

Rural energy in trouble; staffing cut 50 percent

by Jeff Richardson
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A powerful urban legislator has denied seriously disrupting rural power programs. However, some analysts say the personal involvement of House Speaker Ramona Barnes (R-Anchorage) in a hasty and sweeping reorganization of those programs has left state rural energy policy in disarray. They say severe staff cuts may have left villages without the technical assistance they need to deal with emergencies that could put rural lives and property at risk.

State energy staff positions have been slashed by 50 percent since July, leaving many local utilities and power generators wondering how bulk fuel storage tank repairs, power project planning, system upgrades, maintenance and troubleshooting of electrical hazards is going to be carried out in the state's 200-plus rural communities.

Of particular concern are 16 technical or engineering positions specifically dedicated to provid-

ing rural service. Analysis of the current organizational chart for the energy programs indicates that eight of those positions have been eliminated while one has been downgraded. Three other positions have been renamed, possibly indicating a refocus of their duties away from rural priorities.

"Is (the) process going to be effective for maintaining safety and power in the villages?" asked Brad Reeve of Kotzebue Electric Association. "At this point, I'm not convinced that it is."

Generator failures in Napaskiak last week and White Mountain this week appeared to provide the first critical test for the downsized energy staff.

Although the legislature ordered energy programs reorganized last session with a greater emphasis on contracting state services to the private sector, experts in and out of government say the work simply can't be done with such a rapid and steep drop in personnel. Staff that remain say they aren't sure if they can deliver

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on commitments they are making to maintain service at current levels (see related story this page).

"We're still going to strive for the level of quality control that we've had," said Ike Waits, acting division director. "We may be on a mission impossible, or we may be real creative."

Chris Noonan, a project manager at the division, said the reduction is hurting. "We're moving forward in the hopes that nobody's left behind. That's our big concern, that the little utilities aren't left hanging out there. It's very unknown at this time," he said.

But others are more direct in their assessment.

"They took it and jammed it (the reorganization) into two weeks instead of two years," said one state worker who asked not to be identified. "We're already running into problems, we're too thin."

Information provided by past

and current employees of the new Division of Energy within the Dept. of Community and Regional Affairs indicate that House Speaker Ramona Barnes has been closely involved in the dismantling of the Alaska Energy Authority and the transfer of its programs to DCRA and the Alaska Industrial Development and Export Authority.

Some employees have been laid off; others have resigned in disgust or outright protest over the lack of direction and mounting evidence of legislative interference. Even former employees are fearful of speaking on record because they fear that Barnes' pervasive political influence may prevent them from getting work even in the private sector.

Barnes has supporters of her own in the private sector who are profiting from the power program reorganization. Scott Thompson, president of Alaska Power Systems Inc., recently hosted a political fundraiser for Barnes. Re-

cently, Alaska Power Systems received a contract worth approximately \$489,000 to provide power system inspection and training services to 58 rural communities on a circuit rider basis. While former energy division employees say nothing was improper in the way the contract was developed, put out for bid and awarded, they say Thompson made his views known as the scope of services and request for proposals were being drafted earlier in the summer.

"He took more of an interest than the typical contractor," in the way the scope of services was drafted, said one source. Though state officials ultimately rejected his input on the circuit rider RFP, it is common knowledge among former and current energy division employees that Thompson, like Barnes, has been involved in the reorganization behind the scenes.

Some observers say Barnes' heavy involvement in dismember-

ing the Alaska Energy Authority may stem from other motives. She has made no secret of her disdain for middle and top level employees of AEA who may have provided incriminating information to State Troopers investigating Charles Bussell for alleged violations of procurement rules when he briefly headed AEA a couple of years ago. Bussell is a political ally of Barnes.

While Attorney General Charles Cole determined there was insufficient evidence for a criminal prosecution, he informed the AEA board that Bussell had purposefully violated established procedures, had attempted to misrepresent his actions and used poor judgment.

As recently as September and October of this year, Bussell and a member of his family contributed \$2,000 to Barnes' 1994 campaign, according to documents on file with the Alaska Public Offices Commission.

The names of Barnes, Thomp-

son and Bussell repeatedly came up at a "very tense" 10 a.m. all-staff meeting of the new Division of Energy on Tuesday, October 19. The meeting was presided over by Bruce Geraghty, DCRA deputy commissioner. The purpose of the meeting was to introduce Ike Waits, a long-time DCRA planner and middle manager, as the acting division director to replace Don Harris. This caught many staffers by surprise, as Harris had only been on board since June and by several accounts had made steady progress on the reorganization. Some staff members demanded to know from Harris himself what had transpired. Harris, fed up with weeks of interference by DCRA managers and others, had apparently decided over the previous weekend to resign but had yet to make it official. He went to the front of the room and according to one staff member present, told the approximately 45 people gathered that he had been given the authority to make certain organizational changes, but that he was being constrained from doing so.

Geraghty was asked why legislators like Ramona Barnes and contractors like Scott Thompson had been given direct input into the new organizational chart which had eliminated half the division's positions. Geraghty replied that he had talked to Barnes, Thompson, Bussell and a number of other legislators and contractors. When asked when he had last spoken with Barnes, he said the afternoon of the previous day, October 18, a state holiday.

Barnes insists that her involvement in reorganizing the energy staff has been confined to insuring that last spring's legislation mandating the change was properly implemented. She said this is a very proper legislative function. Contrary to comments by others, she says most of the funds appropriated for rural energy programs for fiscal year 1994 was for the power cost equalization program, not to support state agency staff positions and that there was no legislative intent to fully fund AEA programs in DCRA through the end of that period.

For his part, Geraghty said Barnes has not told him what to do with respect to the reorganization.

"Speaker Barnes didn't dictate anything to me. She expressed her opinion, but not dictating. I'm not one to be bullied by anyone," Geraghty said. "I quit keeping track of phone calls from legislators and people outside in the private sector."

Geraghty said he was among those at the Barnes fundraiser hosted by Scott Thompson, and that he went mainly to greet the speaker herself.

"But I spent the evening defending the reorganization process," against criticism by Barnes and other legislators.