

# Herrmann explains rural need for PCE

by Rep. Adelheid Herrmann

District 26

On Oct. 21, I sponsored a legislative workshop for the Alaska Federation of Natives Convention. The purpose was to discuss some of the important issues we will be working on during the next legislative session, and I was pleased to see our local people in attendance.

A presentation of the Power Cost Equalization program revealed many ideas for changing this program. Some of those ideas would reduce the cost of the program through efficiency improvements for generation and distribution of electricity; adding incentives for conservation into the formula; improvement of technical assistance; and shared savings which would pay the user some of the benefits resulting from more efficient facilities or other improvements.

In the past, PCE has helped to keep our electric bills down and has also en-

couraged economic development by keeping commercial electric rates down. These proposals and others will be carefully considered during the next legislative session.

My concern is that with all of the other reductions we are facing in state funding, reducing PCE could be a serious mistake. The PCE program has shown that it is a valuable economic stimulant to our economy, something we need to encourage in rural Alaska.

I will work to make sure that rural concerns are taken into consideration when the Legislature addresses the administration's proposal to change the PCE program.

We also discussed educational issues. Rep. Ron Larson talked about House Bill 1, a bill that would require unorganized areas of the state to form into 3rd class boroughs. There was also a general discussion about the new formula funding method for school districts.

Both of these issues are intertwined with local government. The level of "local contribution" required for education by the local community has increased over the last year. This will have an effect on the amount of taxes we pay.

House Bill 1 further develops the concept of "local contribution" by requiring unorganized rural areas to form into 3rd class boroughs for the purposes of taxing the area to help pay for the cost of education.

Our discussion included some of the history behind HBI and what the effects could be on the quality of education. I am personally opposed to HBI requiring mandatory formation of boroughs.

One of the strengths of our existing form of local government in Alaska is that it encourages areas to "organize." Requiring areas to form into boroughs, before they are ready, could have the opposite effect than what is intended by HBI.

A lively discussion centered around my House Bill 326, to abolish the state register system. Diana De Simone from the Division of Personnel listened to and agreed with my concerns about the difficulty that rural Alaskans have in getting on the register. There appears to be a general consensus that the current system is inadequate and outdated and that it needs to be overhauled.

All in all, I was very pleased with the workshop and would like to thank the audience that attended. I would especially like to thank Rep. Kay Wallis for her active participation. I also would like to thank Reps. Lyman Hoffman and Ron Larson, Sen. John Binkley and the Alaska state department people that participated.

Many ideas were discussed and a great deal of information was made available to the public. I'm considering making the AFN legislative workshop an annual event for the convention.