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DENALI COMMISSION

Denali Commission Fiscal Year 2018 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. 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 2018 (FY 2018).

DATES: Comments and related material to be received by October 30, 2017.

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

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

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. 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 2018 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 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 2018 Appropriations Summary

The Commission has historically received federal funding from several sources. The two primary sources at this time include the Energy & Water Appropriation Bill (“base” or “discretionary” funds) and an annual allocation from the Trans-Alaska Pipeline Liability (TAPL) fund. The proposed FY 2018 Work Plan assumes the Commission will receive \$15,000,000 of base funds, which is the amount referenced in the reauthorization of the Commission passed by Congress in 2016 (ref: Public Law 114-322), and a \$1,900,000

TAPL allocation based on discussions with the Office of Management and Budget (OMB). Approximately \$4,000,000 of the base funds will be used for administrative expenses and non-project program support, leaving \$11,000,000 available for program activities. The total base funding shown in the Work Plan also includes an amount typically available from project closeouts and other de-obligations that occur in any given year. Approximately \$200,000 of the TAPL funds will be utilized for administrative expenses and non-project program support, leaving \$1,700,000 available for program activities. Absent any new specific direction or limitations provided by Congress in the current Energy & Water Appropriations Bill, these funding sources are governed by the following general principles, either by statute or by language in the Work Plan itself:

- Funds from the Energy & Water Appropriation are eligible for use in all programs.
- TAPL funds can only be used for bulk fuel related projects and activities.
- Appropriated funds may be reduced due to Congressional action, rescissions by OMB, and other federal agency actions.
- All Energy & Water and TAPL investment amounts 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.
- Energy & Water and TAPL funds set aside for administrative expenses that subsequently become available, may be used for program activities included in the current year work plan.

<i>Source</i>	<i>Available for Program Activities</i>
Energy & Water Funds	
FY 2018 Energy & Water Appropriation ¹	\$11,000,000
Prior Year Funds	\$1,000,000
Subtotal	\$12,000,000
TAPL Funds	
FY 2018 Annual Allocation	\$1,700,000
Subtotal	\$1,700,000
U.S. Department of Transportation	
Prior Year Funds	\$1,200,000
Subtotal	\$1,200,000
Grand Total	\$14,900,000

Notes:

1. If the final appropriation is less than \$15 million the Federal Co-Chair shall reduce investments to balance the FY 2018 Work Plan.

DENALI COMMISSION FY2018 WORKPLAN				
<i>PROGRAM and TYPE OF INVESTMENT</i>	<i>Energy & Water</i>	<i>TAPL</i>	<i>USDOT</i>	<i>TOTAL</i>
Energy Reliability and Security				
Diesel Power Plants	\$3,800,000			\$3,800,000
Audits, TA, Community Energy Efficiency Improvements	\$500,000			\$500,000
RPSU Maintenance and Improvement Projects	\$2,200,000			\$2,200,000
Improve Administrative and Operation and Maintenance Practices	\$300,000			\$300,000
Subtotal	\$6,800,000			\$6,800,000
Bulk Fuel Safety and Security				
New/Refurbished Facilities		\$1,200,000		\$1,200,000
Maintenance and Improvement Projects		\$300,000		\$300,000
Improve Administrative and Operation & Maintenance Practices	\$200,000	\$200,000		\$400,000
Subtotal	\$200,000	\$1,700,000		\$1,900,000
Transportation System Improvements				
Maintenance and Improvements			\$1,200,000	\$1,200,000
Subtotal			\$1,200,000	\$1,200,000
Village Infrastructure Protection				
Mertarvik	\$2,500,000			\$2,500,000
Shishmaref	\$1,500,000			\$1,500,000
Shaktoolik	\$250,000			\$250,000
Kivalina	\$250,000			\$250,000
Program Development and Support for other Vulnerable Communities	\$500,000			\$500,000
Subtotal	\$5,000,000			\$5,000,000
TOTALS	\$12,000,000	\$1,700,000	\$1,200,000	\$14,900,000

Energy and Bulk Fuel Programs

FY 2018 Denali Commission investments in Energy and Bulk Fuel may 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 the Sanitation Energy Efficiency Program at the Alaska Native Tribal Health Consortium (ANTHC)

Village Infrastructure Protection 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 Village Infrastructure Protection (VIP) Program [previously known as the Environmentally Threatened Community (ETC) Program]. United States Government Accountability Office (GAO) Report 09-551 (<http://www.gao.gov/products/GAO-09-551>) has been instrumental in charting prospective Commission investments under this program.

Mertarvik

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

- \$1.5 million for housing development
- Continued support for the existing Community Relocation Coordinator
- Continued support for professional project management services
- Infrastructure development at Mertarvik

Shishmaref

Shishmaref has voted to relocate and is now working to select a new site. The Commission funds summarized above may be used for the following activities:

- Continued support for the existing Community Relocation Coordinator
- New town-site planning and design
- Professional project management services

Shaktoolik

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

- Continued support for the existing Community Relocation Coordinator
- 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 may be used for the following activities:

- Continued support for the existing Community Relocation Coordinator

- Match/gap funds for other related activities

Program Development and Support for Other Vulnerable Communities

The \$500,000 referenced above for this line item in the Workplan may be used for activities such as the following.

- Continued support for the ETC Grant Writing Center of Excellence at the Alaska Native Tribal Health Consortium
- Small project infrastructure protection grants
- Hazard Mitigation Plan related initiatives and projects
- Data/threat analyses related to erosion, flooding and permafrost degradation
- VIP related coordination, outreach and partner support

Statement Regarding Public Service of Former and Current Commissioners

It has been my honor to serve at the Commission as a program manager from June 1999 to February 2005, and since January 2010, as the third Federal Co-Chair. I thank the Indian Health Service (IHS) and ANTHC for executing a unique personnel assignment of detailing me from the IHS to ANTHC and then to the Commission in the early years of the agency. I have had the pleasure of working with most, but not all, of the Commissioners since 1999. Their role is not easy, but they are essential in guiding the agency in deploying critical Federal resources to the highest needs found in rural Alaska. As this is the last work plan I will have the pleasure of navigating through the statutorily outlined approval process, I want to publically acknowledge and thank all of the former and current Commissioners.

Governors:

Tony Knowles

Frank Murkowski

Sarah Palin

Sean Parnell

Bill Walker

State Co-Chairs:

Lt. Governor Fran Ulmer

Lt. Governor Loren Leman

Commissioner Joel Gilbertson

Alaska OMB Director Cheryl Frasca

Alaska OMB Director Karen Rehfeld

Commissioner Susan Bell

Lt. Governor Byron Mallott

Alaska Federation of Natives:

Julie Kitka

Nelson Angapak, Sr.

Loretta Bullard

Alaska Municipal League:

Kevin Ritchie

Kathie Wasserman

Associated General Contractors of Alaska

Henry Springer

Richard Cattanach

John MacKinnon

University of Alaska:

Mark Hamilton

Karen Perdue

Patrick Gamble

Dr. James Johnsen

Alaska AFL-CIO

Mano Frey

Jim Sampson

Gary Brooks

Vince Beltrami

Lastly, my thanks to my predecessors who have been gracious in sharing their time and wisdom with me while I have served at the Commission.

Federal Co-Chairs:

Jeffrey Staser

George Cannelos

Joel Neimeyer,
Federal Co-Chair.

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