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DENALI NATIONAL PARK AND PRESERVE NATURAL GAS PIPELINE

JANUARY 13, 2012.—Ordered to be printed

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

R E P O R T

[To accompany S. 302]

The Committee on Energy and Natural Resources, to which was referred the bill (S. 302) to authorize the Secretary of the Interior to issue right-of-way permits for a natural gas transmission pipeline in nonwilderness areas within the boundary of Denali National Park, and for other purposes, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE

The purpose of S. 302 is 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.

BACKGROUND AND NEED

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 consid-

ering 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 Denali. The pipeline would provide for natural gas transportation until a pipeline to the continental United States.

S. 302 authorizes the Secretary of the Interior to permit the 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. Although gas pipelines rights-of-way are not generally issued through units of the National Park System (gas pipelines may only be issued through a national park if authorized by an Act of Congress), 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.

LEGISLATIVE HISTORY

S. 302 was introduced by Senators Murkowski and Begich on February 8, 2011. The Subcommittee on National Parks held a hearing on the bill on May 11, 2011 (S. Hrg. 112–124).

During the 111th Congress, the Committee considered similar legislation introduced by Senator Murkowski, S. 302. The measure was included in section 354 of S. 1462, the American Clean Energy Leadership Act of 2009, which was reported favorably by the Committee on Energy and Natural Resources on July 16, 2009 (S. Rept. 111–48).

COMMITTEE RECOMMENDATION

The Committee on Energy and Natural Resources, in open business session on November 10, 2011, by voice vote of a quorum present, recommends that the Senate pass S. 302.

SECTION-BY-SECTION ANALYSIS

Section 1(a) defines key terms used in the bill.

Subsection (b) authorizes the Secretary of the Interior 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.

COST AND BUDGETARY CONSIDERATIONS

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

S. 302—A bill to authorize the Secretary of the Interior to issue right-of-way permits for a natural gas transmission pipeline in nonwilderness areas within the boundary of Denali National Park, and for other purposes

S. 302 would authorize the National Park Service (NPS) to issue permits to construct a natural gas pipeline in the Denali National Park, Alaska. Based on information provided by the NPS, CBO estimates that implementing the legislation would have no significant impact on the federal budget. S. 302 could increase offsetting receipts (from permit fees) and associated direct spending; therefore, pay-as-you-go procedures apply. However, CBO estimates that the net effect on direct spending would be negligible. Enacting the legislation would not affect revenues.

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. Based on information from the NPS, CBO estimates that receipts from permits would total less than \$5,000 over the 2012–2021 period. Those amounts would be retained and spent by the agency, and CBO estimates that the net effect on direct spending would be negligible.

S. 302 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 Jeff LaFave. 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. 302.

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. 302, as ordered reported.

CONGRESSIONALLY DIRECTED SPENDING

S. 302, 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

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

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

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 nonwilderness 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.

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. 302 as ordered reported.