



# SPECIAL 2010 ELECTION NEWSLETTER

## Alaska State Legislative Candidate POSITIONS AND PRIORITIES

Dear Doyon Shareholder,

For the past several years, Doyon, Limited has sponsored a "Get out the Native Vote" campaign to inform, register and encourage Doyon shareholders to participate in elections. We are continuing this initiative this Fall, focusing on State legislative seats in the Interior (House Districts 6 through 11).

This newsletter is to inform you of the viewpoints, positions and priorities of the candidates running in your district in the August 24th primary election.

Doyon is not taking a position on any of the candidates; rather the corporation is providing the candidates' viewpoints to you so you can make an informed decision.

However, Doyon is taking a position on Ballot Measure 1 – a measure that would make it a crime for you or your family members to make any political donation if you are an employee of the State of Alaska, a city or village. The measure would also

prohibit local governments from using public funds to hire or contract with a lobbyist to advocate for local needs. This could result in less funding for vital local projects. **Doyon strongly recommends a "no" vote on this ballot measure.**

Doyon encourages you to read this newsletter and carefully consider the candidates' viewpoints as they seek your vote to represent you in state government.

Your voting location is listed above your name and address on this special election newsletter.

Respectfully,

**Norman L. Phillips, Jr.**  
President and CEO, Doyon, Limited

## DISTRICT 9

### Alaska State Legislative Candidates

• Scott Kawasaki (Democrat) - Incumbent

• Joseph A. Michel (Republican)

QUESTIONS	PRIORITY	SCOTT KAWASAKI	JOSEPH MICHEL
What are your top three priorities as a State Legislator?	<b>1ST PRIORITY</b>	Reduce the cost of energy across the state to consumers.	Energy- Every aspect of an Alaskan's life is affected by the price of energy and energy is the foundation of our economy. With affordable energy for Alaska; citizens' budgets won't be stretched to so thin, businesses will have the ability to grow and the viability of future development projects for the state of Alaska will be enhanced
	<b>2ND PRIORITY</b>	Increase our economic output by building infrastructure like roads, rails and ports.	Jobs, Jobs, Jobs- Before considering any action or issue before the Legislature I would ask myself: "How is this going to affect jobs in the Interior and how will this affect the economy statewide?"
	<b>3RD PRIORITY</b>	Ensure economic opportunities for all by improving education from Pre-K through UA, access to healthcare and jobs training.	Education- Keeping our schools strong is the key to workforce development. We also need to maximize the use of technology (in particular; videoconferencing) to bring as many opportunities as possible to rural and urban schools so that every Alaskan child can have access to a variety of classes and educational opportunities.

QUESTIONS	SCOTT KAWASAKI	JOSEPH MICHEL
Do you support or oppose an Alaska Native preference for subsistence hunting and fishing?	Support	Oppose
What's the main reason you support or oppose an Alaska Native subsistence preference?	It is Constitutional.	I do not support an "Alaska Native" preference for subsistence hunting and fishing. I do believe, however, that fish and game resources should be managed for abundance and that subsistence use should receive a preference over commercial or recreational use of resources.
Do you support or oppose amending Alaska's rural Power Cost Equalization (PCE) program so it could include providing money directly to rural schools and local businesses?	Support	Oppose
What's the main reason you support/oppose amending Alaska's PCE program?	There are no other options right now for many villages off the grid. It is a short-term solution. The priority is to join villages by intertie and larger, regional power hubs for electricity. Pipelines should always have off-takes to benefit the locals along the routes.	I do not support expanding the PCE program at this time. We need to develop other programs that can help businesses with the astronomical costs of operating in rural areas over the long term. We should consider the comparative cost of annual appropriations to an expanded PCE program as opposed to a subsidized capital investment plan that brings low cost generation to communities. Programs to develop infrastructure or investments in energy efficiency could provide jobs and a foundation for an economy over the long term where an expanded PCE program would just expose rural economies to state spending. Further, I am concerned that an expanded PCE program could jeopardize the existing program if oil prices fall substantially.
State House bill HB74 (Re: Coastal Management Program) was under consideration in the 2009-2010 legislative session. If you had been in the state legislature, would you have supported or opposed HB74?	Support	Oppose
What's the main reason you support/oppose HB74?	I think some changes should be made before it moved so that the upriver family was not impacted. I support local control and governance and coastal villages/towns should have a say in the land planning of their own area.	I am not sure. I am concerned that adding layers to the permitting process would stifle development and will always begin by being skeptical of additional regulatory or bureaucratic burdens. But, I also know that without meaningful input, local communities feel pushed to litigate to protect their interests. Neither supports development and the vibrant economy we need. I am looking forward to the "Northern Waters Task Force" and the issues their discussions will bring to light.
Do you feel lack of Alaska hire is or is not a serious problem in Alaska?	Is	Is
What would you recommend be done to increase Alaska hire?	I support a system of mineral/oil/ resource leases in which local hire is a requirement or at least an expectation.	The State should include Alaska hire provisions when offering tax credits. Unlike mandated Alaska hire provisions, this strategy will pass constitutional muster and has been used in Alaska as well as other states. Simply put, if a company wants a tax credit, they must agree to a significant level of Alaska hire.
In your opinion, should the funding for Denali Kid Care be replaced if the money can't be used for abortions, should the funding be replaced even if it is used for abortions, or should the funding not be replaced at all?	Replace funding with abortions covered	Replace funding without abortion coverage
Denali Kid Care comments		
Do you feel the drop-out rate among Alaska Native students in Junior and Senior high school is or is not a serious problem in Alaska?	Is	Is
What would you recommend be done to reduce the drop-out rate?	School boards must lead on the issue in cities. However, there are major problems with rural schools and their lack of funds available for teachers and administrators. When you have teachers who only live in a rural area for a few years at a time, it will cause problems in the education performance of students.	We need to make school more relevant, demonstrate the connection between education and employment and increase the presence of mentors in the educational system.
Do you support or oppose increased funding for charter and alternative education programs in Alaska?	Support	Support
Are there any particular charter or alternative programs that you support? Please list:	We have Effie Kokrine Charter School in Fairbanks which teaches predominately to Alaska Native students. The curriculum is based on Native culture and even starts later in the year to allow for hunting season in which most families participate.	I feel every charter school offers a unique educational experience. Every student is different and learns differently. If a student can not learn the required skills to function in society through the standard educational process, the state is foolish not to provide alternative means to educate this student. The alternative is letting the student fall through the cracks.
Are there any particular charter or alternative programs that you oppose? Please list:		
Do you believe Alaska state government spending is or is not sustainable at the current level?	Is not sustainable	Is not sustainable
Please describe why you feel state spending is/is not sustainable at the current level.	It is based too much on the value and production of oil which is a diminishing resource.	90% of our revenue comes from oil and oil production is declining between six and ten percent a year.
Do you support or oppose amending Alaska's Clear and Equitable Share legislation (ACES) to lower the tax rates on the oil industry?	Oppose	Support
Please describe why you support/oppose amending ACES.	It has given Alaska a fair share for our limited natural resource. I might support some changes, like decoupling oil and gas.	I support reducing the progressivity function to allow the industry to share in the upside when oil prices are high. Alaska is a high-cost, high-reward place to do business. With ACES, Alaska is a high cost, low reward place to do business. ACES has upset the balance of risk and reward that made Alaska an attractive place to invest
Changes in tax policies, regulatory burdens and environmental regulations will impact economic progress. What would be your number one recommendation to encourage economic development in Alaska?	Alaska needs to invest in infrastructure and energy projects and allow the private sector to figure out the rest.	Changes in permitting would be one of the simplest adjustments that we could make to encourage development in Alaska. We may have four agencies asking for a study to be done before a permit is issued by each agency. They all ask for the same information but want the study done four different ways. If agencies would work to standardize the requirements for permitting the same precautions could be taken to ensure due diligence is done for a permit, but the cost of getting a project online could be cut greatly. While permitting needs the most work and affects multiple industries, ACES is the biggest current obstacle to new investment and therefore I would approach ACES first.
Do you support or oppose oil and gas exploration and development in ANWR?	Support: I support exploration, but I would have to see a plan for development that is compatible with Alaska's long term interests.	Support
Do you support or oppose outer continental shelf and off-shore oil and gas exploration and development?	Support	Support
Please describe why you support/oppose outer continental shelf and off-shore development?	I support OCS exploration, but I would have to see a plan that is compatible with Alaska's future and her interests.	Jobs, Jobs, Jobs. OCS development will also put more barrels in TAPS, reducing the tariff for barrels produced onshore making further development onshore more economic, increasing state revenues and extending the life of Alaska's oil patch.
Do you support or oppose the Port Authority's purchase of Fairbanks Natural Gas (FNG)?	Support	Oppose
Please describe why you support/oppose the Port Authority's purchase of FNG?	I don't know all of the details, but I think the Port Authority's mission to develop gas and bring down the cost of energy to the area is compatible with the purchase of FNG.	I feel that it is an excellent bridge to a pipeline, but at the current cost of the proposed purchase, I can not support the Port Authority's purchase of FNG
There is a proposal to combine all major Railbelt utilities (GRETC) into a single energy corporation. Some say this is a good idea because of potential efficiencies; while others say it is a bad idea because it is potentially a monopoly and could stop private sector energy exploration and development. Would you support or oppose a proposal to combine all major Railbelt utilities into a single energy corporation?	Support	Oppose
Please describe why you support/oppose GRETC.	Not all of the details are known, but the overall commerce of the state seems to be well served by a joint utility or cooperative agreements between all of the major railbelt suppliers.	I feel the main purpose behind GRETC was to provide an easy conduit for grants from the State of Alaska to the utilities. It is a fine idea in theory, but I do not think it would end regional infighting in the state. An example would be that technically we have one University, but every year UAA and UAF fight for funding for different projects. As a member of Golden Valley Electric, I do not want to become saddled with Chugach Electric's debt. Our cooperative has spent the money to keep our infrastructure up to date and I don't feel a giant cooperative would be the most beneficial to us. Further, there are independent corporations that are willing to provide power for Alaska and they should not be kept from doing business in this state because of the risk that they would compete against a public utility.