

**Catholic Bishop of Northern Alaska
1316 Peger Road
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PRESS RELEASE

Fairbanks Diocese seeks a consensual plan for reorganization.

For Immediate Release

2/13/08

Bishop Donald J. Kettler, JCL, Catholic Bishop of Northern Alaska, today announced he has decided to file for reorganization under Chapter 11 of the federal Bankruptcy Code. In communications with donors and parishioners Bishop Kettler said the details of the plan are still being worked on, but the filing would most likely take place within the next five weeks. Bishop Kettler said he is making the move after reflecting on the needs of those who have been abused by Church workers in the diocese:

"It now seems the fairest and most pastoral resolution would be to seek a consensual plan for reorganization under Chapter 11 of the United States Bankruptcy Code. While filing for reorganization is not my first choice, I believe that at this time this is the best way to bring all parties together and to provide for fair and equitable treatment of all who have been harmed."

More than 140 people have filed some 150 claims against the diocese in Alaska state court. All the cases are decades old, stretching from the 1950s through the early 1980s.

While the diocese has been engaged in settlement talks with attorneys representing the victims since last summer, efforts at settlement have been hampered by the reluctance of a key insurance carrier to participate meaningfully in the process.

Bishop Kettler said the failure of the settlement negotiations plus high legal expenses also helped him decide reorganization was the fairest and most prudent resolution to the claims facing the diocese.

"As you well know we are the United States' single truly missionary diocese. Just 8 of the 46 parishes within the geographic territory of the diocese are financially self-sustaining. For years we have only been able to keep the flame of faith burning in the remote parishes within the area of the diocese thanks to generous donors. I take my responsibilities as Christ's Vicar seriously. I am legally and morally bound to both fulfill our mission and to pursue healing for those injured."

The Fairbanks diocese is the nation's largest in geographical terms, extending to more than 400 thousand square miles. It is also the only diocese in the United States to fall under the Congregation for the Evangelization of the Peoples, the Catholic Church's missionary wing.

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