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{ REPORT
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AMENDING THE DENALI NATIONAL PARK IMPROVEMENT ACT TO CLARIFY
CERTAIN PROVISIONS RELATING TO THE NATURAL GAS PIPELINE AU-
THORIZED IN THE DENALI NATIONAL PARK AND PRESERVE

JUNE 14, 2017.—Ordered to be printed

Ms. MURKOWSKI, from the Committee on Energy and Natural
Resources, submitted the following

R E P O R T

[To accompany S. 217]

[Including cost estimate of the Congressional Budget Office]

The Committee on Energy and Natural Resources, to which was referred the bill (S. 217) to amend the Denali Park Improvement Act to clarify certain provisions relating to the natural gas pipeline authorized in the Denali National Park and Preserve, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE

The purpose of S. 217 is to amend the Denali National Park Improvement Act to clarify certain provisions relating to the natural gas pipeline authorized in the Denali National Park and Preserve.

BACKGROUND AND NEED

Electricity in south-central Alaska is largely generated by burning natural gas produced from the gas fields in Cook Inlet, just south of Anchorage, although production in Cook Inlet is declining. There are concerns regarding the region's ability to produce sufficient gas to support the area's population in the future. Plans for a large-volume natural gas pipeline to run from the Prudhoe Bay oil fields to the Lower 48 States is underway, along with a smaller-diameter pipeline, to provide natural gas to south-central Alaska to meet medium-term demand.

The Denali National Park Improvement Act (Public Law 113-33) authorized the Secretary of the Interior to issue right-of-way permits for the natural gas pipeline to run through a small non-wil-

derness portion of Denali National Park, generally along an approximately seven-mile stretch near the Parks Highway. Under the statute, the permits could only be issued if consistent with National Park System laws applicable to utility rights-of-way, approved in accordance with title XI of the Alaska National Interest Lands Conservation Act of 1980 (ANILCA, 16 U.S.C. 3161 et seq.), and analyzed under the National Environmental Policy Act (42 U.S.C. 4321 et seq.).

Based on studies over the last four years, the Alaska LNG Project, working with the National Park Service (NPS), has found that the route for the pipeline through the park needs to be slightly altered to accommodate a seismic hazard: a fault line near Lynx Creek south of the Park’s headquarters complex. In addition, it was discovered that applying the additional regulatory process under ANILCA to the gas pipeline was duplicative and impracticable, as it would require simultaneous permitting for all federal authorizations for the entire project.

S. 217 would amend the Denali National Park Improvement Act to provide flexibility to reroute the pipeline through the Park to avoid the seismic hazard, provided the route remains out of wilderness and provides other benefits to the Park. The change in route is expected to provide the ability to construct a gas offtake point to allow for gas deliveries in the area, including to the NPS, to heat park buildings, and for operation of park vehicles. The change in route may also facilitate construction of a bicycle-walking path through the Park. S. 217 would also remove the additional regulatory process under ANILCA for the gas pipeline. This change would allow project developers to request permits for either the small-diameter pipeline or the large volume pipeline at a different time than when any pipeline project applies for all of its right-of-way permits for the roughly 800-mile transmission system.

LEGISLATIVE HISTORY

Senators Murkowski and Sullivan introduced S. 217 on January 24, 2017.

In the 114th Congress, a similar measure was included in Amendment No. 3308, which the Senate agreed to on April 19, 2016, as an amendment to S. 2012, the Energy Policy Modernization Act of 2016, which the Senate passed, as amended, on April 20, 2016.

The Committee on Energy and Natural Resources met in open business session, on March 30, 2017, and ordered S. 217 favorably reported.

COMMITTEE RECOMMENDATION

The Senate Committee on Energy and Natural Resources, in open business session on March 30, 2017, by a majority voice vote of a quorum present, recommends that the Senate pass S. 217.

SECTION-BY-SECTION ANALYSIS

Section 1 (a) amends section 3(b)(1) of the Denali National Park Improvement Act (Public Law 113–33) by striking the limitation that any pipeline through the Park must be located “within, along,

or near” the George Parks Highway, thus allowing the route to deviate from the highway corridor where needed.

Subsection (b) makes technical changes to section 3(c)(1) of the Denali National Park Improvement Act.

Subsection (c) amends section 3 of the Denali National Park Improvement Act to exempt a high pressure gas transmission pipeline, including appurtenances, located in a non-wilderness area of the Park, from the terms of title XI of ANILCA (16 U.S.C. 3161 et seq.).

S. 217 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

COST AND BUDGETARY CONSIDERATIONS

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

Based on information provided by the National Park Service (NPS), CBO estimates that implementing S. 217 would have no significant effect on the federal budget. The bill would:

- Expand the area in Denali National Park in Alaska where the NPS may issue right-of-way permits for the development of natural gas and utility pipelines; and
- Exempt applications for right-of-way permits from certain provisions of the Alaska National Interest Lands Conservation Act that require multiple federal agencies to review such projects.

If pipeline operators seek additional right-of-way permits from the NPS as a result of S.217's enactment, the agency could collect and spend additional fees to recover costs associated with issuing permits. CBO estimates that total collections under the bill would be insignificant over the 2018–2027 period, and the net effect on direct spending would be negligible. Because enacting S. 217 would affect direct spending, pay-as-you-go procedures apply. Enacting the bill would not affect revenues.

CBO estimates that enacting S. 217 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

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. 217.

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 provision. Therefore, there would be no impact on personal privacy.

Little, if any, additional paperwork would result from the enactment of S. 217, as ordered reported.

CONGRESSIONALLY DIRECTED SPENDING

S. 217, 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 on S. 217 were not requested by the Committee on Energy and Natural Resources in the 115th Congress.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by S. 217, as ordered reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

DENALI NATIONAL PARK IMPROVEMENT ACT**PUBLIC LAW 113-33**

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SEC. 3. DENALI NATIONAL PARK AND PRESERVE NATURAL GAS PIPELINE.

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- (b) PERMIT.—The Secretary may issue right-of-way permits for—
- (1) a high-pressure natural gas transmission pipeline (including appurtenances) in nonwilderness areas within the boundary of Denali National Park **【**within, along, or near the approximately 7-mile segment of the George Parks Highway that runs through the Park**】**; and
 - (2) any distribution and transmission pipelines and appurtenances that the Secretary determines to be necessary to provide natural gas supply to the Park.
- (c) TERMS AND CONDITIONS.—A permit authorized under subsection (b)—
- (1) may be issued only—
 - (A) if the permit is consistent with the laws (including regulations) generally applicable to utility rights-of-way within units of the National Park System; *and*
 - 【**(B) in accordance with section 1106(a) of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3166(a)); **and】**
 - 【**(C) *(B)* if, following an appropriate analysis prepared in compliance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), the route of the right-of-way is the route through the Park with the least adverse environmental effects for the Park; **and**
 - (2) shall be subject to such terms and conditions as the Secretary determines to be necessary.
- (d) *APPLICABLE LAW.*—*A high pressure gas transmission pipeline (including appurtenances) in a nonwilderness area within the*

boundary of the Park, shall not be subject to title XI of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3161 et seq.).

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