

United States Senate

WASHINGTON, DC 20510

February 17, 2011

The Honorable Ken Salazar, Secretary
U.S. Department of the Interior
1849 C Street, NW
Washington, DC 20240

The Honorable Tom Vilsack, Secretary
U.S. Department of Agriculture
1400 Independence Avenue, SW
Washington, DC 20250

Dear Secretaries Salazar and Vilsack:

After reviewing the proposed FY2012 budget documents delivered by your departments this week, I write to express my strong concerns over the neglect of rural Alaska, an area where the obligations of the federal government are strong and the list of past promises is long.

I certainly appreciate the fiscal challenges facing our nation, and I am working with you and my colleagues in the United States Senate to produce a responsible budget that funds essential programs and services while reducing our crippling debt. The administration's proposed FY2012 makes many tough choices, including asking the 11,000 hard-working federal employees in my state to forego pay raises in difficult economic times. However, this budget unfairly singles out rural Alaska for deep and devastating cuts.

The reductions to the Bureau of Land Management's Alaska Land Conveyance program are deeply troubling. Alaska gained statehood in 1959 and the Alaska Native Claims Settlement Act passed Congress in 1972. Decades later, the federal government owes the State of Alaska 45 million acres and Alaska Native corporations 18 million acres, a total area larger than many states. The problem has lingered so long that Congress passed the 2004 Alaska Land Transfer Acceleration Act to speed up the process. The proposed FY 2012 budget cuts the funding in half, from \$34 million to \$17 million. Inexplicably, the budget narrative suggests that this dramatic reduction will somehow give rise to previously unrealized efficiencies or streamlining. Holding these lands in federal hands only drives up management costs and prevents the treasury from receiving revenue generated by private economic activity.

For three years in a row, the Administration has proposed elimination of the entire \$18 million expenditure for the High Energy Cost Grant program. Alaska villages receive

The Honorable Ken Salazar
The Honorable Tom Vilsack
February 17, 2011
Page 2

from \$3 million to \$9 million annually from this program as administered by Rural Development and the Denali Commission. Again, the budget narrative here is wildly inaccurate or simply misguided. It somehow suggests that because only a few states suffer such exorbitant energy costs that the program has little value. Further, the Office of Management and Budget states the administration has curtailed funding because it seeks to end fossil fuel subsidies. Every project in Alaska over the last decade has funded renewable generation, efficiency improvements for existing diesel generation or transmission line extensions to renewable generation. Rural Alaskans routinely pay from 35 cents/kWh to \$1.25 kWh, rates unthinkable to residents of the Lower 48.

Finally, the Department of Agriculture's Forest Service zeroes out funding for Alaska Region Subsistence management. This administration previously reduced the \$5 million annual appropriation to \$2.6 million and now suggests eliminating it entirely, indicating that these duties can be supported by other already strained agency resources. In a time where the Department of Interior has made a high profile promise to reassess and reinvigorate subsistence management on federal lands, failing to fund one of the key management partners makes no sense. Rural Alaskans facing high energy costs and persistent unemployment in a time of national recession need to rely on traditional hunting and gathering more than ever to make ends meet.

Through the course of our conversations and your visits to Alaska, I know that you both have an understanding of the needs of rural Alaska. This understanding has failed to translate to your budget priorities, so I request a copy of the internal department analyses which drove these decisions. I also ask you to reexamine these clearly erroneous assumptions and fund these vital programs at an adequate level. Please help me empower these Alaskans to take their proper role in our state's and our nation's economic future. I look forward to working with you as we solve this problem together.

Sincerely,



Mark Begich
United States Senator

cc: The Honorable Jacob Lew, OMB Director
The Honorable Sean Parnell, Governor of Alaska
The Honorable Reggie Joule, Chair, Bush Caucus
Julie Kitka, Alaska Federation of Natives
Vicki Otte, ANCSA Regional CEO Association
Maver Cary, Alaska Villages CEO Association