

Dear Colleague:

I urge you to oppose the amendment offered by Congressman Chabot to strike the funding for the Denali Commission from H.R. 4923, the Energy and Water Development Appropriations Act for 2015.

Congress created the Denali Commission sixteen years ago as an independent federal agency with a mandate to deliver the services of the federal government in the most cost effective manner possible while finding solutions, both immediate and long-term, to the inequities between rural Alaska and the rest of America. The unique structure of the Commission ensures the most efficient allocation of Federal funds, as it caps administrative expenses at 5 percent and capitalizes on the use of strategic partnerships.

The Denali Commission operates in the most geographically diverse and challenging area in America. Alaska is 663,268 square miles; this is an area that would encompass both the Delta Regional Authority and the Appalachian Commission.

Since its inception, the Commission has focused on implementing critical energy infrastructure projects in the most remote, expensive, and impoverished, communities in our nation. The Commission has improved the living conditions of rural Alaska by providing power generation and transmission facilities, modern communication systems, water and sewer systems and other infrastructure needs. It provides job training and other economic development services in rural communities, chiefly in troubled communities where unemployment exceeds 50 percent. The bulk fuel projects undertaken by the Commission have reduced the costs of rural energy. The health clinics have increased the availability of health services to rural villages that are isolated from metropolitan areas. There are 240 Alaska Native Villages, and over 100 communities have been served by the Denali Commission.

The Inspector General wrote a highly dramatic 2012 annual report to Congress recommending that the agency not be reauthorized over the fate of “missing” grantee Repair & Replacement accounts. The accusations were very concerning, as I am a strong advocate for the Commission’s mission.

However, the allegation proved to have not been investigated or confirmed by the IG before submittal to Congress. The salacious report is grossly disturbing and undermines the integrity in IGs reporting to Congress. The GAO is currently investigating the work product of the IG to determine where and how the IG’s policies and procedures fell short of applicable professional standards. In the meantime, the Department of Commerce and the Commission have stepped up to ensure this does not happen again by signing an agreement to provide Inspector General services.

The Commission has conducted a full investigation of the R&R accounts, has shown that there are no missing federal funds. (R&R accounts are **not federal funds**. These accounts are to be set up by local entities to place local funds into for future maintenance of the federally funded facilities. The accounts were not set forth in law or regulation,

and were merely a recommendation of the Commission as a good practice.) To ensure best practice in the future, the Alaska Delegation requested that the GAO audit the Commission and its management, in order make improvements, as needed.

Again, I urge you to oppose the amendment offered by Congressman Chabot. The Denali Commission is a model for effective, innovative government, and is our best hope for properly addressing the needs of these fellow Americans. The Commission adds value to the fabric of Federal investments in rural Alaska, hence the need to wait for the results of the GAO audits.

Sincerely,

/S/

DON YOUNG
Congressman for All Alaska