energy costs, the federal program this winter remains level-funded at \$1.885 billion, with Massachusetts set to receive \$77.8 million.

Last year, an additional \$14 million in

federal appropriations and \$7.5 million from state lawmakers increased the Bay State share to nearly \$100 million.

“The best they can hope, unless Congress ups the ante, is for less than they had last year,” said David Fox, executive director of the Washington, D.C.-based Campaign for Home Energy Assistance.

Roughly 45,000 oil-heat customers – including about 3,000 in Southeastern Massachusetts – are eligible for the LIHEAP benefit. Once that allowance is spent, they will now be able to tap into Citgo’s discounted supply.

Fox said Delahunt’s effort to strike a deal with Venezuela – and specifically President Hugo Chávez – highlighted the federal government’s disinterest in helping low-income residents get through the winter.

“It’s fascinating that one of the biggest critics in this hemisphere would be one of the first to lend a hand,” he said. “But the bottom line is, when someone throws you a life preserver, you take it.”

#### **“Petro-diplomacy”**

Vinay Jawahar, an associate for Inter-American Dialogue, a center specializing in Western Hemisphere policy, said Chávez is practicing “petro-diplomacy” to show his country’s might.

“Basically, what he’s trying to do with this oil diplomacy is buy loyalty,” Jawahar said, explaining that under Chávez, Venezuela – the world’s fifth-largest oil

exporter – has established itself as a leader in the oil markets of Latin America and the Caribbean.

Chávez, elected president in 1998, was removed briefly in an April 2002 coup, which he claims the Bush administration supported. More recently, televangelist Pat Robertson suggested U.S. forces should “take (Chávez) out.”

Jawahar described the relationship between Chávez and President George W. Bush as “openly antagonistic,” but said it’s typically been Chávez stoking the feud.

“The Chávez attacks have been far more out of line,” Jawahar said. “The things he has said are not diplomatically acceptable at all.”

Schwadron said a strained relationship between the two presidents should not prevent what he called an “act of corporate citizenship.”

“There is vitriol between the two heads of state,” he said. “That’s regrettable in the extreme. But in the meantime, it shouldn’t paralyze two nations full of well-meaning people.”

In 2002 and 2003, Delahunt hosted multiday meetings on Cape Cod that brought together Venezuelan leaders from opposing parties.

“We are not a shill for anyone in this,” Schwadron said. “If we’re a shill for anyone, it’s our constituents.”