

TO EXTEND CERTAIN HYDRO-ELECTRIC LICENSES IN THE  
STATE OF ALASKA

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FEBRUARY 4, 2003.—Committed to the Committee of the Whole House on the State  
of the Union and ordered to be printed

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Mr. TAUZIN, from the Committee on Energy and Commerce,  
submitted the following

R E P O R T

[To accompany H.R. 337]

[Including cost estimate of the Congressional Budget Office]

The Committee on Energy and Commerce, to whom was referred  
the bill (H.R. 337) to extend certain hydro-electric licenses in the  
State of Alaska, having considered the same, report favorably  
thereon without amendment and recommend that the bill do pass.

CONTENTS

	Page
Purpose and Summary .....	1
Background and Need for Legislation .....	2
Hearings .....	2
Committee Consideration .....	2
Committee Votes .....	2
Committee Oversight Findings .....	3
Statement of General Performance Goals and Objectives .....	3
New Budget Authority, Entitlement Authority, and Tax Expenditures .....	3
Committee Cost Estimate .....	3
Congressional Budget Office Estimate .....	3
Federal Mandates Statement .....	4
Advisory Committee Statement .....	4
Constitutional Authority Statement .....	4
Applicability to Legislative Branch .....	4
Section-by-Section Analysis of the Legislation .....	4
Changes in Existing Law Made by the Bill, as Reported .....	5

PURPOSE AND SUMMARY

The purpose of H.R. 337 is to direct the Federal Energy Regu-  
latory Commission (FERC), upon the request of the licensee, to  
issue an order staying the license of a hydroelectric project in the  
State of Alaska (Project No. 11393) pending the construction of an

associated transmission line. The legislation also directs FERC to extend the deadline to commence construction of the project for one additional two-year period.

#### BACKGROUND AND NEED FOR LEGISLATION

Section 13 of the Federal Power Act (16 U.S.C. 806 (2002)) establishes time limits for commencement of construction of a hydroelectric project once FERC has issued a license. The licensee must begin construction not more than two years from the date the license is issued, unless FERC extends the initial deadline. However, section 13 permits FERC to grant only one extension of that deadline for “not longer than two additional years \* \* \* when not incompatible with the public interest.” Accordingly, FERC lacks authority to extend the deadline beyond a maximum of two years from the original deadline for commencement of construction. Therefore, a license is subject to termination if a licensee fails to begin construction within four years of the date the license is issued.

H.R. 337 would direct FERC to temporarily stay the license for a project in the State of Alaska pending completion of an associated transmission line. Once the transmission line is completed, the bill directs FERC to lift the stay and extend the deadline to commence construction for one additional two-year period.

On January 22, 1998, FERC issued a license to the City of Saxman, Alaska to construct, operate and maintain the 96 megawatt Mahoney Lake Hydroelectric Project No. 11393. The project is located on Upper Mahoney Lake and Upper Mahoney Creek near Ketchikan in southeast Alaska. The project is not projected to be economic until the completion of the associated Swan-Tyee transmission line. The Cape Fox Corporation, which oversees the construction, operation, and maintenance of the project, stands to lose a substantial investment in the project if the license expires prior to completion of the transmission line.

#### HEARINGS

The Committee on Energy and Commerce has not held hearings on the legislation.

#### COMMITTEE CONSIDERATION

On Wednesday, January 29, 2003, the Full Committee on Energy and Commerce met in open markup session and ordered H.R. 337 favorably reported to the House, without amendment, by a voice vote, a quorum being present.

#### COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the record votes on the motion to report legislation and amendments thereto. There were no record votes taken in connection with ordering H.R. 337 reported. A motion by Mr. Tauzin to order H.R. 337 reported to the House, without amendment, was agreed to by a voice vote.

## COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee has not held oversight or legislative hearings on this legislation.

## STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

The goal of this legislation is to require the Federal Energy Regulatory Commission (FERC) to issue a temporary stay of a license to for a hydroelectric power project in the State of Alaska pending completion of an associated transmission line, to reinstate the license once the transmission line is completed, and to authorize one additional two-year extension of the deadline to commence construction of such project.

## NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee finds that H.R. 337, a bill to extend certain hydro-electric licenses in the State of Alaska, would result in no new or increased budget authority, entitlement authority, or tax expenditures or revenues.

## COMMITTEE COST ESTIMATE

The Committee adopts as its own the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

## CONGRESSIONAL BUDGET OFFICE ESTIMATE

Pursuant to clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the following is the cost estimate provided by the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974:

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
*Washington, DC, February 3, 2002.*

Hon. W.J. "BILLY" TAUZIN,  
*Chairman, Committee on Energy and Commerce,*  
*House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 337, a bill to extend certain hydroelectric licenses in the state of Alaska.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Lisa Cash Driskill.

Sincerely,

WILLIAM J. GAINER  
(For Barry B. Anderson, Acting Director).

Enclosure.

*H.R. 337—A bill to extend certain hydroelectric licenses in the state of Alaska*

CBO estimates that implementing H.R. 337 would have no net effect on the federal budget. The bill 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.

H.R. 337 would direct the Federal Energy Regulatory Commission (FERC) to stay the license for hydroelectric project number 11393, if requested by the licensee, for up to six years after construction of the Swan-Tyee transmission line is completed. When the line is completed, if requested by the licensee, FERC would be required to lift the stay and extend the deadline for beginning construction of the project for up to two years. This project is near Ketchikan, Alaska.

This bill could have a minor impact on FERC's workload. Because FERC recovers 100 percent of its costs through user fees, any change in its administrative costs would be offset by an equal change in the fees that the commission charges. Hence, the bill's provisions would have no net budgetary impact.

Because FERC's administrative costs are set in annual appropriations, enactment of this legislation would not affect direct spending or receipts.

The CBO staff contact for this estimate is Lisa Cash Driskill. This estimate was approved by Robert A. Sunshine, Assistant Director for Budget Analysis.

#### FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

#### ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

#### CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, the Committee finds that the Constitutional authority for this legislation is provided in Article I, section 8, clause 3, which grants Congress the power to regulate commerce with foreign nations, among the several States, and with the Indian tribes.

#### APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

#### SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

##### *Section 1. Stay and reinstatement of FERC license No. 11393*

This section directs the Federal Energy Regulatory Commission (FERC) to issue a stay of the license for Project No. 11393. Not later than six years following notice of completion of the Swan-Tyee transmission line, this section also requires FERC to reinstate the license upon the request of the licensee. Finally, this section authorizes FERC, upon the request of the licensee for Project No. 11393 and in accordance with the good faith, due diligence, and

public interest requirements of section 13 of the Federal Power Act, to extend the deadline to commence construction of such project for up to one additional two-year period.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

This legislation does not amend any existing Federal statute.

