



March 3, 2025

Honorable Senator Murkowski
522 Hart Senate Office Building
Washington, DC 20510

Honorable Senator Sullivan
302 Hart Senate Office Building
Washington, DC 20510

Honorable Representative Begich
153 Cannon House Office Building
Washington, DC 20510

Dear Senator Murkowski, Senator Sullivan, and Representative Begich,

We are writing to express our concern about several federal funding cuts being proposed and explain the impact of these on essential services in Petersburg. As you know, we rely heavily on air and water transport, and our economy is anchored by commercial fishing and seafood processing.

The combination of local funds and federal support is the lifeline for certain essential services, critical infrastructure, and social safety nets. Indiscriminate and across the board reductions to federal programs have real life consequences for our residents and will disproportionately affect our small, rural community that cannot easily absorb or make up for these cuts from other revenue sources.

- Over 90% of the borough's land base is owned by the federal government and exempt from local taxes. The potential loss of Payment in Lieu of Taxes (PILT) and Secure Rural Schools (SRS) funding, historically providing over \$1.3 million annually, jeopardizes basic municipal and school district operations.
- Potential cuts to HUD and Medicaid pose an existential threat to Petersburg's elderly and disabled population. Mountain View Manor Elderly Housing and Assisted Living, which rely heavily on federal subsidies, face closure if residents are forced to pay privately. This would displace vulnerable seniors and disabled residents, leaving them with nowhere to go.
- The Petersburg School District, dependent on over \$1.2 million in federal funding, faces devastating impacts. Reduced funding or the elimination of the Department of Education would compromise educational services, directly harming children and families.
- Petersburg Medical Center, which receives substantial payment for services through federal programs like Medicare and Medicaid, would be decimated by funding cuts. This would force residents to leave our community to seek medical care elsewhere, not to mention threatening the future of our local medical center.
- The potential elimination of Essential Air Service (EAS) would sever Petersburg's vital connection to the outside world. Drastic increases in travel and shipping costs, or the complete loss of Alaska Airlines jet service, could force residents to relocate.
- Uncertainty regarding federal grant awards and congressionally designated spending, totaling over \$15 million for electric and marine infrastructure. Loss of funds cripple the vital infrastructure our economy depends on and limit our ability to support economic growth.
- The abrupt termination of 10 federal employees in Petersburg, without proper evaluation or consideration, destabilizes the local workforce. Most of the employees fired were ANILCA hires, meaning they were Alaska residents and already living in Petersburg. We are told additional reductions are coming. This approach undermines the community's economic stability and discourages young people from returning to our community.

Petersburg's ability to provide essential services like police, fire, emergency medical services, and public utilities is deeply reliant on federal support. Severe cuts would necessitate drastic measures: increased taxes, higher fees, and the reduction or elimination of essential services. This would fundamentally alter the character of the community, potentially making it unsustainable for many residents.

In essence, these federal funding cuts aren't just numbers on a spreadsheet; they represent the potential unraveling of Petersburg's ability to provide the necessities for its residents. Responsible federal spending reductions must prioritize the preservation of essential services in rural communities like Petersburg, ensuring their continued viability and the well-being of their citizens.

Thank you for your continued service to Petersburg and our residents. We appreciate the work you do on our behalf and respectfully ask that you advocate for use of more responsible methods to reduce federal spending.

Respectfully,

Mark Jensen, Mayor
Petersburg Borough, Alaska