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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 23, 2009

The Honorable Peter M. Geren, III
Secretary of the Army
101 Army Pentagon
Washington, D.C. 20310-0101

Re: Alaska Territorial Guard Members; Retirement Pay Reduction

Dear Mr. Secretary:

In mid-January the Department of Defense (DOD) abruptly announced that it intended to no longer recognize the Alaska Territorial Guard (ATG) service credit towards military service credit for retirement pay purposes. There was little or no prior notice or opportunity for ATG members, the state of Alaska, or others to be heard on the issue before the decision was made. You ordered the temporary continuation of current retirement pay amounts to the ATG members. Your deadline expires next week on April 1, 2009.

I am writing to ask that you assist these elderly, primarily Native Alaskans, who so courageously protected this nation during World War II. I urge you to take the only fair course of action and return to the policy and law followed for nearly a decade by recognizing the service time by Alaskans in the former ATG on a permanent basis. Left unchanged, your decision to reverse years of DOD policy with no prior notice to ATG members would severely reduce ATG members' eligibility for service retirement pay and the amount of ATG members' retirement pay.

If you choose to not reverse your position, please extend the emergency funding of these benefits until the end of the calendar year. I appreciate that your earlier decision to provide emergency funding through April 1, 2009, was under the premise this would give Congress time to act. However, Congress has had its hands full with bailouts, budgets, and other issues and has not had the time to adequately address this very important matter. Congress can likely address this issue, but it will not be until the end of the calendar year. Given the likelihood of action by Congress and the importance of the benefits to the ATG members receiving them, I urge emergency funding of retirement benefits to be continued until the end of the 2009 calendar year.

Another reason to at least extend benefits with emergency funding is the failure of the DOD to timely respond to the state of Alaska's request through the Freedom of Information Act for all records related to the ATG and DOD's decision. A response was due last month but has yet to be received by our office. Until a full and adequate response has been provided, and the parties have reviewed and discussed the records and their relevance to the issues, it is premature to cut off benefits at this time.

I must point out that the reversal in DOD policy and refusal to now recognize ATG service time is incredibly unfair. This policy change comes nearly a decade after Congress changed the law and intended to ensure recognition of ATG service time. Several of your predecessors, since the formation of the ATG, interpreted the statute to mean DOD must recognize and respect the service time of ATG members. Alaska's elderly veterans have relied upon these prior decisions and actions of the DOD in making their plans for how they will live out their lives. ATG veterans deserve the full benefits Congress granted them in 2001. This was more than just another bill passed by Congress; it was recognition of the value of the service provided by ATG members and a promise to pay benefits to them. That promise needs to be kept.

As stated the ATG and its members have been critical to the security of our nation. The ATG performed many significant duties during World War II, including guarding the only source of platinum in the Western Hemisphere, securing the terrain around the Lend-Lease air route between the United States and Russia, and providing a line of defense against invasion. Following their years of volunteer service, many ATG members proceeded to actively serve in the United States military. Native Alaskans have a tremendous record of serving their country with honor and distinction in the military that goes back as far as World War I.

There can be little doubt that Congress intended ATG members to receive credit for their service time. In 1999, a DOD military review board denied an application seeking service retirement pensions for ATG members. Many Alaskans were upset with the decision. One of these individuals was former Alaska Senator Ted Stevens. Following the Senator's lead, the United States Congress passed Public Law 106-259, amending 38 U.S.C. § 106 in 2001. That section stated:

(f) Service as a member of the Alaska Territorial Guard during World War II of any individual who was honorably discharged therefrom under section 8147 of the Department of Defense Appropriations Act 2001, shall be considered active duty for purposes of all laws administered by the secretary.¹

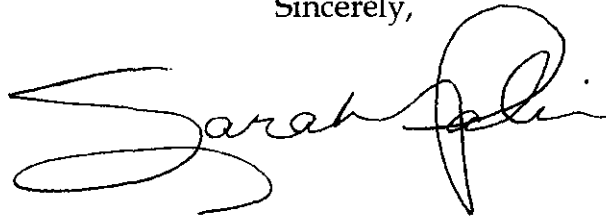
¹ 38 U.S.C. § 106(f).

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Since the laws relating to military benefits are "administered by the secretary" the DOD began processing ATG members for honorable discharges from active military service using the regular DD Form 214, Certificate of Release or Discharge from Active Duty. Under the new law, the elderly ATG members either became eligible or began receiving the higher levels of retirement pay they deserved.

Please contact Acting Attorney General Richard Svobodny to discuss a resolution without litigation before your deadline for a temporary extension of benefits expires. The amount of funds at stake is miniscule to the federal government but a very important and substantial portion of ATG members' annual income and it is very much deserved.

Sincerely,

A handwritten signature in black ink, appearing to read "Sarah Palin". The signature is fluid and cursive, with a large loop at the end of the last name.

Sarah Palin
Governor

Enclosure

Via fax, e-mail, and first class mail

cc: The Honorable Robert M. Gates, Secretary, United States Department of Defense
The Honorable Eric K. Shinseki, Secretary, United States Department of Veterans Affairs
The Honorable Lisa Murkowski, United States Senate
The Honorable Mark Begich, United States Senate
The Honorable Don Young, United States Congress
John Katz, Director of State/Federal Relations and Special Counsel,
Alaska Office of the Governor
Richard Svobodny, Acting Attorney General, State of Alaska
Craig Tillery, Deputy Attorney General, State of Alaska
Anne Johnson, Assistant Attorney General, State of Alaska