



This document is scheduled to be published in the Federal Register on 09/21/2016 and available online at <https://federalregister.gov/d/2016-22704>, and on FDsys.gov

3300-01-m

DENALI COMMISSION

Fiscal Year 2017 Draft Work Plan

AGENCY: Denali Commission.

ACTION: Notice

SUMMARY: The Denali Commission (Commission) is an independent federal agency based on an innovative federal-state partnership designed to provide critical utilities, infrastructure and support for economic development and training in Alaska by delivering federal services in the most cost-effective manner possible. The Commission was created in 1998 with passage of the October 21, 1998 Denali Commission Act (Act) (Title III of Public Law 105-277, 42 USC 3121). The Act requires that the Commission develop proposed work plans for future spending and that the annual Work Plan be published in the Federal Register, providing an opportunity for a 30-day period of public review and written comment. This Federal Register notice serves to announce the 30-day opportunity for public comment on the Denali Commission Draft Work Plan for Federal Fiscal Year 2017 (FY 2017).

DATES: Comments and related material to be received by October 21, 2016.

ADDRESSES: Submit comments to the Denali Commission, Attention: Sabrina Cabana, 510 L Street, Suite 410, Anchorage, AK 99501.

FOR FURTHER INFORMATION CONTACT: Ms. Sabrina Cabana, Denali Commission, 510 L Street, Suite 410, Anchorage, AK 99501. Telephone: (907) 271-1414. Email: scabana@denali.gov

SUPPLEMENTARY INFORMATION:

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

By creating the Commission, Congress mandated that all parties involved partner together to find new and innovative solutions to the unique infrastructure and economic development challenges in America's most remote communities. Consistent with its statutory mission, in September of 2015 President Obama designated the Commission as the lead federal agency for coordinating federal efforts to mitigate the impacts of erosion, flooding and permafrost degradation in rural Alaska. The primary goal is to build climate resilience with respect to infrastructure in environmentally threatened communities.

Pursuant to the Act, the Commission determines its own basic operating principles and funding criteria on an annual federal fiscal year (October 1 to September 30) basis. The Commission outlines these priorities and funding recommendations in an annual Work Plan. The FY 2017 Work Plan was developed in the following manner.

- A workgroup comprised of Denali Commissioners and Commission staff developed a preliminary draft Work Plan.
- The preliminary draft Work Plan was published on www.denali.gov for review by the public in advance of public testimony.
- A public hearing was held to record public comments and recommendations on the preliminary draft Work Plan.

- Written comments on the preliminary draft Work Plan were accepted for another two weeks after the public hearing.
- All public hearing comments and written comments were provided to Commissioners for their review and consideration.
- Commissioners discussed the preliminary draft Work Plan in a public meeting and then voted on the Work Plan during the meeting.
- The Commissioners forwarded their recommended Work Plan to the Federal Co-Chair, who then prepared the draft Work Plan for publication in the *Federal Register* providing a 30-day period for public review and written comment. During this time, the draft Work Plan will also be disseminated to Commission program partners including, but not limited to, the Bureau of Indian Affairs (BIA), the Economic Development Administration (EDA), Department of Agriculture – Rural Utilities Service (USDA/RUS), and the State of Alaska.
- At the conclusion of the Federal Register Public comment period Commission staff provides the Federal Co-Chair with a summary of public comments and recommendations, if any, on the draft Work Plan.
- If no revisions are made to the draft, the Federal Co-Chair provides notice of approval of the Work Plan to the Commissioners, and forwards the Work Plan to the Secretary of Commerce for approval; or, if there are revisions the Federal Co-Chair provides notice of modifications to the Commissioners for their consideration and approval, and upon receipt of approval from Commissioners, forwards the Work Plan to the Secretary of Commerce for approval.
- The Secretary of Commerce approves the Work Plan.

- The Federal Co-Chair then approves grants and contracts based upon the approved Work Plan.

FY 2017 Appropriations Summary

The Commission has historically received federal funding from several sources.

These fund sources are governed by the following general principles:

- In FY 2017 no project specific direction was provided by Congress.
- The Energy and Water Appropriation (i.e. “discretionary” or “base” funding) is eligible for use in all programs.
- Certain appropriations are restricted in their usage. Where restrictions apply, the funds may be used only for specific program purposes.
- Final appropriation funds received may be reduced due to Congressional action, rescissions by the Office of Management and Budget (OMB), and other federal agency action.
- All Energy and Water Appropriation and Trans-Alaska Pipeline Liability (TAPL) funds, including operating funds, identified in the Work Plan, are “up to” amounts, and may be reassigned to other programs included in the current year work plan, if they are not fully expended in a program component area or a specific project.
- The proposed FY 2017 Work Plan is based upon the funds allocated to the Commission in Senate appropriation bill S.2804 of \$15,000,000. Approximately \$3,000,000 of the \$15,000,000 was allocated to administrative expenses and non-project program support leaving \$12,000,000 available for program activities. The

Commission anticipates TAPL funds of \$3,600,000 will be allocated to the Commission with \$200,000 of that amount being utilized for administrative expenses and non-project program support leaving \$3,400,000 available for program activities.

Denali Commission FY 2017 Funding Summary	
<i>Source</i>	<i>Available for Program Activities</i>
Energy & Water Funds	
FY 2017 Appropriation ^a	\$12,000,000
Subtotal	\$12,000,000
TAPL Funds	
FY 2017 Annual Allocation ^b	\$3,400,000
Subtotal	\$3,400,000
Grand Total	\$15,400,000

Denali Commission FY 2017 Work Plan			
<i>Program and Type of Investment</i>	<i>Energy & Water Funds</i>	<i>TAPL Funds</i>	<i>Total</i>
Energy			
Diesel Power Plants	\$5,800,000		\$5,800,000
Interties			
Wind/Microgrids			
Hydro, Biomass, Geothermal & Other Renewables			
Hydrokinetics & Others Emerging Technologies			
Audits, Technical Assistance, & Community Energy Improvements	\$500,000		\$500,000
RPSU Maintenance & Improvements	\$500,000		\$500,000
Subtotal	6,800,000	\$0	\$6,800,000
Bulk Fuel			
New/Refurbished Facilities and Maintenance & Improvement Projects		\$3,200,000	\$3,200,000
Improve Administrative and Operation & Maintenance Projects	\$200,000	\$200,000	\$200,000
Subtotal	\$200,000	\$3,400,000	\$3,600,000
Environmentally Threatened Communities			
Mertarvik	\$1,500,000		\$1,500,000
Shaktoolik	\$500,000		\$500,000
Shishmaref	\$500,000		\$500,000
Kivalina	\$500,000		\$500,000
27 Other Communities in 2009 GAO Report	\$1,000,000		\$1,000,000
Program Development	\$1,000,000		\$1,000,000

Subtotal	\$5,000,000	\$0	\$5,000,000
Grand Total	\$12,000,000	\$3,400,000	\$15,400,000

Notes:

- a. Estimated FY 2017 program funds based on S.2804 Appropriations Bill; if the final Base appropriation is less than the amount in S.2804, the Federal Co-Chair shall reduce investments in the Energy Program to balance the FY 2017 Work Plan
- b. Estimated FY 2017 program funds based on discussions with OMB

Energy and Bulk Fuel Programs

FY 2017 Denali Commission investments in Energy and Bulk Fuel will include:

- Remote Power System Upgrade (RPSU) projects at locations selected based on need in consultation with the Alaska Energy Authority (AEA) and Alaska Village Electric Cooperative (AVEC)
- Bulk Fuel Upgrade (BFU) projects at locations selected based on need in consultation with AEA and AVEC
- Rural power system and bulk fuel facility Maintenance and Improvement (M&I) projects at locations selected based on need in consultation with AEA and AVEC
- Continued support of the rural power system and bulk fuel facility operator training programs managed by AEA
- Continued support of initiatives at the State of Alaska Department of Community and Regional Affairs (DCRA) and the Alaska Community Foundation (ACF) to improve the administrative capacity related to operating bulk fuel facilities in rural Alaska
- Continued support of the Sanitation Energy Efficiency Program at the Alaska Native Tribal Health Consortium (ANTHC)

Environmentally Threatened Communities Program

In order to fulfill its role as lead federal coordinating agency the Commission staff, in consultation with State, Federal, and other partners, and the referenced communities in particular, proposes the following investments in support of the new Environmentally Threatened Communities (ETC) Program. United States Government Accountability Office (GAO) Report 09-551 (<http://www.gao.gov/products/GAO-09-551>) was instrumental in charting prospective Commission investments.

Mertarvik

The community of Newtok has initiated its relocation to Mertarvik and has started building infrastructure at Mertarvik. The Commission funds summarized above will be used for the following activities:

- Continued support for the existing Community Relocation Coordinator
- Continued support for professional project management services
- Match/gap funds for on-going relocation activities

Shaktoolik

The community of Shaktoolik has decided to protect the community in place for now. The Commission funds summarized above will be used for the following activities:

- Continued support for the existing Community Relocation Coordinator
- Design of protect in place projects
- Design and procure household and community emergency kits
- Match/gap funds for other related activities

Shishmaref

Shishmaref is considering relocation but has not yet selected a new site. The Commission funds summarized above will be used for the following activities:

- Continued support for the existing Community Relocation Coordinator
- Design of protect in place projects
- Design and procure household and community emergency kits
- Match/gap funds for other related activities

Kivalina

Kivalina is considering relocation and has selected a site for a new school. The Commission funds summarized above will be used for the following activities:

- Continued support for the existing Community Relocation Coordinator
- Design of protect in place projects
- Design and procure household and community emergency kits
- Match/gap funds for other related activities

Other Communities in the 2009 GAO Report

The Commission funds summarized above will be used for the following activities in support of the 27 other communities in GAO Report 09-551:

- Design of site specific projects based on existing Federal Emergency Management Administration approved Hazard Mitigation Plans and Small Community Emergency Response Plans

Program Development

The Commission intends to make \$1,000,000 available for general ETC program development initiatives such as the following.

- Continued support of a fund that compliments other state and federal agencies responding to ETC related disasters
- Continued support of an ETC Grant Writing Center of Excellence being established at the Alaska Native Tribal Health Consortium
- Design of a prototype community shelter that can be site adapted to Shaktoolik, Shishmaref and Kivalina
- Analysis of existing erosion, permafrost degradation and flood data to quantify threats to infrastructure related to climate change
- ETC related outreach travel and partner support

Joel Neimeyer

Federal Co-Chair

[FR Doc. 2016-22704 Filed: 9/20/2016 8:45 am; Publication Date: 9/21/2016]