



March 20, 2008

Karen Larsen  
Office of the Assistant Administrator, Electric Programs  
USDA Rural Development  
1400 Independence Ave, SW, Stop 1560, Room 5165-S  
Washington, DC 20250-1560

By email to [Karen.Larsen@wdc.usda.gov](mailto:Karen.Larsen@wdc.usda.gov) Re: Angoon Grant Application # 237  
(202)-720-8787

Dear Ms. Larsen,

Kootznoowoo, Inc., the Village Corporation established under the Alaska Native Claims Settlement Act to serve Angoon, Alaska, appreciates this opportunity to provide additional information to the Department of Agriculture with respect to the Rural Development Program you currently are administering and in which Angoon is a finalist.

We would like to augment the material filed by AIGCO on behalf of the community in four areas related to your evaluation criteria. They are in the criteria which measure economic hardship (6A), coordination with state rural development activities (5), cost sharing (10) and imminent hazard or critical energy project (9).

Angoon has suffered significant economic hardship as it is the only year-round community located within a Forest Service wilderness area and National Monument. According to the Central Council of Tlingit & Haida, Angoon is currently nearly 90% unemployed. The average household income reported by the State Department of Community and Regional Affairs is only \$29,681; 51% of the State of Alaska median household income. We believe that you may have used census tract data to assess economic hardship which would grossly underestimate the true conditions that exist in Angoon.

Because the data you are utilizing is most likely based on census tract and not individual community data the composition of the census tract must be better understood to

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determine if further analysis is required. Please see Table "1" for the January unemployment rate by community for the Skagway, Hoonah, Angoon Census Tract which is maintained by the Central Council of Tlingit & Haida Indians for a comparison of the disparity that exists within the area. Angoon is severely impacted by the USDA Forest Services management prescriptions for the area surrounding the community in ways that do not affect the other communities in the census tract – namely Hoonah and Skagway. Hoonah has an operating timber business, a rapidly-growing tourism sector and a fishing fleet. Angoon has neither. Skagway enjoys the economic benefits associated with nearly 1 million tourism visitors per year. Angoon does not have a tourism industry. As a consequence, Angoon's average household income is considerably lower than either of these other two communities in our census tract. The average annual household income in Hoonah is 24% higher than in Angoon, and for Skagway it is 40% higher.

Another area that we can improve is in Angoon's coordination with "State rural development activities". Kootznoowoo has made energy projects in Angoon designed to reduce the cost of power and improve the air quality its number one priority and this is reflected in its membership and active participation in two regional and one statewide planning entity which are the Southeast Conference, the State of Alaska regional planning entity; the Southeast Alaska Native Economic Futures Coalition; and an Ad Hoc Energy Committee working on a Statewide Energy Policy. In addition, Kootznoowoo has worked closely with the USDA Forest Service in focusing the Superintendent and planners of the Tongass Forest and Region 10 on the needs to establish an Energy Plan for the Tongass National Forest. Kootznoowoo, The City of Angoon, the Angoon Community Association (the Tribe), the Central Council of T&H, the Denali Commission are planning a joint meeting in early April to ratify and amend as necessary the community energy planning document which will then be included on updated documents gathered by the State of Alaska through the Southeast Conference.

If sufficient support is forthcoming from the USDA on this project to assure its success Kootznoowoo and or the City of Angoon would make lands and or rights-of-way available for the completion of the project. Land is extremely valuable in Angoon for the reason mentioned above – namely the Forest Service surrounds our community and is under a standing order to acquire as much land as is possible to add to the Monument.

We understand that not only will the community and the corporation provide assets or substantially discount assets to make the project a success but that our citizens and other institutions will also contribute to the ultimate success. For example Tlingit-Haida Housing will be doing many conversions at an estimated average cost of \$3,000 per household. We believe if that looking at all of these contributions to the sponsors as one would recognize the cost sharing as substantial.

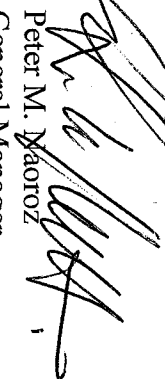
Finally, under the category of "imminent hazard or critical energy project" we believe that an imminent hazard exists in Angoon, and other rural communities, based on rural

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health. The State of Alaska claims on their website that rural health is worse in small communities due to the use of diesel generators 24/7. The Angoon generators are located in the middle of the community and noxious odors, particulates and smoke are an everyday hazard for the community. That is exacerbated by the use of fuel oil in homes. Gas utility service is part of our initiative to change to cleaner and greener fuels to improve health and quality of life in Angoon. Jeopardizing the health of our people to continued exposure from Diesel fuel and fuel oil is an imminent health hazard that is being realized in increased medical costs, reduced life expectancy, and higher Medicare/Medicaid expenses to the State and federal governments.

Once again we appreciate your consideration of these material points which we request you include in our file and in your further deliberations.

Sincerely yours,



Peter M. Maoroz  
General Manager

Cc: Paul Rusanowski  
Derek Dyson, Esq.

Table "1"

<b>Southeast Communities</b>			<b>Indian Population</b>	<b>Indians in Borough- Percent</b>	<b>Individual Comm Percent</b>		<b>State Unemployment</b>	<b>Indian Employment Rate</b>
<b>Skag/Hnh/Ang</b>			495		87%			
<b>Angoon</b>		572						
<b>Cube cove</b>		72	1		1%			
<b>Elfin Cove</b>		32	0		0%			
<b>Game Creek</b>		35	3		9%			
<b>Gustavus</b>		429	36		8%			
<b>Hobart Bay</b>		3	1		33%			
<b>Hoonah</b>		860	599		70%			
<b>Klukwan</b>		139	123		88%			
<b>Pelican</b>		163	42		26%			
<b>Skagway</b>		862	47		5%			
<b>Tenakee</b>		104	6		6%			
<b>White Stone</b>		116	8		7%		23.4	58.234
	total	3387	1361	2.488611				