VILLAGE POWER IS POSSIBLE; REA FEASIBILITY STUDY ON

Best Ways to Bring Power to Outlying Areas Is Study Goal

By TIM BRADNER

A breakthrough in Alaska village electricity problems may be coming soon.

The federal Rural Electrification Administration, before now limited to financing electrical cooperatives in populated parts of the state, may be opening the door to financing electric co-ops in remote villages, where people now use gas lanterns for lighting.

The REA has been given the go-ahead to conduct a survey on the best ways of bringing electricity into now powerless rural communities, the Tundra Times has been told.

State Senator R.R. (Bob) Blodgett said yesterday he had been informed that REA officials in Washington had received a memorandum telling them to "get going" on the survey.

A recent meeting in Washington brought out the proposal for the study. Officials from the REA, the Office of Economic Opportunity, the Economic Development Administration and representatives from Alaska Congressional offices met to try and find the best way to provide power to villages.

Hobbled

A strange paradox limits the REA from directly financing remote Alaska villages.

The Rural Electrification Administration was established back during the 1930's at the height of the Great Depression, to bring power into farm country of the United States not served.

Before that the only electrical distribution in areas outside of cities was done by private operators, often at exorbitant rates.

A large-scale government

(Continued on Page 6)

Village Power Is Possible, REA Study On...

(Continued from Page 1)

program to help form electrical cooperatives in the country was established, and once the co-op was formed into a soundly-functioning business which could borrow and re-pay loans, the REA loaned it the money to buy generators, power poles and equipment to set up and start selling power.

REA made the loans from a "revolving fund," money from a set amount originally appropriated to which payments on loans would replenish the fund so that new loans could be made.

With only so much money to work with, REA officials were forced to be very careful as to just whom they made the loans. They had to make certain the money could be repaid.

In this way the Golden Valley Electric Association, the Chugach Electric Association and the Matanuska Valley Electric Association, plus others, have been able to get going in Alaska.

No Villages

But why were some parts of Alaska financed by REA for electrical power and others not?

The key is the economy of the area.

While REA officials are certain of being re-paid on loans to Golden Valley, Matanuska and others, the areas which they serve are fairly well populated even though outside limits.

Golden Valley serves suburbs of Fairbanks beyond the city limits, plus the densely-populated Nenana-Clear-Healy district.

The Matanuska Co-op serves the Matanuska Valley, one of the most densely-populated and prosperous areas of the state.

Thus the REA makes an investment in prosperous retions of Alaska where it can be sure of getting its money back, and cannot in the more isolated communities.

The agency was designed to extend power into communities with a stable agricultural base in the lower '48 states, and is still designed to do so.

Economy

In comparison, loaning money to form electrical co-ops in remote parts of Alaska seems like a poor investment to the agency.

The isolated villages, halfway between the old hunting economy and the White Man's cash economy, have no economy.

An electrical co-op has to be a functioning business, selling power to users who pay bills. With no jobs in the villages, paying electrical bills would be difficult.

Paradox

And so the Rural Electrification Administration, designed to help bring electricity to rural parts of the United States, is powerless to act in bringing power to the last great frontier in the land—the Alaska wilderness.

Adding salt to the irony is the fact that although REA can't electrify rural Alaska because of the lack of an economy, electricity is exactly what is needed in the villages to stimulate an economy and get small businesses going, that will in turn provide payrolls, cash incomes and jobs.

The flash-freezer plan in southwestern coast villages is an example.

The state Department of Economic Development had a plan to install flash freezers in coastal communities to allow Native fishermen to catch fish, freeze them, and then sell them.

The plan would have worked, had it not been for large amounts of electricity required by the freezers—electricity not available.

Native fishing Co-ops are springing up all through Alaska despite the freezer handicap—and it could be but an indication of what could come if power was available from local sources financed by an REA loan.

Helping

Realizing the problem, REA officials and others, including the Bureau of Indian Affairs, have tried to work around the restrictions to bring power at least to larger communities.

Established power cooperain the state, Golden Valley, Matanuska and others have lent technical assistance, equipment, supplies and sometimes financing to help get village power co-ops on their feet.

REA

With REA financial participation, a statewide village electrical co-op could be established, or smaller co-ops to cover more than one village.

Reports reaching here indicate that a special man is being assigned in Washington to work on problems of bringing electricity into villages now without power.

Much of the "study" work has already been done on some 14 Alaska villages.

Robert L. Bennett, former Alaska BIA head who is now Commissioner of Indian Affairs in Washington, helped initiate a study of more than 14 villages in western parts of the state.

Preliminary surveys are complete already and on some eight of them, engineering field studies have been made.

A few of the villages included under this program are Noorvik, Gambell, Savoonga, Koyuk, St. Michaels, Shismaref, Stebbins, Selawik, and Wainwright.

Wainwright

(Continued on Page 7)

Village Power .

(Continued from Page 6)

Wainwright, near Barrow on the Chukchi Sea coast, has now no source of power in the village other than BIA generating facilities.

Light is provided by gas lamps.

The Village Council made an application to build a village electrical association through the office of economic opportunity. The application was turned down because OEO regulations say that federal grants can be for labor mostly and only 10% of the fund can be spent on equipment.

In establishing an electrical system, purchase of expensive generators, transformers and power lines and poles would have consumed most of the cost.

Possible

One way electrical systems could be set up in villages inexpensively is taking advantage of existing generators in the villages, according to Sen. Blodgett.

BIA generators could be upgraded to handle additional loads from the village and a "mutual working relationship" between the village councils and the agencies could be formed to manage the plants.