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DENALI NATIONAL PARK IMPROVEMENT ACT

APRIL 22, 2013.—Ordered to be printed

Mr. WYDEN, from the Committee on Energy and Natural Resources, submitted the following

R E P O R T

[To accompany S. 157]

The Committee on Energy and Natural Resources, to which was referred the bill (S. 157) to provide for certain improvements to the Denali National Park and Preserve in the State of Alaska, and for other purposes, having considered the same, reports favorable thereon without amendment and recommends that the bill do pass.

PURPOSE

The purposes of S. 157 are to authorize the Secretary of the Interior to issue right-of-way permits for a natural gas transmission pipeline in non-wilderness areas within the boundary of Denali National Park; to authorize the Secretary of the Interior to issue permits for a micro hydroelectric project in non-wilderness areas within the boundaries of Denali National Park and Preserve; to exchange land managed by Denali National Park and Preserve with land from Doyon Tourism, Inc., which is located within the park; and to rename the Talkeetna Ranger Station in Talkeetna, Alaska, in honor of Walter Harper.

BACKGROUND AND NEED

Gas pipeline right-of-way

Currently, electricity in south-central Alaska is largely generated by burning natural gas produced from the gas fields in Cook Inlet, south of Anchorage, although production from Cook Inlet has been declining. There are concerns regarding the region's ability to produce sufficient gas to support the area's population. Plans for a large-volume natural gas pipeline to run from the Prudhoe Bay oil fields to the Lower 48 States may not be finished in time to provide

needed gas to south-central Alaska. Therefore, Alaska is considering investing in a smaller pipeline to meet medium-term demand.

The in-state pipeline would run from Alaska's North Slope region, past Fairbanks, through the Nenana River Canyon and Denali National Park and Preserve following the existing highway, 7 miles of which pass through the park. The proposed pipeline makes use of the existing highway right-of-way, and comes near, but does not cross the wilderness boundary in the park.

S. 157 authorizes the Secretary of the Interior to permit a pipeline to run through a small portion of the park, along an existing highway right-of-way, subject to appropriate analysis under the National Environmental Policy Act and National Park System laws. The Park Service has preliminarily indicated that running the pipeline along the existing highway right-of-way would be better for the park than constructing a new right-of-way through a scenic vista just outside the park's boundary.

Micro hydroelectric projects

The Kantishna Roadhouse (The Roadhouse) is owned by Doyon Tourism, Inc., which is a subsidiary of Alaska Native Corporation Doyon, Ltd. It is a full-service lodge located 92 miles inside Denali National Park and Preserve at the end of the Denali Park Road. The original roadhouse at Kantishna was built in the early 1900s, serving as a private residence, a community center, post office, and an informal hotel accommodations for those who came visiting Kantishna in Denali Park.

The Roadhouse, like many structures within Denali National Park, is entirely off the grid and generates all of its electricity needs with a diesel generator. As a result, diesel must be trucked using Denali Park Road. The construction of this micro hydroelectric project would allow the Roadhouse to reduce its diesel use and transport by approximately 50 percent. This would result in less air and sound pollution in this remote area as well as reducing the risk of accident or spill, allowing for greater protection of visitors to the park, wildlife, and other resources in the park.

The proposed microhydro generator would be supplied by Eureka Creek, a 4-mile-long stream. Some water from the creek would be diverted through an at-grade water intake with a conduit to carry water downhill to the generator housed in one of Doyon Tourism's buildings. The generator is capable of producing approximately 100 kilowatts of power. An electrical distribution line would carry the electricity to the lodge, about 600 feet from the microhydro generator. A battery bank would store surplus electricity to accommodate peak power demands and maintenance shut-downs of the generator. Water diverted from Eureka Creek through the microhydro generator would be piped to Moose Creek, less than 100 feet downstream from the mouth of Eureka Creek.

Other lodge operators in the park and the Eielson Visitor Center have successfully used a microhydro generator system to power their respective structures. S. 157 will allow the National Park Service to issue permits to the Kantishna Roadhouse for a similar power generation arrangement. In addition, S. 157 would authorize the Secretary to issue permits for other microhydro projects for in

the Kantishna Hills area subject to applicable National Park Service terms and conditions.

Land exchange

S. 157 also authorizes a land exchange between Denali National Park and Doyon Tourism, Inc., for the purpose of consolidating land holdings for both the park and Doyon.

Walter Harper Talkeenta Ranger Station

The Talkeetna Ranger Station is located in southcentral Alaska. The Ranger Station is approximately 100 miles from the south entrance to Denali National Park and Preserve and is the headquarters for the Park's mountaineering rangers. All climbing expeditions to Mt. McKinley and Mt. Foraker obtain permits and mountain orientation at this Ranger Station. Denali National Park and Preserve visitors can also obtain general park information at the Ranger Station.

Renaming the Talkeetna Ranger Station will honor Walter Harper, an Alaskan Native of Athabascan Indian and Scottish descent. Nearly 100 years ago, Mr. Harper along with Hudson Stuck set out to reach the summit of Mount McKinley in the Alaskan Range. After an arduous three month trek from Fairbanks, Walter Harper became the first person to set foot on top of North America's tallest peak on June 7, 1913. The bill is needed to rename the Talkeetna Ranger Station to the Walter Harper Talkeetna Ranger Station in honor of Mr. Harper's achievements and the upcoming 100 year anniversary of the historic summit of Denali.

LEGISLATIVE HISTORY

S. 157 was introduced by Senators Murkowski and Begich on January 28, 2013. At its business meeting on March 14, 2013, the Committee ordered S. 157 favorably reported.

S. 157 combines elements from three bills considered by the Committee in the 112th Congress: S. 302, H.R. 441, and S. 2273. S. 302, also sponsored by Senators Murkowski and Begich, was introduced on February 8, 2011. The Subcommittee on National Parks held a hearing on the bill on May 11, 2011 (S. Hrg. 112–124). The Committee ordered S. 302 favorably reported without amendment at its business meeting on January 13, 2012 (S. Rpt. 112–107). S. 302 passed the Senate without amendment by unanimous consent on January 1, 2013.

H.R. 441 was introduced by Representative Don Young on January 25, 2011. Senator Murkowski introduced identical legislation, S. 313, on February 10, 2011. H.R. 441 passed the House of Representatives by voice vote agreed to on October 24, 2011. The ordered H.R. 441 reported without amendment on January 13, 2012 (S. Rpt. 112–129).

S. 2273 was introduced by Senator Murkowski on March 29, 2012. The Subcommittee on National Parks held a hearing on June 27, 2012 (S. Hrg. 112–578).

COMMITTEE RECOMMENDATION

The Committee on Energy and Natural Resources, in open business session on March 14, 2013, by voice vote of a quorum present, recommends that the Senate pass S. 157.

SECTION-BY-SECTION ANALYSIS

Section 1 provides for the short title, the "Denali National Park Improvement Act".

Section 2(a) defines key terms used in the bill.

Section 2(b) authorizes the Secretary of the Interior (Secretary) to issue permits for microhydro projects in the Kantishna Hills area of Denali National Park and Preserve.

Subsection (b)(2) directs that each permit be in accordance with terms and conditions generally applicable to units of the National Park System and subject to such other terms and conditions as the Secretary determines to be necessary.

Subsection (b)(3) requires completion of any environmental analysis required by National Environment Policy Act within 180 days of submission of the application for issuance of the permit.

Subsection (c) authorizes an exchange of land managed by Denali National Park and Preserve that is near the microhydro projects to Doyon Tourism, Inc., in exchange for approximately 18 acres owned by Doyon Tourism, Inc., within the Galena patented mining claim. The purpose of the land exchange is to consolidate lands managed by the park and those owned by Doyon Tourism, Inc.

Subsection (c)(2) directs that the map be available for public inspection in the appropriate offices of the National Park Service.

Subsection (c)(3) provides that the Secretary seek to complete the land exchange no later than February 15, 2015.

Subsection (c)(4) requires the land exchange be subject to the laws and policies applicable to land managed by the National Park Service and to such terms and conditions as the Secretary deems necessary.

Subsection (c)(5) authorizes an equalization of values of the lands to be exchanged by adjusting the acreage should the parcels being exchanged be determined to not be of equal value.

Subsection (c)(6) requires the Secretary to manage the land acquired from Doyon Tourism, Inc., to be administered as part of Denali National Park and Preserve.

Section 3(a) defines key terms used key terms in the bill.

Subsection (b) authorizes the Secretary to issue right-of-way permits for a high-pressure natural gas transmission pipeline and appurtenances within non-wilderness areas of Denali National Park, along the 7-mile segments of the George Parks highway that runs through the park. The Secretary would also be authorized to issue rights-of-way for distribution and transmission pipelines and appurtenances, if the Secretary determines they are necessary to provide a natural gas supply to the park.

Subsection (c) provides that the Secretary may only issue a permit authorized under subsection (b): if the permit is consistent with the laws and regulations generally applicable to utility rights-of-way within units of the National Park System; if it is in accordance with section 1106 of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3166(a)); and if, following appropriate analysis under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), the Secretary finds that the route of the right-of-way is the route through the park with the least adverse environmental effects for the park. The permit shall be subject to any other terms and conditions the Secretary determines to be necessary.

Section *4(a)* designates the Talkeetna Ranger Station on Talkeetna, Alaska, as "Walter Harper Talkeetna Ranger Station".

Subsection (b) dictates any references made in section (a) are references to the "Walter Harper Talkeetna Ranger Station".

COST AND BUDGETARY CONSIDERATIONS

The following estimate of costs of this measure has been provided by the Congressional Budget Office:

S. 157—Denali National Park Improvement Act

Based on information provided by the National Park Service (NPS), CBO estimates that implementing S. 157 would have no significant impact on the federal budget. The bill would:

- Authorize the Secretary of the Interior to issue permits for microhydroelectric projects in the Kantishna Hills area of the Denali National Park and Preserve in Alaska;
- Authorize an exchange of land between the Department of the Interior and Doyon Tourism, Inc.,
- Authorize the NPS to issue permits to construct a natural gas pipeline in the Denali National Park; and
- Redesignate the Talkeetna Ranger Station as the Walter Harper Talkeetna Ranger Station.

Enacting S. 157 could increase offsetting receipts (from permit fees) and associated direct spending; therefore, pay-as-you-go procedures apply. If potential owners or operators of a pipeline seek permits from the NPS, the agency could collect a fee to recover any costs associated with issuing such permits. NPS would retain and spend those amounts to process the permit without further appropriation, and any excess receipts would be deposited in the Treasury. CBO estimates that the total collections under the bill would be insignificant over the 2014–2023 period, and the net effect on direct spending would be negligible. Enacting the legislation would not affect revenues.

S. 157 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Martin von Gnechten. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.

REGULATORY IMPACT EVALUATION

In compliance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee makes the following evaluation of the regulatory impact which would be incurred in carrying out S. 157.

The bill is not a regulatory measure in the sense of imposing Government-established standards or significant economic responsibilities on private individuals and businesses.

No personal information would be collected in administering the program. Therefore, there would be no impact on personal privacy.

Little, if any, additional paperwork would result from the enactment of S. 157, as ordered reported.

CONGRESSIONALLY DIRECTED SPENDING

S. 157, as ordered reported, does not contain any congressionally directed spending items, limited tax benefits, or limited tariff benefits as defined in rule XLIV of the Standing Rules of the Senate.

EXECUTIVE COMMUNICATIONS

Executive Communications were not requested by the Senate Committee on Energy and Natural Resources in the 113th Congress. The following Administration testimony references similar legislation introduced in the 112th Congress:

The testimony provided by the National Park Service at the May 11, 2011, Subcommittee on National Parks hearing on S. 302 and S. 313; and

The testimony provided by the National Park Service at the June 27, 2012, Subcommittee on National Parks hearing on S. 2273 follows.

STATEMENT OF STEPHEN E. WHITESELL, ASSOCIATE DIRECTOR, PARK PLANNING, FACILITIES AND LANDS, NATIONAL PARK SERVICE DEPARTMENT OF THE INTERIOR

S. 302

Mr. Chairman, thank you for the opportunity to testify and provide the views of the National Park Service (NPS) on S. 302, a bill to authorize the Secretary of the Interior to issue right-of-way permits for a natural gas transmission pipeline in nonwildemess areas within the boundary of Denali National Park, and for other purposes.

The Department has no objection to the bill as written.

The potential owners and operators of such a pipeline have not, at this time, determined whether such a line carrying natural gas to south-central Alaska is financially feasible, nor have they determined the best route for a pipeline. This legislation provides flexibility for the backers of a proposed pipeline, and provides assurance to the NPS that the National Environmental Policy Act analysis will be completed before any permit for work in the park would be issued by the Secretary.

The legislation also provides authority for the Secretary to permit distribution lines and related equipment within the park for the purpose of providing a natural gas supply to the park. We support this provision, but remind the committee that at this time no decisions have been made about the financial or engineering feasibility, nor the exact configuration of equipment needed to facilitate tapping the larger line to allow local use of natural gas in or near Denali National Park.

Thank you for the opportunity to testify and we would welcome any questions you or other members may have.

S. 313

Mr. Chairman, thank you for the opportunity to present the views of the Department of the Interior on S.313, a bill to authorize the Secretary of the Interior to issue permits

for a micro-hydro project in non-wilderness areas within the boundaries of Denali National Park and Preserve, and for other purposes.

The Department supports this legislation with amendments and recognizes improvements made from the similar bill introduced in the previous Congress. S. 313 would authorize the Secretary of the Interior to issue permits for micro-hydro projects in a limited area of the Kantishna Hills in Denali National Park. The legislation would also authorize a land exchange between the National Park Service (NPS) and Doyon Tourism, Inc. (Doyon) involving lands near the historic mining community of Kantishna that would be mutually beneficial to the NPS and Doyon.

This legislation will reduce the use of fossil fuels in the park, and thus lessen the chance of fuel spills along the park road and at the Kantishna lodges. It will lower the number of non-visitor vehicle trips over the park road, lessen the noise and emissions from diesel generators in the Moose Creek valley, and support clean energy projects and sustainable practices while ensuring that appropriate review and environmental compliance protects all park resources.

Doyon Tourism, Inc., a subsidiary of Alaska Native Corporation Doyon, Ltd., has requested permits from the NPS to install a micro-hydroelectric project on Eureka Creek, near their Kantishna Roadhouse. The NPS supports the intent of this project, however, neither the Secretary nor the Federal Energy Regulatory Commission (FERC) has the statutory authority to issue permits for portions of hydroelectric projects within national parks or monuments. We believe that the authorization contained in this legislation is necessary to enable the NPS to allow this micro-hydroelectric project within the park.

The Kantishna Roadhouse, at the end of the 92-mile-long Denali park road, has been in business for 28 years, hosts approximately 10,000 guests per summer, and currently uses an on-site 100 kilowatt (KW) diesel generator to provide power for the facility. The proposed hydroelectric installation would reduce use of the diesel generator at the lodge. Currently, delivery of diesel fuel to the lodge requires a tanker truck and trailer to be driven the entire length of the Denali park road. Noted for its undeveloped character, the road is unpaved for 77 miles of its 92-mile length, crosses high mountain passes without guardrails, and is just one to 1½ lanes wide with pullouts. The road is justly famous for wildlife viewing opportunities and in order to protect wildlife as well as the road's scenic wilderness character, vehicle traffic is limited. Reducing the amount of diesel fuel hauled over this road in tanker trucks protects park resources by reducing the risk of accident or spill, and simultaneously reduces overall vehicle use of the road.

Eureka Creek is a 4-mile-long stream that drains a 5-square-mile watershed and discharges about 15 cubic feet per second (cfs) during the summer. Most of the floodplain

has been disturbed by past placer mining, but no mining claims exist on the creek now and no other landowners besides Doyon and the NPS own any property near this floodplain. The project would include an at-grade water intake, with no impoundment, about one mile upstream of where Eureka Creek crosses the park road.

Camp Denali, another lodge in the Kantishna Hills, is within the area addressed by this legislation. Camp Denali opened in 1952 and the owners installed a micro-hydro generator system prior to the 1978 Presidential proclamation that included Kantishna as a part of what is now Denali National Park. After 1978, Camp Denali became a private in-holding surrounded by the park, and found that parts of its micro-hydro power system were within the park, a situation that the NPS lacks the authority to permit or retain. This legislation, if amended, would allow the NPS and the owners of Camp Denali to work out permit conditions for those parts of the existing hydro project that are now on park land. Besides the Kantishna Roadhouse and Camp Denali, two other lodges in Kantishna may pursue similar projects in the future and thus would benefit from the authority granted in this legislation.

Doyon owns 18 acres on the patented Galena mining claim in the Kantishna Hills and would like to exchange that acreage for park land in Kantishna of equal value near its other properties. The NPS would also like to pursue this exchange to consolidate land holdings in the area. Existing land exchange authority under the Alaska National Interest Lands Conservation Act (ANILCA) and other legislation is sufficient to affect this exchange. Thus, while we believe that this provision is unnecessary, we support its intent.

Our concerns with the bill are as follows:

(1) The bill as introduced requires the Secretary to complete National Environmental Policy Act compliance within 180 days of enactment. While the Department supports a speedy response to the applicant, we suggest the 180-day clock start upon submission of a complete application to the NPS.

(2) The permitting authority provided by this bill would apply to several micro-hydroelectric projects in the Kantishna area, yet various elements of the bill as introduced appear to apply solely to a project by Doyon. Technical corrections to address this are identified in an attachment to this testimony.

We believe that the permitting authority granted in S. 313 would provide a tool that the Secretary could use to lower fossil fuel use in Denali National Park, while protecting park resources, and that a land exchange would be hastened through passage of this legislation. We would welcome the opportunity to work with the sponsor and this committee to address our concerns and recommendations.

Mr. Chairman, this concludes my statement. I would be happy to answer any questions that you may have.

ATTACHMENT

The NPS suggests the following technical corrections to H.R. 313.

(1) On p. 1, line 2 of the long title, strike "for a microhydro project in nonwilderness" and insert "for microhydro projects in nonwilderness".

(2) On p. 3, line 1, strike "(i) the intake pipeline located on Eureka Creek, approximately ½ mile upstream from the Park Road, as depicted on the map;" and insert "(i) intake pipelines;"

(3) On p. 3, line 8, strike "line" and insert "lines".

(4) On p. 3, line 14, strike "PROJECT" and insert "PROJECTS".

STATEMENT OF HERBERT FROST, ASSOCIATE DIRECTOR, NATURAL RESOURCE STEWARDSHIP AND SCIENCE, NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR

Mr. Chairman, thank you for the opportunity to testify on S. 2273, which would designate the Talkeetna Ranger Station in Talkeetna, Alaska, as the Walter Harper Talkeetna Ranger Station.

As the 100th anniversary of the 1913 summit climb of Walter Harper approaches, the National Park Service has no objection to S. 2273, which would name the Denali National Park and Preserve's South District Ranger Station in Talkeetna, Alaska, as the Walter Harper Talkeetna Ranger Station.

Mr. Harper grew up in Alaska, a child of Arthur Harper, a Scottish trader and prospector, and Jennie Harper, an Athabascan Indian from the Koyukuk region. As a young man, he served as an interpreter and guide for the far-flung ministry of Hudson Stuck, an Episcopal archdeacon.

He joined Stuck on an arduous trip in 1913 to reach the summit of North America's highest peak. For nearly three months, the group moved slowly south from Fairbanks and into the high mountains of the Alaska Range. On June 7, 1913, Walter Harper, 21, became the first man to set foot on the summit of Denali, the Athabascan name for the peak, meaning the High One. The archdeacon's journal described their approach: "With keen excitement we pushed on. Walter, who had been in the lead all day, was the first to scramble up; a Native Alaskan, he is the first human being to set foot upon the top of Alaska's greatest mountain, and he had well earned the honor."

Since 1913, thousands of climbers have aimed for the summit. Unlike Mr. Harper, today the vast majority begin their expeditions with an airplane ride out of Talkeetna on the south side of the Alaska Range. The National Park Service ranger station there serves as an orientation center for climbers and other visitors to the Denali region. The community is proud of its varied history as a railroad town, a jumping off point for miners, and in the past several decades as the take-off point for climbing expeditions.

Mr. Chairman, this concludes my testimony, and I would be happy to answer any questions you or other members may have.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, the Committee notes that no changes in existing law are made by the bill S. 157 as ordered reported.

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