



ALASKA STATE LEGISLATURE

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House Bill 338 Sponsor Statement Version a (34-LS1670\N)

House Bill 338 raises the cap on loans from the Bulk Fuel Loan Program from \$750,000 to \$1,500,000. It also allows entities to pool their resources when participating in the program.

Oil prices are high and show no sign of coming down. Western Alaska communities can't wait for prices to stabilize, as they have a tight window for receiving deliveries. Additionally, the supply chains that vendors rely on are deeply exposed to disruptions in and around the Strait of Hormuz. It is uncertain when, where or if they will be able to secure fuel shipments, let alone what those will cost.

The State does not have many levers it can pull to address this situation. Raising the cap on Bulk Fuel loans so communities have the funds they need to purchase fuel can help.