

Federal aid for fuel

At the request of Gov. Jay Hammond, the federal Community Services Administration has agreed to provide \$735,000 in loan and grant aid to residents of some 30 Alaskan villages that are experiencing emergency shortages of fuel.

Hammond asked the federal agency to provide such aid in telegrams sent earlier this month.

Some 30 villages, most in Southwest Alaska, are facing a winter-related fuel shortage due to a variety of factors, including lack of necessary cash to purchase supplies, early freeze-up of Alaskan waterways, expanded and unforeseen needs created by new construction, and an unusually harsh winter.

The federal aid will establish a fund to be administered by

the Rural Alaska Community Action Program (RurALCAP). The fund will provide loans of up to \$25,000 for fuel products, with the extra transportation costs paid for through a combination loan-grant to either the village or the carrier. When the loans are repaid, the funds will be retained in a revolving account which will be used to meet similar emergencies as they arise in the future.

Hammond said to relieve the shortage of fuel will require shipment of fuel products by air, resulting in cost increases of least 50 per cent. He requested that CSA provide \$750,000 in assistance, to cover total fuel product costs estimated at \$420,000 and transportation costs estimated at nearly \$300,000.