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{ REPORT
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TO PROVIDE FOR THE CORRECTION OF A SURVEY OF CERTAIN LAND IN THE STATE OF ALASKA

JUNE 8, 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. 267]

[Including cost estimate of the Congressional Budget Office]

The Committee on Energy and Natural Resources, to which was referred the bill (S. 267) to provide for the correction of a survey of certain land in the State of Alaska, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE

The purpose of S. 267 is to provide for the correction of a survey of certain Federal land within the boundaries of the Swan Lake Hydroelectric Project in the State of Alaska.

BACKGROUND AND NEED

The Swan Lake Hydroelectric project (Project No. 2911) originally consisted of a 174-foot high, 430-foot long dam on Swan Lake, located 22 air miles northeast of Ketchikan, Alaska. The project included a 2,200-foot power tunnel and was able to produce 22 megawatts of electricity for the City of Ketchikan and surrounding areas. It was funded by the State of Alaska in 1980 and completed and placed in service in June 1984.

In the 1980s, the State of Alaska sought to select for transfer to the State pursuant to the Alaska Statehood Act (Public Law 85-508) all of the land underneath the existing reservoir and the lands that would be flooded by a future expansion of the reservoir, in the event that the height of the dam was ever raised. A 15-foot in-

crease in height was anticipated in the second phase of the project, which guided the October 20, 1994, state land selection (tentative approval AA-71620). In 1997, 1,500-acres of land inside the Tongass National Forest were conveyed to the State of Alaska to cover the project's existing and anticipated future reservoir size, enough land to cover a reservoir to 350 feet elevation (345-feet required, plus a 5-foot margin for excess rain and wind driven wave action on the mountain lake). The conveyance was the result of a National Forest Community Grant selection (application AA-71620) pursuant to section 6(a) of the Alaska Statehood Act of July 7, 1958, (Public Law 85-508). The lands were conveyed (Patent No. 50-97-0286) based on U.S. Survey 11630, filed on May 9, 1997. That survey found that the dam with a raised height would cause the reservoir to rise to an elevation of about 345-feet above sea level, instead of the original 330-feet.

Since the original conveyance, the State sold the project to the Alaska Four Dam Pool agency in 2002. That agency subsequently sold the dam to the Southeast Alaska Power Authority (SEAPA) in 2009. In anticipation of beginning work to raise the height of the dam by 15 feet to store 25 percent more water and thus increase electrical output from the project, the agency sought a confirmatory land survey in 2012. It found that the original survey was in error in one location. The dam receives runoff from four separate tributaries. In three of the four a small increase in surface elevation did not affect land inundation. However, in the fourth tributary, the Lost Creek area, on the northeast end of the reservoir, the 350-foot elevation contour was improperly drawn. As a result, a higher dam is likely to inundate up to an additional 25.8 acres of lands, flooding the 0.8 mile of the creek with additional water at different hydrological conditions.

S. 267 is being sought by SEAPA and the State of Alaska to guarantee the transfer of all lands from federal to state ownership that will make up the project's exterior boundary. The State has asked that the acreage be subtracted from the nearly 5.2 million acres that the State is still seeking to select under terms of the Alaska Statehood Act.

Construction began in 2016 on the dam height increase and is nearing completion. The additional dam height should allow enough hydroelectric power to offset up to 12,000 megawatts of diesel generation annually.

LEGISLATIVE HISTORY

Senators Sullivan and Murkowski introduced S. 267 on February 1, 2017.

Companion legislation, H.R. 219, was introduced in the House of Representatives by Representative Young on February 10, 2017.

In the 114th Congress, the measure was included in Amendment No. 3310, 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.

In the House of Representatives, Representative Young introduced a similar measure, H.R. 5402, on June 7, 2016.

The Committee on Energy and Natural Resources met in open business session on March 30, 2017, and ordered S. 267 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. 267.

SECTION-BY-SECTION ANALYSIS

Section 1 provides that within 18 months of enactment, the Secretary of the Interior, after consultation with the Secretary of Agriculture, shall survey the exterior boundaries of the tract underlying the Swan Lake project's northeast expansion area—labeled as the “Lost Creek” area—and issue a patent to the State of Alaska for the tract identified as needed to cover the reservoir of the Swan Lake project boundary. It requires that the land count against the State's final conveyance under section 6(a) of the Alaska Statehood Act of July 7, 1958 (Public Law 85–508) and that the conveyance meet the terms of section 24 of the Federal Power Act (16 U.S.C. 818).

COST AND BUDGETARY CONSIDERATIONS

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

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S. 267 would direct the Department of the Interior to conduct a survey of a 26-acre parcel of land within the boundary of the Swan Lake Hydroelectric Project in Alaska. The bill also would require the federal government to convey the parcel, which is currently under the jurisdiction of the U.S. Forest Service, to the state of Alaska. Based on an analysis of information provided by the affected agencies, CBO estimates that implementing the bill would have no significant effect on the federal budget. The parcel is not currently generating any receipts for the Forest Service and it is not expected to do so in the future.

Enacting S. 267 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply. CBO estimates that enacting the legislation would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

S. 267 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.

The CBO staff contact for this estimate is Jeff LaFave. The estimate was approved by H. Samuel Papenfuss, 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. 267.

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. 267, as ordered reported.

CONGRESSIONALLY DIRECTED SPENDING

S. 267, 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 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, the Committee notes that no changes in existing law are made by the bill as ordered reported.

