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Dated: July 20, 2000.

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DENALI COMMISSION

Denali Commission Work Plan for Federal Fiscal Year 2002; Request for Comments

SUMMARY: The Denali Commission was established by The Denali Commission

Act of 1998 to deliver the services of Federal Government in the most cost-effective manner practicable to communities throughout rural Alaska, many of which suffer from unemployment rates in excess of 50%. Its purposes include, but are not limited to, providing necessary rural utilities and other infrastructure that promote health, safety and economic self-sufficiency.

The Denali Commission Act requires that the Commission develop proposed work plans for future spending and that the annual work plans be published in the **Federal Register** for a 30-day period, providing an opportunity for public review and comment.

This **Federal Register** Notice serves to announce the 30-day opportunity for public comment on the Denali Commission Work Plan for Federal Fiscal Year 2002.

FOR FURTHER INFORMATION CONTACT: Jeffrey Staser, Federal Co-Chairman, Denali Commission, 510 'L' Street, Suite 410, Anchorage, Alaska 99501, Phone: (907) 271-1414, Fax: (907) 271-1415, Email: JStaser@denali.gov, http://www.denali.gov.

SUPPLEMENTARY INFORMATION: Copies of the Denali Commission Work Plan can be obtained by contacting the Denali Commission as provided in the **FOR FURTHER INFORMATION CONTACT** section above.

2002 Work Plan

October 1, 2000.

Vision

Alaska will have a healthy well-trained labor force working in a diversified and sustainable economy that is supported by a fully developed and well-maintained infrastructure.

Mission

The Denali Commission will partner with tribal, federal, state, and local governments and collaborate with all Alaskans to improve the effectiveness and efficiency of government services, to develop a well-trained labor force employed in a diversified and sustainable economy, and to build and ensure the operation and maintenance of Alaska's basic infrastructure.

Values

Catalyst For Positive Change—The Commission will be an organization through which agencies of government, including tribal governments, may collaborate, guided by the people of Alaska, to aggressively do the right things in the right ways.

Respect For People and Cultures—The Commission will be guided by the

people of Alaska in seeking to preserve the principles of self-determination, respect for diversity, and consideration of the rights of individuals.

Inclusiveness—Provide the opportunity for all interested parties to participate in decision-making and carefully reflect their input in the design, selection, and implementation of programs and projects.

Sustainability—The Commission will promote programs and projects that meet the current needs of communities and provide for the anticipated needs of future generations.

Accountability—The Commission will set measurable standards of effectiveness and efficiency for both internal and external activities.

Part One: Denali Commission Purposes and Approach

Purposes of Commission

The Denali Commission Act of 1998, as amended (Division C, Title III, PL 105-277) states that the purposes of the Denali Commission are:

To deliver the services of the Federal Government in the most cost-effective manner practicable by reducing administrative and overhead costs.

To provide job training and other economic development services in rural communities, particularly distressed communities (many of which have a rate of unemployment that exceeds 50 percent).

To promote rural development, provide power generation and transmission facilities, modern communication systems, bulk fuel storage tanks, water and sewer systems and other infrastructure needs.

Challenges to Development and Economic Self-Sufficiency

Geography—The State of Alaska encompasses twenty percent of the landmass of the United States, encompassing five (5) climatic zones from the arctic to moderate rain forests in the south.

Isolation—Approximately 220 Alaskan communities are accessible only by air or small boat. Some village communities are separated by hundreds of miles from the nearest regional hub community or urban center.

Unemployment—The economy of rural Alaska is a mix of government or government-funded jobs, natural resource extraction and traditional Native subsistence activities. Many rural Alaskans depend on subsistence hunting, fishing and gathering for a significant proportion of their foods, but also depend on cash income to provide the means to pursue subsistence

activities. Cash paying employment opportunities in much of rural Alaska are scarce and are highly seasonal in many areas; unemployment rates exceed 50% in 147 communities.

High Cost and Low Standard of Living—Over 180 communities suffer from inadequate sanitation or a lack of safe drinking water. Residents face high electric costs: 61 cents per kilowatt-hour for electricity in a few communities (average in rural Alaska is approximately 40 cents per kilowatt-hour) even with State subsidies for rural power.

Commission Relationship With Other Organizations

The Commission intends to act as a catalyst to encourage local, regional, and statewide comprehensive assessment, planning and ranking of needed infrastructure improvements, economic development opportunities and training needs.

The Commission, working with existing agencies or other organizations whenever feasible, intends to improve coordination and to streamline and expedite the development of needed infrastructure, economic development and training.

The Commission may build on the work of both Federal and State of Alaska agencies to identify statewide needs, to establish priorities and to develop comprehensive work plans.

The Commission will seek the support and involvement of affected local communities, governing bodies, businesses and other organizations.

The Commission will encourage partnerships between government, non-profit organizations, and businesses to expedite sustainable economic and infrastructure development.

Commission Schedule

The Commission will hold public meetings quarterly and make every reasonable effort to maximize public participation in annual work plan development. With completion of this work plan the Commission schedule will be consistent with the federal budget cycle. The work plan will be updated at least annually.

Guiding Principles

The following principles are intended to foster careful and systematic planning and coordination on a local, regional and statewide basis for infrastructure and economic development, and to strongly support local involvement in project planning and implementation.

- Projects in economically distressed communities will have top priority for Denali Commission funding.
- Projects should be compatible with local cultures and values.
- Projects that provide substantial health and safety benefit, and/or enhance traditional community values, will generally receive priority over those that provide more narrow benefits.
- Projects should be sustainable.
- Projects should have broad public involvement and support. Evidence of support might include endorsement by affected local government councils (Municipal, Tribal, IRA, etc.), participation by local governments in planning and overseeing work, and local cost sharing on an ‘ability to pay’ basis.
- Priority will generally be given to projects with substantial cost sharing.
- Priority will generally be given to projects with a demonstrated commitment to local hire.
- Commission funds may supplement existing funding, but will not replace existing federal, state, local government, or private funding.
- The Commission will give priority to funding needs that are most clearly a federal responsibility.

Additional Guiding Principles for Infrastructure Projects

- A project should be consistent with a comprehensive plan.
- Any organization seeking funding assistance must have a demonstrated commitment to operation and maintenance of the facility for its design life. This would normally include an institutional structure to: levy and collect user fees if necessary, account for and manage financial resources, and have trained and certified personnel necessary to operate and maintain the facility.

Additional Guiding Principles for Economic Development Projects

- Priority will be given to projects that enhance employment in high unemployment areas of the State, with emphasis on sustainable, long-term local jobs or career opportunities.
- Projects should be consistent with statewide or regional plans.
- The Commission may fund demonstration projects that are not a part of a regional or statewide economic development plan if such projects have significant potential to contribute to economic development.

Economically Distressed Communities

The following criteria is to be used in designating economically distressed communities or regions included in Section 5.3 of the Denali Commission Code:

1. Per capita market income no greater than 67% of the U.S. average; and
2. Poverty rate at 150% of the U.S. average or greater; and
3. Three-year unemployment rate at 150% of the U.S. average or greater; or
4. Twice U.S. poverty rate and either (1) or (3) above.

As required by the Denali Commission Code, distressed community and/or region designations for a given fiscal year will be based upon data available March 31st of the preceding fiscal year. In as much as the primary purpose of the Denali Commission is to provide assistance to distressed communities or regions of Alaska, a minimum of 75% of funds available to the Commission in FY02 will be allocated to communities or regions so designated.

Part Two: Work Plan for FY 2002

The Commission determined that the scope and scale of infrastructure issues facing rural Alaska are staggering. Assessment of needs and refinement of estimates will be an ongoing process. The total of known infrastructure needs is estimated to be over \$12 billion. Training and economic development needs have not been quantified, but the unmet needs in these areas are also believed to be quite large. The following table summarizes identified needs for infrastructure categories.

PRELIMINARY NEEDS ASSESSMENT

Funding category	Category class	Dollars	Dollars
Infrastructure	Housing Construction/Development	1,800,000,000	
	School Construction and Major Maintenance	530,000,000	
	Power Utilities	168,000,000	
	Fuel Storage	450,000,000	
	Drinking Water Facilities.		
	Waste Water Utilities	1,058,000,000	

PRELIMINARY NEEDS ASSESSMENT—Continued

Funding category	Category class	Dollars	Dollars
	Waste Management Facilities.		
	Health Care Facilities	235,000,000	
	Airport Facilities	926,000,000	
	Road Construction	7,500,000,000	
	Port Facilities	214,000,000	
	Telecommunications	(1)	
	Community Facilities	(1)	
	Other	(1)	
	Subtotal		12,881,000,000
Economic Development	Comprehensive Planning	(1)	
	Other	(1)	
Job Training, Education, Capacity Building	Comprehensive Planning	(1)	
	Other	(1)	
	Total		12,881,000,000

See Appendix A for Background Information on this table.

¹ Unknown.

The Denali Commission will collaborate with other funding agencies and with all impacted and interested parties to address identified needs on a priority basis. Allocation of Denali Commission funds to various funding categories and classes within those categories will be based on a formula agreed to by the Commission at the beginning of each fiscal year. For FY02 the formula allocates 75% of appropriated funds to infrastructure, 10% to economic development and 10%

to job training and capacity building. The Commission has a statutory limit of 5% for administrative expenses. In addition to appropriated funds, the Commission receives \$7–\$10 million annually in interest from the Trans Alaska Pipeline Liability (TAPL) fund, which is earmarked for bulk fuel facility upgrade and maintenance.

Of necessity, the Commission's work must be phased over a number of years based on the urgency of competing needs and availability of funding. The theme of rural energy, as one important

prerequisite to all other utilities and economic development, was selected as the top priority for infrastructure funds. Primary health care facilities were identified as the second infrastructure theme for the Commission beginning in FY00. These two themes will continue to be the primary areas of focus for infrastructure funds through FY02.

For planning purposes, the Commission has budgeted \$53,000,000 using the Commission's approved formula for FY02.

FY02 budget request and TAPL interest funding—combined budget	FY02 budget request		TAPL interest funds		TAPL & FY02 combined	
	Funding level	Percentage	Funding level	Percentage	Funding level	Percentage
Infrastructure:						
Bulk Fuel	\$7,750,000	.....	\$7,600,000	95	\$15,350,000	.....
Power	10,000,000	.....			10,000,000	.....
Health Clinics	16,000,000	.....			16,000,000	.....
Subtotal	33,750,000	75			41,350,000	78
Economic Development:						
Subtotal	4,500,000	10			4,500,000	8.5
Training:						
Subtotal	4,500,000	10			4,500,000	8.5
Administration:						
Subtotal	2,250,000	5	400,000	5	2,650,000	5
Total	\$45,000,000	100	\$8,000,000	100	\$53,000,000	100

Notes:

- The percentages shown under the FY02 Budget Request column were selected by the Commissioners.
- TAPL interest funds by statute are for bulk fuel projects only.

Development and execution of the Administrative Budget is solely the responsibility of the Federal Co-Chair. Allocation of funds within the balance of the budget will be made by the full Denali Commission, utilizing the guiding principles outlined in Part I of this document, and priority systems

designed specifically for each budget category.

Project implementation will generally be accomplished through state, local or federal government entities or non-profit organizations. It shall be the responsibility of all such implementing organizations to comply with all applicable laws. Any special

requirements will be articulated in the funding agreement between the Denali Commission and the funding recipient.

As indicated above, 75% of Denali Commission funds are designated for priority infrastructure themes and those funds are distributed using priority systems designed for each theme. Concurrently the Commission

encourages communities and regional entities to complete comprehensive community and economic development plans. Priority systems for themes selected for funding by the Commission give credit to communities with current comprehensive plans.

Projects resulting from funding of infrastructure themes generally are consistent with high priorities identified in community plans. The existence of community plans greatly facilitates the location, design, and completion of infrastructure projects within a community. The Denali Commission also reserves approximately 10% of its funding for economic development projects, which commonly are identified in local, or regional economic development plans.

The Commission also participates in the organization and execution of regional "economic summits." These summits, which are generally held on an annual basis throughout the State, bring key state and federal agencies together with communities and regional organizations for the purpose of matching needs identified in community and regional comprehensive plans with federal, state and other available funding.

Appendix A—Housing Construction/Development

Need: \$1.8 billion.

Annual Funding: \$58–87 million.

Source: Housing and Urban Development (HUD) FY 1999 Report.

Background: According to the FY99 report published by HUD, Alaska has a need for 12,519 new units. At an average cost of \$145,000 per unit, the total need for new housing is approximately \$1.8 billion. This estimate does not include repairs and renovation projects. The number of units needed has increased from the 1990 census, which showed over 11,000 units needed.

At the current rate, 400 to 600 units are constructed in Alaska each year.

Projects are prioritized and funded in a variety of ways including grants to local housing authorities, regional housing authorities, low interest loans, and transfers to other agencies.

Entities providing funding for housing include, but may not be limited to, HUD, Alaska Housing Finance Corporation, and the U.S. Department of Agriculture.

School Construction and Major Maintenance

Need: \$530,183,470 million.

Annual Funding: Annual funding varies from year to year.

Source: Final Agency Decision: 4/5/99, Project Priority List published by the State of Alaska Department of Education and Early Development (DEED).

Background: Based on requests from individual school districts, the State of Alaska DEED has compiled a listing of school construction and major maintenance projects.

DEED has reviewed the project requests and distilled the eligible projects to a list that totals \$530,183,470.

The State of Alaska recently passed a bond package for State FY01 that addresses numerous school construction and major maintenance needs from the DEED list. This program is the primary responsibility of the State of Alaska and will remain such. However, there may be opportunities for the Denali Commission to partner with the state in areas that are a federal responsibility or that are related to the efforts of the Denali Commission. Examples of this partnership are the bulk fuel storage needs of a school or the school's role in developing job training in a community.

The Denali Commission will continue to work with DEED to determine if there is an opportunity for the Commission to assist with some federally mandated component of the program.

Power Utilities

Need: \$168 million.

Annual Funding: No program of annual funding.

Source: Alaska Energy Authority.

Background: According to the Alaska Energy Authority (formerly the State of Alaska Division of Energy), they have needs in the following categories for the following amounts.

\$68,000,000—Power Plant Construction and Rehabilitation.

\$100,000,000—Power distribution system construction, expansion and rehabilitation.

The Alaska Energy Authority (AEA) is a state agency commissioned with oversight of energy related infrastructure in rural Alaska. The agency functions predominantly in areas that are typically not covered by a utility cooperative. These power plants and distribution systems are typically in areas where the economic base is insufficient to bond or self-fund construction of the power facilities, and other sources of funding are required. At the current time, the AEA is the only source of funding for these projects, and there is no defined funding stream to take care of the above stated needs.

Another interest of the Denali Commission is to work towards conserving energy usage in rural communities. Generator efficiencies, structural insulation, waste heat recovery, transmission efficiencies, and alternative power generation are all possible topics of consideration for the Commission.

Fuel Storage

Need: \$450 million.

Annual Funding: \$15–18 million (\$8–10 million of which is Denali Commission funds).

Source: AEA briefing report dated September 24, 1999.

Background: The AEA initiated an assessment of bulk fuel tank farms in rural Alaska communities in 1996. This assessment should be completed by Fall 2000. The project assessed the condition of the tank farms, including the total fuel capacity of each in terms of gallons.

Approximately 180 communities have been surveyed to date. Total storage capacity of the surveyed communities is 75,221,754

gallons. A more complete cost and assessment for community bulk fuel consolidation will be developed by AEA.

Water and Wastewater

Need: Current need: \$850 million (Funded fiscal years 1960–2001: \$1,140,800,000 billion)

Annual Funding: There are six existing primary funding sources for developing and improving water and wastewater facilities in rural Alaska. Those sources and the amounts contributed in fiscal year 2001 are shown below.

- U.S. Public Health Service—Indian Health Service \$17 million
- U.S. Environmental Protection Agency Drinking Water Tribal Set-Aside \$4,098,800
- U.S. Environmental Protection Agency Clean Water Tribal Set-Aside \$2,295,000
- U.S. Environmental Protection Agency Infrastructure Grant \$26,649,450
- U.S. Department of Agriculture-Rural Development \$19,464,400
- State of Alaska, Village Safe Water \$15,371,250

Total: \$84,878,900.

While these amounts vary from year to year, the annual average for fiscal years 1997 through 2001 is \$78 million. The trend has been towards increased funding levels. Secondary funding sources include federal transportation funds and housing funds that contribute in a less direct way to water and sewer system improvements.

Background: Assistance in developing water and wastewater facilities in rural Alaska is provided to communities through two programs. The Alaska Native Tribal Health Consortium (ANTHC) is the organization responsible for administering Indian Health Service, and EPA Indian Set-Aside sanitation construction funds in Alaska. The Alaska Department of Environmental Conservation's Village Safe Water (VSW) program is the organization responsible for administering sanitation construction funds provided by the State, EPA (non-Tribal Set-Aside), and the USDA-Rural Development.

Both ANTHC and VSW work with rural communities to plan design and construct sanitation systems. ANTHC and VSW have developed a close working relationship despite the relative recent transfer of the sanitation program from IHS to ANTHC in October 1998. The priority funding lists of both organizations are coordinated and generally compliment each other. ANTHC predominately works in Alaska communities with Native-owned homes, whereas VSW works in all rural communities (Native and non-Native). A lead agency is designated for each community receiving assistance. Lead agencies typically have responsibility for administering all state and federal funding in the community.

Existing funding streams and programs are making progress towards satisfying the overall need for sanitation facilities in rural Alaska. An estimated remaining need of \$850 million and a current funding level of \$85 million combine to suggest a 10-year timeframe for meeting the need. The Governor's Council on Rural Sanitation set a target funding level of \$110 million per year.

Increased federal funding is being sought through existing funding streams to reach that target.

The Denali Commission has not targeted water and wastewater improvements for infrastructure funding due to funding and effort already underway in this sector or critical infrastructure. However, the Commission is involved in improving planning and interagency coordination.

Primary Health Care Facilities

Need: \$235 million

Annual Funding: Unknown

Source: Alaska Rural Primary Care Facility Needs Assessment—Interim Report dated June 26, 2000. *Background:* The Denali Commission in partnership with the Alaska Native Tribal Health Consortium, the Indian Health Service, and the Alaska Department of Health and Social Services embarked on a survey in FY00 to quantify the cost of rural primary care facility improvements. It is the intent of all parties to build on this initial survey and to identify additional health related infrastructure needs in rural Alaska (beyond primary care) including mental health, dental care, itinerant health service providers' quarters, etc.

Airport Facilities

Need: \$1 billion

Annual Funding: \$58–120 million

Source: 1999 Transportation Needs and Priorities in Alaska; Published by the State of Alaska Department of Transportation and Public Facilities, and the current FAA Aviation Improvement Program (AIP).

Background: The Federal Aviation Administration currently provides most of the funding for airport projects throughout the state. The state or local sponsor will contribute roughly 10% in the form of match. There are 1,112 designated airports, seaplane bases, and aircraft landing areas in the state of Alaska. The Alaska Department of Transportation & Public Facilities (ADOT&PF) owns and operates 261 public airports, the majority of Alaska's public airports. Additionally, 23 public airports are owned and operated by local governments.

Backlog of airport projects in the state amounts to approximately \$1 billion.

Historically, funding that the state receives for airports from the FAA—AIP has ranged from \$58 million in 1990, to \$81 million in 1998. As a result of the recent passage of AIR-21 legislation, a funding increase is expected and scheduled for beginning Oct 2000 up to a potential amount of \$120 million for Alaska.

Road Construction and Major Maintenance

Need: \$6 billion

Annual Funding: \$350 million

Source: Transportation Needs and Priorities in Alaska published by the State of Alaska Department of Transportation and Public Facilities.

Background: The State of Alaska administers most of the Federal Highway Administration (FHWA) funding allocated to Alaska with the exception of money specifically designated for the Bureau of Indian Affairs (BIA), which currently amounts to approximately \$14 million per year. Although overall funding levels are up

for roads, the BIA share has recently slipped from \$16 million annually under ISTEA (1991–1997). The BIA funding does not go far considering it must provide for approximately 200 tribes within Alaska. BIA officials have recently announced that any given village can expect one project every 20 years, on average.

Of note, the BIA is currently conducting a rule-making process to revamp the national formula that distributes BIA funding among the states. The legislative language directing this new formula is more Alaska-friendly, but the past distribution formulas have not been favorable to Alaska and it remains to be seen if the new formula will redress this situation.

One important distinction between FHWA and BIA funding for roads is the long-term maintenance obligation. Under FHWA, the recipient is responsible for maintenance in perpetuity, with no federal support for this activity. Under the BIA funding system, such roads are then added to the IRR (or Indian Reservation Road system) and are eligible for a share of a national pot of money allocated to maintenance of IRR roads.

Overall needs for highway and road projects were estimated at \$6 billion in 1999. In the current TEA-21 era, average funding levels are estimated at approximately \$350 million not including possible discretionary grants the state may receive. While this is up substantially from approximately \$220 million under ISTEA, the list of unmet needs has been growing even faster as villages and all communities become more aware of this potential funding source.

Most FHWA funding received by the state stays in larger auto-dependent communities, with some funding going to rural communities largely for sanitation roads and trail markings. Funding for projects off the road system goes primarily to larger hub communities.

Improved surface transportation can have many positive effects including lowering costs for goods and services, improving village to village interaction, and allowing for state and federal investments in schools, clinics, airports, harbors, and tank farms to serve more communities per project.

Port Facilities

Need: \$247 million approximately

Annual Funding: Varies year by year, typically between \$0–5 million

Source: Transportation Needs and Priorities in Alaska published by the State of Alaska Department of Transportation and Public Facilities.

Background: Port and harbor facilities are necessary investments to support maritime commerce, commercial fishing, subsistence, water recreation and general economic development. Wholesale, retail, transportation, and services industries supporting marine activities create jobs and other opportunities. Coastal and riverside communities with good facilities will have safer access, greater mobility, more opportunity and a better quality of life than those without. Port and harbor facilities must offer access to waterways, protection from waves, and water deep enough for navigation. Few communities have perfect harbor conditions naturally. Many

communities have spurred economic growth and given vitality to their communities through making improvements by dredging channels and basins, and constructing breakwaters and docking facilities. These improvements open the transportation corridor for maritime commerce.

Port and harbor development in the State has been a close partnership between local government, the state, and the federal government. The federal government has always limited investment and interest to those navigation improvements that satisfy national economic development criteria. State assistance has ranged from complete financial support to little or no financial support. While State assistance expanded and expectations grew during the lucrative days of high oil production, the State has retreated to the basic premise that port and harbor projects require a substantial local funding commitment to be eligible for State assistance. Though not a dedicated funding source, the marine users fuel tax is the traditional foundation of small boat harbor improvements in the State. General obligation bonds have been the foundation of State assisted port development.

The threshold for federal involvement, an assessment of national benefits and costs, is very high. For most of Western Alaska, the geography, climate and low population density weigh heavy against projects as they meet this test. The federal navigation improvement program is helpful in making an existing improvement more productive but it is not useful in creating an opportunity for improvement that does not already exist.

Port and harbor projects can reduce the delivery cost of goods and services, increase the frequency of delivery, reduce damage loss during transport, reduce environmental risk, improve the value of regionally exported resources and products, and improve the productivity, safety and quality of life for people in a region. There may be opportunities for port and harbor development that are consistent with the goals and objectives of the Denali Commission.

Telecommunications

Need: Unknown

Annual Funding: Unknown

Background: Telecommunications and Internet technologies, which are revolutionizing daily life in the United States, are not reaching most Alaskan communities. The positive impact Internet connections will have on education, training, healthcare and economic development in rural communities cannot be overemphasized. The negative impact of leaving rural communities behind in technological advances will only further compound the challenges of self-sustainability for rural Alaska.

The remoteness and sparse populations that so uniquely identify rural Alaska are also the primary reason private telecommunications find it difficult to justify connections in most rural communities.

Typically, small communities have access only through the local public school or library, and tribes may have access through a program being implemented by the

Department of Interior. However, private users are prohibited from accessing these federally subsidized services. Thus, an individual who wishes to access vital information, obtain distance education or training, open a web-site for commerce, or have an e-mail account from home, must use "1800 dial-up access." The cost of such service in rural Alaska is between \$200–\$400 per month for basic e-mail and minimal web browsing.

The Denali Commission is in the process of evaluating the availability of basic telecommunications, Internet technologies and other advanced telecommunications through a statewide survey that will be completed in August 2000. The Commission is interested in the availability of telecommunications infrastructure in relation to the future of economic development, education, training and healthcare in rural Alaska.

Community Facilities

Need: Unknown

Annual Funding: Unknown

Background: Communities have a need for community assembly facilities for various purposes, including planning, meetings, traditional functions, and recreation for youth. These facilities, when available, are heavily used in rural communities. No assessment mechanism is in place for determining statewide needs for community facilities.

Appendix B—Infrastructure

In the evolution of the Denali Commission and its approach to infrastructure development some principles have been established. These include the following:

- Selection of infrastructure themes for allocating funds. In FY99 rural energy was selected as the primary infrastructure theme and that priority was continued in FY00 and is expected to continue in FY01 and beyond. In FY00 rural health care facilities were selected as the second infrastructure theme.

- Selection of program/project partners to carry out infrastructure development. The Alaska Energy Authority (AEA) was selected as a Denali Commission partner for rural energy projects. AEA was selected because of its demonstrated capability to prioritize and implement rural energy projects. The overriding point in selection of a program/project partner is that the Commission wishes to utilize existing capabilities provided by state or federal agencies or other organizations. More than one partner may be identified to participate in carrying out Commission sponsored programs/projects for a particular theme.

- Project selection by the Commission and/or the program/project partner must be defensible and credible. In the case of AEA, two separate comprehensive statewide project priority lists had been developed—one for bulk fuel storage facilities, and a second for power generation/distribution projects. As in the case of AEA the Commission will utilize existing credible priority systems. Where a credible statewide priority methodology for a selected theme does not exist, the Commission in cooperation with appropriate organizations

will foster the development of a system. This is illustrated by the Commission's efforts in partnership with the Alaska Department of Health and Social Services, the Indian Health Service, and the Alaska Native Tribal Health Consortium to develop a prioritization methodology for primary health care facilities.

- Theme selection is a methodical process. The Commission has stressed the importance of comprehensive investigation and exploration of infrastructure themes so that Commission resources are strategically funneled to "gaps" in state and federal funding streams. Carrying out needs assessments on various infrastructure themes is central to the development of a theme. Energy, telecommunications, and rural primary health care facilities are examples of assessments that were initiated in conjunction with interested state and federal agencies in the Commission's first year.

- Commission partners are responsible for compliance with procedural and substantive legal requirements. It is the expectation of the Denali Commission that partners will comply with all applicable local, state and federal laws in carrying out Commission funded programs/projects. For example the partner must address NEPA and OSHA regulations, federal auditing requirements, competitive procurement issues and so forth. As a result, the Commission will look to partners who have demonstrated both administrative and program/project management success.

- Adherence to the successful project management elements of time, budget and quality. Each of these factors is central to Denali Commission agreements with partners. The Commission wants to put our partners in a position of success in meeting the triple constraint of project management: deliver the project on time, on budget and completion of the full project scope. The challenge to the Commission is to allow sufficient flexibility for each partner to carry out the programs/projects within their own established methods while assuring confident project completion and meeting all requirements of applicable laws and regulations. For example, the AEA employs a project methodology that relies heavily on force account construction (locally sponsored government crews). AEA also uses construction contracting to a lesser degree. In light of the Commission's mandate to address economic development in rural Alaska, force account construction is a good fit. However, for other partners, undertaking other infrastructure themes, construction contracting may be more appropriate. In short, each agreement with a partner organization must be tailored to fit their approach to program/project management.

Rural Energy

AEA has employed a two-step approach to bulk fuel project funding that is strongly supported by the Commission. Starting at the top of the AEA priority list, projects are provided 35% design funds one or more years before being eligible for capital funding. This allows for more accurate project cost estimates, resolution of easement and land issues, development of agreements between various local parties in site selection

and tank farm ownership/maintenance. This step also serves to filter projects that are not ready for construction, for one reason or another, from advancing to the second step of project funding. This two-step approach ensures that funding does not sit unused by projects that are not ready for construction. Once a project has resolved any obstacles at the 35% design stage, then they are eligible for capital funding.

It is expected that AEA will reevaluate its priority list from time to time in order to factor in new information, particularly information from the statewide energy strategy. This reevaluation may result in some modification of the list. Funding priorities will also be subject to 'readiness to proceed' considerations as described in part above.

Rural Primary Care Facilities

In past, communities have constructed clinics based upon available grant funds (typically community development block grants of \$200,000 to \$500,000). Consequently clinic square footage was based upon available funding and not necessarily upon health care delivery service appropriate for the population and demographics of the community.

Many clinics are therefore undersized. In FY99 the Commission allocated \$300,000 to undertake a needs assessment for rural primary care facilities. This needs assessment is scheduled for completion by October 2000. The assessment will develop a database of primary health care facility needs statewide. This effort also includes development of a project prioritization methodology.

In FY00, the Commission allocated \$1,000,000 for clinic completion projects. At least five communities have previously received CDBG funding for clinics and were not able to complete the facilities due to a number of reasons. This clinic funding should allow the Commission to develop technical and administrative skills in the event FY01 and FY02 Commission appropriations include health care facilities.

The Commission has yet to identify partners for carrying out the rural primary care facilities projects.

Denali Commission's Training Strategy Background

The Commission realizes that proper and prudent investment in public infrastructure must include a component for training local residents to maintain and operate publicly funded infrastructure. The Commission further realizes that through its' investment in public infrastructure, such as bulk fuel storage facilities, it is creating numerous jobs related to the construction of these facilities and must develop a strategy to ensure local residents are properly trained to receive these jobs.

Therefore, the Denali Commission created a training subcommittee to develop a strategy that would address the job training needs of Alaskan communities. The initial training subcommittee was comprised of Commissioner Mano Frey, Commissioner Mark Hamilton, and the Alaska Human Resource Investment Council Executive Director Mike Andrews. The subcommittee

worked with industry, state, non-profit, and federal organizations developed the Denali Commission's Training Strategy.

The Denali Commission's Training Strategy creates a statewide system to increase the local employment rates in Alaskan communities through the development of skills necessary to construct, maintain, and operate public infrastructure, while also leveraging the ongoing efforts of the State of Alaska in job training for rural Alaskans.

Subsequently, the Commission approved 10% of the FY00 budget for implementation of the developed Training Strategy. Through this funding the Commission ensures local residents are employed on public facility construction projects in their communities, while also protecting the Denali Commission's investment in infrastructure by ensuring local residents are properly trained in the operations and maintenance of completed facilities.

The Denali Commission's Training Strategy involves several components that create a statewide system for job training outreach, coordination and delivery in rural Alaska. The Commission has partnered with several statewide organizations that will perform the necessary functions that make up the Denali Commission's Training Strategy. These organizations and their respective roles are as follows:

Partners

Organization: Alaska Works Partnership

Alaska Works Partnership represents a statewide coalition of Alaska's twenty jointly administered building and construction trades apprenticeship programs.

Role: Apprenticeship Outreach Initiative

A program that provides outreach to rural residents to present the opportunity to participate in the numerous Bureau of Apprenticeship and Training's approved construction apprenticeship programs.

Organization: Alaska Native Coalition on Employment and Training (ANCET)

ANCET is a statewide organization comprised of 13 Alaska native regional non-profits to act from a statewide perspective on education, employment, training, and economic development issues and concerns specific to Native people.

Role: Regional Coordination Initiative

A program that is responsible for developing a system capable of coordinating the employment and training needs of the villages and regional ANCET offices with the workforce demands of Denali Commission projects, and other state and federal public infrastructure projects.

Organization: Alaska Vocational Technical Center (AVTEC)

AVTEC provides accessible technical and related training to a statewide multi-cultural population for employment in the dynamic Alaskan community.

Role: Building Maintenance and Repairer Apprenticeship Delivery Program

A program that provides technical assistance to housing authorities and other community employers to enhance the

availability of the Building Maintenance Repairer Apprenticeships (BMR) in rural Alaska. This program will provide and adapt the BMR curriculum to the needs of rural Alaskans.

Organization: Associated General Contractors (AGC) of Alaska

The AGC of Alaska is a non-profit construction trade association consisting of general contractors, subcontractors and industry professionals dedicated to improving the professional standards of the construction industry.

Role: Construction Career Pathways Initiative

A program that will help increase the involvement of industry and local employers in schools, provide more school-to-work experience for students, develop direct connection with apprenticeship and post-secondary training programs and ultimately prepare a new workforce.

Organization: State of Alaska Dept. of Labor and Workforce Development

The Department of Labor and Workforce Development fosters and promotes the welfare of the wage earners of the state, improves their working conditions and advances their opportunities for profitable employment.

Role: Denali Training Fund

The Denali Training Fund Program provides financial assistance for specific training needed by local residents to become employed on Denali Commission projects and other state and federally funded infrastructure projects. The Denali Training Fund also provides financial assistance for training needed by local residents to properly operate and maintain completed Denali infrastructure and other state and federally funded infrastructure. The Department of Labor and Workforce Development administers the Denali Training Fund by receiving applications for job training needs in rural communities and leverages these funds with other state funded programs.

Summary

The Training Strategy provides the Denali Commission the flexibility for future investment in job training needs statewide. Currently the Commission's partners and the Denali Training Fund are focusing on jobs created by the construction of energy related projects, such as bulk fuel storage tanks and rural power system upgrades. In the future, the Training Strategy will focus its efforts on other areas where the Commission is investing, such as the job training needs related to the construction and operations of health clinics.

With this strategy in place, the Denali Commission is confident it will provide the necessary component of job training that is imperative to the success of infrastructure construction in Alaska.

Economic Development

In an effort to promote economic development in rural and distressed communities, a number of actions have been initiated.

The Denali Commission believes that a primary key to successful economic development in small communities is adequate public infrastructure. The larger a venture, the more basic infrastructure is necessary. Ultimately it is expected that industry will begin paying for infrastructure improvements that benefit their business. State and federal governments can contribute to development of local economies by assisting in funding local infrastructure projects.

Mini-Grant Support

This program provides grants not to exceed \$30,000 for communities to use on projects such as:

- Comprehensive Community Strategy development;
- Project specific feasibility study, business plan, or engineering study;
- A project that supports economic or community development; or
- A capital project.

Communities apply directly to their regional Alaska Regional Development Organization (ARDOR). If an ARDOR does not exist in a region, applications will be submitted directly to the Department of Community and Economic Development (DCED). Projects will be funded throughout the state using a combination of Denali Commission, USDA-Forest Service, and other available funding.

The goal of this initiative is to encourage communities to develop and utilize locally based planning strategies to foster community and economic development opportunities.

Entrepreneurship Initiative

For projects that may have merit, but are private sector economic development initiatives, the Denali Commission encourages entrepreneurs to utilize the following assistance strategy.

- Prepare Business Plan and loan request.
- Submit to Alaska Regional Development Organization (ARDOR) or Economic Development Council (EDC) for your area for technical assistance.

• Projects will be reviewed with consideration of the Denali Commission published guiding principles.

• Projects that meet Denali Commission principles will be forwarded from the regional support organizations to the State of Alaska Funding Forum for review.

• Projects determined to be economically viable may be forwarded to the Denali Commission for assistance in developing a funding plan.

Development Strategy

The Denali Commission encourages communities/tribes to build a local comprehensive plan and strategy, a component of which will be economic development. A comprehensive plan may also be referred to as a Development Strategy. Communities are encouraged to work with regional organizations such as ARDOR's, Regional Non-Profit Corporations, Borough Governments and Regional for-profit organizations to develop comprehensive strategies of which, economic development will be a component. Regional strategies

should take into consideration, existing regional planning and strategy efforts including, but not limited to the efforts of the FAA, HUD, Alaska DOT, ANTHC, Alaska VSW, State Division of Public Health, Alaska Department of Public Safety, regional non-profits and others.

The Denali Commission encourages the state to assist with technical support and funding at the local and regional level to build local and regional development strategies. The Denali Commission also encourages state and federal governments to utilize the local and regional development strategies when prioritizing projects in the state or in a region.

Alvin L. Ewing,
Chief Of Staff.

[FR Doc. 00-18973 Filed 7-26-00; 8:45 am]

BILLING CODE 3300--SS-P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. ER00-2677-000]

American Ref-Fuel Company of Delaware Valley, L.P.; Notice of Issuance of Order

July 24, 2000.

American Ref-Fuel Company of Delaware Valley, L.P. (American Ref-Fuel) submitted for filing a rate schedule under which American Ref-Fuel will engage in wholesale electric power and energy transactions at market-based rates. American Ref-Fuel also requested waiver of various Commission regulations. In particular, American Ref-Fuel requested that the Commission grant blanket approval under 18 CFR Part 34 of all future issuances of securities and assumptions of liability by American Ref-Fuel.

On July 14, 2000, pursuant to delegated authority, the Director, Division of Corporate Applications, Office of Markets, Tariffs and Rates, granted requests for blanket approval under Part 34, subject to the following:

Within thirty days of the date of the order, any person desiring to be heard or to protest the blanket approval of issuances of securities or assumptions of liability by American Ref-Fuel should file a motion to intervene or protest with the Federal Energy Regulatory Commission, 888 First Street, NE, Washington, DC 20426, in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211 and 385.214).

Absent a request for hearing within this period, American Ref-Fuel is authorized to issue securities and

assume obligations or liabilities as a guarantor, indorser, surety, or otherwise in respect of any security of another person; provided that such issuance or assumption is for some lawful object within the corporate purposes of American Ref-Fuel, and compatible with the public interest, and is reasonably necessary or appropriate for such purposes.

The Commission reserves the right to require a further showing that neither public nor private interests will be adversely affected by continued approval of American Ref-Fuel's issuances of securities or assumptions of liability.

Notice is hereby given that the deadline for filing motions to intervene or protests, as set forth above, is August 14, 2000.

Copies of the full text of the Order are available from the Commission's Public Reference Branch, 888 First Street, NE, Washington, DC 20426. The Order may also be viewed on the Internet at <http://www.ferc.fed.us/online/rims.htm> (call 202-208-2222 for assistance).

David P. Boergers,
Secretary.

[FR Doc. 00-18980 Filed 7-26-00; 8:45 am]

BILLING CODE 6717-01-M

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. EL00-92-000]

North Central Missouri Electric Cooperative, Inc.; Notice of Filing

July 19, 2000.

Take notice that on July 17, 2000, North Central Missouri Electric Cooperative, Inc. (North Central) filed a request for waiver of the requirements of Order No. 888 and Order No. 889 pursuant to 18 CFR 35.28(d) of the Federal Energy Regulatory Commission's (Commission) Regulations. North Central's filing is available for public inspection at its offices in Milan, Missouri.

Any person desiring to be heard or to protest such filing should file a motion to intervene or protest with the Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426, in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211 and 385.214). All such motions and protests should be filed on or before August 16, 2000. Protests will be considered by the Commission to determine the appropriate action to be taken, but will

not serve to make protestants parties to the proceedings. Any person wishing to become a party must file a motion to intervene. Copies of this filing are on file with the Commission and are available for public inspection. This filing may also be viewed on the Internet at <http://www.ferc.fed.us/online/rims.htm> (call 202-208-2222 for assistance).

David P. Boergers,
Secretary.

[FR Doc. 00-18968 Filed 7-26-00; 8:45 am]

BILLING CODE 6717-01-M

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. QF84-447-004]

O.L.S. Energy-Camarillo; Notice of Amendment to Application for Commission Recertification of Qualifying Status of a Cogeneration Facility

July 19, 2000.

Take notice that on July 13, 2000, O.L.S. Energy-Camarillo, c/o Delta Power Company, LLC, 89 Headquarters Plaza, North Tower, 14th Floor, Morristown, NJ 07960 filed with the Federal Energy Regulatory Commission revised pages to its application for recertification of a facility as a qualifying cogeneration facility pursuant to § 292.207(b) of the Commission's regulations, as well as an ownership chart.

The Facility is a topping cycle cogeneration facility consisting of one GE Model LM2500 gas turbine in combined cycle configuration. The Facility is interconnected with, sells power to and receives backup and maintenance power from Southern California Edison Company. Recertification of the Facility is being requested by Applicant to reflect recent changes in the ownership structure of the Facility.

Any person desiring to be heard or to protest said filing should file a motion to intervene or protest with the Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426, in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211 and 385.214). All such motions and protests should be filed on or before August 14, 2000. Protests will be considered by the Commission to determine the appropriate action to be taken, but will not serve to make protestants parties to the proceedings. Any person wishing to