
ALASKA FEDERATION OF NATIVES
1577 "C" Street, Suite 300 – Anchorage, Alaska 99501
(907) 274-3611 Fax: (907) 276-7989

June 23, 2008

The Honorable Sarah Palin
Governor of the State of Alaska
P. O. Box 110001
Juneau, Alaska 99811-0001
via Fax: 907-465-3489

Dear Governor Palin:

RE: Energy Crisis

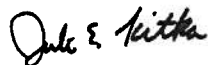
I am writing to request a meeting with you on behalf of the Alaska Federation of Natives (AFN), to discuss proposals that can be enacted during the upcoming Special Session to deal with the energy crisis. At its May Board meeting in Anchorage, AFN adopted the attached resolution calling on your Administration and the Alaska legislature to adopt a long-term energy policy for the State that covers all regions of the Alaska. We strongly believe that such a plan should have as its overall goal the equalization of energy costs for all Alaskans. It must also provide additional funding for long-term development of alternative energy resources and conservation efforts, and provide immediate relief through measures that will help individuals, especially in rural Alaska, deal with the rising cost of energy. With those goals in mind, AFN has developed a number of ideas for addressing the current crisis and for developing long-term programs/projects that will lessen our dependence on fossil fuel. Our top five recommendations are as follows:

1. Strengthen the Power Cost Equalization Program by fine-tuning its mission, adding more resources and expanding the eligibility requirements;
2. Buy down debt of rural utilities in order to reduce costs passed on to consumers and include a price cap on fuel stock purchased prospectively, with a mechanism for reimbursement from the State for costs in excess of the cap;
3. Expand and support bulk fuel purchasing, transportation and cooperative purchase agreements and contribute to the Denali Commission bulk fuel storage program in an effort to eliminate the storage tank backlog and complete rural upgrades;
4. Provide a family fuel subsidy to help meet the immediate crisis; and
5. Make a sizeable investment in projects that promote renewable/alternative energy and conservation efforts. The high cost of fossil fuel is not going to go away, so we need to start investing in alternative/renewable energy and in energy conservation efforts.

I, along with members of AFN's Energy Workgroup, would appreciate an opportunity to sit down with you and those in your Administration who are working on the energy issue to discuss these recommendations. Please let me or my Secretary, Judy Jaworski, 274-3611, know if there is a time that we can meet with you in the coming weeks, hopefully before the July 4th holiday.

Thank you for your time and consideration.

Sincerely,



Julie Kitka,
President

Cc: Representative Mary Nelson, Co-Chair, Bush Caucus
Representative Albert Kookesh, Co-Chair, Bush Caucus
Ralph Anderson, Chair, AFN Energy Workgroup

ALASKA FEDERATION OF NATIVES, INC.
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BOARD OF DIRETORS
RESOLUTION 08-02

TITLE: URGING THE STATE OF ALASKA TO ADDRESS THE LONG-TERM ENERGY NEEDS OF ALL ALASKANS AND TO PROVIDE EMERGENCY ASSISTANCE THAT WILL HELP RURAL COMMUNITIES IN SURVIVING THE IMMEDIATE ENERGY CRISIS

WHEREAS: Rural Alaska is in an energy crisis unlike anything that urban Alaska or the Lower 48 have experienced to date; and

WHEREAS: Bush communities remain dependent on petroleum for three major energy uses: space heat (homes, public buildings), transportation (aircraft, snow-machines, outboard motors, four-wheelers); and electricity (lighting, appliances); and

WHEREAS: Fuel oil prices in some villages have gone as high as \$10 per gallon; and in December, January and February, a village home can use four or five 55-gallon drums of oil for heating each month (a total of \$2,000 per home/per month in Arctic Village, \$1,650 in Hughes, and \$1,375 in Iliamna); and

WHEREAS: With gasoline prices reaching above \$7.50/gallon, many families and individuals will have a hard time getting to fish camp this summer in order to harvest next winter's food; and this will be true of hunting in fall and winter months; and

WHEREAS: The energy crisis threatens the very survival of remote villages through out-migration of people who can no longer afford to live in their own homelands, creating a corresponding social and economic crisis in urban Alaska; and

WHEREAS: AFN has urged the U.S. government to: 1) increase appropriations to the Denali Commission for alternative energy and conservation projects in the bush, 2) to provide economic incentives for conservation and energy efficiency at the family and community levels, 3) to fund fully the Indian Tribal Energy Development and Self-Determination Act and the Energy Independence and Security Act, 4) to increase funding for the Low-Income Home Energy Assistance Program (LIHEAP); and 5) to support economic development and job creation in the Alaska's villages; and

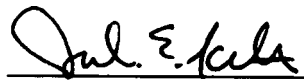
WHEREAS: The State of Alaska has the economic resources to take the initiative on energy in its own rural areas, in cooperation with federal statutes and appropriations;

NOW, THEREFORE, BE IT RESOLVED that the Alaska Federation of Natives urges Alaska's Governor and Legislature to make rural energy a top priority in legislation: 1) by creating a statewide energy policy/plan covering all regions of Alaska, 2) by appropriating additional funds for long-term development of alternative energy resources, 3) by including low-interest loans as a key component of alternative resource development; and 4) by designating rural Alaska a disaster area eligible for state and/or federal funding, 5) by providing immediate financial assistance in energy conservation and low-cost transportation of fossil fuels, and 6) by providing funds for planning and infrastructure development in order to utilize portions of Alaska's natural gas for in-state residents; and 7) to provide subsidies and incentives for development of a petroleum refinery in western Alaska; and

BE IT FURTHER RESOLVED that the AFN Board shall create its own working group on energy.

ADOPTED this 13th day of May 2008





Julie E. Kitka, President
Alaska Federation of Natives