



ANCSA REGIONAL  
ASSOCIATION

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July 15, 2021

Alaska Joint Fiscal Plan Working Group – *issued electronically*

Senator Shelley Hughes  
Senator Lyman Hoffman  
Senator Scott Kawasaki  
Senator Jesse Kiehl  
Representative Kevin McCabe  
Representative Ben Carpenter  
Representative Calvin Schrage  
Representative Jonathan Kreiss-Tomkins

**Re: Protecting Power Cost Equalization must be part of long-term budget solution**

Dear legislators,

The ANCSA Regional Association (ARA) would like to express our appreciation for taking up the difficult but essential task of developing a fiscal plan for the future of Alaska. We are grateful to see progress on this issue, which has been a perennial source of conflict.

ARA strongly supports a balanced budget and a sustainable, long-term fiscal plan. Our state must be a stable and predictable place to raise families and do business. We also urge the legislature to uphold a long-standing promise: the preservation of the Power Cost Equalization (PCE) program.

It is critical to understand that the PCE program is just that: cost equalization. The massive state investment during the 1970s and 1980s into power facilities and transmission capability for the Railbelt was not replicated for rural regions, and the PCE program was explicitly designed to compensate for that disparate investment.

The PCE is not a subsidy; it is compensation for the unequal subsidization of development that occurred decades ago, development that provides ongoing benefits to urban areas. Neglecting to protect the PCE endowment will cause disproportionate harm to rural Alaskans.

The interruption of PCE payments is already having real, immediate, and serious consequences. As reported by Alaska Public Media, without this equalization, residents of rural regions are seeing their power bills rise by [as much at \\$100 a month](#). Others could see their bills double.

This increase would be seen as unacceptable in any urban region of the state, and rural Alaska should not be treated any differently. Alaska's rural residents should not be used as a bargaining chip in budget negotiations, and it is your responsibility as legislators to ensure that all Alaskans are treated equally by the state government.

Preserving the PCE program and its endowment must be a part of Alaska's long-term budget solution, in addition to reimbursing the credits that were not paid during this impasse. We all have a responsibility to meet our present challenge and build the best version of Alaska that we can for future generations. Whatever that Alaska looks like, PCE must be a part of the picture to ensure equitable treatment for our residents no matter where they live.

We greatly appreciate the work you are undertaking on behalf of our great state. We respectfully ask that you bear our testimony in mind as you plan for Alaska's future.

Quyana,



Kim Reitmeier

Executive Director

ANCSA Regional Association

**About ANCSA Regional Association:** *ARA represents the presidents and chief executive officers of the twelve land-based Alaska Native regional corporations that were created pursuant to the Alaska Native Claims Settlement Act of 1971 (ANCSA). ARA's member corporations are owned by over 140,000 Alaska Native shareholders. Our purpose is to promote and foster the continued growth and economic strength of Alaska Native corporations on behalf of their Alaska Native shareholders and communities.*