

ORAL  
TESTIMONY  
TO:  
**UNITED STATES SENATE**  
**SENATE COMMITTEE ON INDIAN AFFAIRS**

By:  
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and  
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Good morning. My name is Ron Hoffman. I am the President/CEO of AVCP Regional Housing Authority and of the state-wide Association of Alaska Housing Authorities.

Welcome to Bethel. I want to express a special welcome and thank you to our senator, Lisa Murkowski. Thank you for holding this hearing on an issue that is a crisis for the people of rural Alaska. I hope the information you gather can be used to craft legislation that provides both immediate relief to desperate rural Indian families and long term solutions to the unbelievably high cost of energy in rural Alaska.

Our regional Native housing authorities were created to provide safe, sanitary and affordable housing, in particular, to rural Alaskans. For example, my housing authority serves Bethel and the Wade Hampton census districts, areas representative of Alaska off the road system. We are this committee's people: the Bethel census district population is 78% Alaska native; Wade Hampton population is over 90% Alaska Native. We also have unemployment rates at more than 15 and 23%, respectively.

Looking at the numbers, the native people of rural Alaska are living with the highest unemployment and poverty rates in the country. Factor in the energy crisis and you begin to have a picture of the critical need for immediate relief and long term solutions.

Off the road system, in Hooper Bay with a population approaching 2,000, gasoline is \$7.24 per gallon; heating fuel is \$7.37 per gallon. In the village of Kokhanok on Lake Iliamna, gas is nearly \$9 per gallon with heating fuel \$9.25.

In May the Institute of Social and Economic Research at the University of Alaska reported that in 2000, an Anchorage family spent 5.5% of its income on energy while a family in rural Alaska spent 16%. By 2008, the Anchorage family was spending 9% of its income on energy while -- hold on to your hat -- the family in rural Alaska had to spend 47% of its family income on energy. The gap between the two families has more than tripled. The rural family is spending one-half of its family income on energy.

Beyond the direct impact on families, energy affects the cost of doing business with increases passed on to residents. Air fares, groceries and our electric bills are through the roof. These costs are passed on to an Alaska Native population that simply cannot support them.

For the people of rural Alaska to survive, two things need to happen: unemployment and poverty numbers must be brought down through funding of training for current and future jobs.

Second, we must explore all energy possibilities, including development of alternative sources of energy.

As one example, an Alaska electric cooperative is using wind to lower costs and reduce dependency on diesel fuel. Projects like this should be supported by funding and tax credits. Other solutions include:

- Expediting a gas pipeline from the North Slope with Alaska access to that energy source.
- Legislation to allow and require the refining of Alaska oil here in Alaska with the product accessible to Alaskans.

Other proposals include:

- Opening ANWR to exploration and drilling;
- Relaxing excise taxes on fuel in rural Alaska;
- Energy and transportation subsidies for rural Alaska; and
- Development of central bulk fuel storage areas such as at the Adak Naval Base.

In some places in this country, the high cost of fuel is inconvenient. In rural Alaska this winter, our families will have to decide between feeding their children or keeping them warm. This winter, \$100/barrel oil will begin to take not just livelihoods but the lives of rural Alaskans.

I ask you to come up with immediate relief and long-term solutions that allow us to get more from present resources while we explore new technologies for safe, clean and affordable energy.

Thank you for the opportunity to testify.