

With the cost of fuel continuing to be at record high rates, the Bush Caucus is concerned about spring shipments coming up, and the affect high energy has on other aspects of life in our communities.

We're trying to deal with this issue in different ways. In the coming year's budget, we still have an increase in funding for Power Cost Equalization (PCE), funding it at \$18.7 million in the House version of the budget, and at \$15.7 million in the Senate's version. It's not as much as the \$20.7 million funding level proposed as "full funding" for the coming year, but there is still some negotiating to do, and we'll keep trying.

I did go to Washington D.C. last week to meet with our congressional delegation to advocate for federal dollars to help shore up the PCE Endowment. A federal match would help because the appropriation for PCE each year starts with just the amount available from the Endowment's investment earnings. An estimated \$100 million new money would bring us to close to having the projected funding need for PCE without having to pro-rate payments during the year. No promises or commitments were made, but I left encouraged that we'd been able to give our delegation the kind of information and support they will need to advocate on our behalf. It is worth the effort for all of us to keep trying.

A Small Cities Energy Assistance program did pass the legislature in the Fast Track Supplemental (Senate Bill 98) and was signed by the Governor. It will provide funding this year for repayment of bulk fuel loans and fuel purchases by small municipal governments and small boroughs. Regulations have been released, and the process of getting funds to small cities will begin. It won't help a city pay other utility costs or insurance, and it won't help unincorporated communities. Those are needs we are continuing to raise with our colleagues and the third floor.

One of the roadblocks to adequate energy relief funding (or for that matter, funding for just about anything) for the Bush is a genuine lack of awareness on the part of both policy-makers and the public as to what it means to live out here. Understanding that the communities of rural Alaska are small and physically distant from the major population centers, and that economies of scale and high transportation and shipping costs substantially raise the cost of living here in an abstract way is different from understanding of what that means to an average family. It doesn't hit them in their gut, and so it's not as difficult to balk at another million dollars request for PCE or revenue sharing. The focus on concerns that are closer to their homes.

That's one reason that I was so pleased with the trip home I took last month with the members of the House Finance committee. These legislators and staffers, some of them for the very first time, got to see life in rural Alaska, real and up close. Seeing a \$4 loaf of bread, or a \$6 gallon of milk, or a \$400 monthly electrical bill puts our challenges back into terms that people can understand no matter where in Alaska they may live.

Bringing the legislators to the Bush is a valuable long-range strategy. For the

remainder of this session—as we push for Bush Caucus priorities such as some form of revenue sharing and energy assistance for rural Alaska—I’m trying to devise a way to paint a better picture of the impacts to share with my colleagues in Juneau, and I’d appreciate your help.

During the budget debate I worked shared information on the cost to run four different appliances for a year—a coffee maker, freezer, stove, and television for one year in Anchorage/Fairbanks/Juneau and various communities in our district. I used electric rates provided by the state. Heads turned when I mentioned it cost \$130 to run an electric stove in Anchorage, and the same stove with the same amount of use would cost \$233 in Bethel and \$436 in Tuluksak.

In the next few weeks, I would like to bring the pictures into sharper focus. I got quite a reaction from members of the legislation and congressional delegation when I told how the employee in one of our communities told a legislative aide to wait for him to take a message—they’d had to shut off the heat in their offices and the ink has frozen. With your help, I’d like to be able to share other real life consequences of the struggle to keep bills paid and basic services operating in light of escalating costs and loss of state aid. I’d like to help policy-makers who have never been to our region understand something about the impact of their decisions. Those of you working in tribal council or city government offices can best describe the changes in your community.

In light of Senate Bill 112, which proposes to tax REAA residents, it would also help to hear some real life perspective from families. How have your heat and electricity bills have changed? How would you explain the changes in your cost of living? What are the employment prospects for you and your neighbors in your community? How would having to pay another \$400 or more to the state as an education tax affect your family’s finances?

If you’d like to send something to me my fax is (907) 465-4942 and my mail address is simply State Capitol, Juneau, Alaska 99801. You can get an email message to me fastest if you send it directly to one of my staff: Pat_Jackson@legis.state.ak.us or Dan_Peterson@legis.state.ak.us.

Quyana for your help!

A handwritten signature in cursive script, appearing to read "Mary".