



Municipality of Anchorage
P.O. Box 196650
Anchorage, Alaska 99519



Anchorage School District
Educating All Students for Success in Life
Anchorage School District
5530 E Northern Lights Blvd.
Anchorage, Alaska 99504

September 29, 2008

The Honorable Sarah Palin
Governor
P.O. Box 110001
Juneau, AK 99811-0001

Dear Governor Palin:

We write to express our deep concern over what appears to be an unfortunate realignment underway in our state where challenging conditions in many rural communities are forcing a migration to urban cities. A prosperous, culturally diverse Alaska depends on both flourishing villages and thriving cities, so we cannot stand by and tolerate the deterioration of rural Alaska.

As you know, Alaska's rural communities are facing school closings, record high energy prices, lack of economic opportunities and public health and safety concerns, which are resulting in an unprecedented out-migration to urban centers. We urge your administration to form an emergency task force with local, state and federal officials to take immediate steps to stem this trend taking place in our state. We would like to participate on this task force.

Certainly, the recent distribution of Resource Rebate and Permanent Fund Dividends checks may help in the short term. But we fear we are seeing only the first wave of families leaving rural Alaska because they cannot cover the record energy and food costs they face this winter. In Anchorage, further evidence of this trend is an unexpected increase in the number of students in our schools, where we anticipate a continuing increase over the next two months due to the energy crisis in rural Alaska. KTUU television reported on its September 15 newscast that enrollment in the Bristol Bay School District has been dropping by about 20 percent and has reached a 20-year low this year of just 140 students. Nome has lost 60 students and many of the Prince William Sound communities are also impacted.

The high cost of energy is a key factor in forcing families to leave rural Alaska. According to a report issued by the University of Alaska's Institute for Social and Economic Research this spring, rural communities pay about 40 percent of their annual income on home energy use, compared to just 4 percent in Anchorage. The report also points to many other factors that need to be addressed, including public safety and job opportunities. Today, fuel oil prices in some remote villages have reached \$11 a gallon, forcing some families to pay more than \$2,000 a month to heat their homes. High fuel prices also make travel to subsistence hunting and fishing grounds prohibitive while also raising commercial food prices.

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During a recent U.S. Senate Indian Affairs Committee hearing in Bethel chaired by U.S. Senator Lisa Murkowski, numerous recommendations were advanced to address the many causes of rural out-migration, including new bond financing, expanding Alaska's refining capacity, increasing funding for Power Cost Equalization (PCE) program and expanding PCE eligibility to cover schools, clinics and businesses to meet immediate energy needs.

These recommendations are a good starting point for the emergency task force. Certainly, additional ideas will come forward as part of the collaborative process. The municipality has already sent a letter to U.S. Senate leaders calling for immediate steps to help lower fuel prices in Alaska.

As mayor of Anchorage and superintendent of Alaska's largest school district, we will fully support this joint effort with staffing and financial support. Without a strong rural Alaska, we cannot have a strong urban Alaska.

Thank you in advance for your consideration of this request.

Sincerely,



Mark Begich
Mayor



Carol S. Comeau
Superintendent
Anchorage School District