



CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE

August 14, 1998

**S. 2109**  
**Glacier Bay National Park Boundary Adjustment Act of 1998**

*As ordered reported by the Senate Committee on Energy and Natural Resources  
on July 29, 1998*

CBO estimates that implementing S. 2109 would cost the federal government less than \$500,000 over the 1999-2003 period, assuming the availability of appropriated funds. Because S. 2109 would not affect direct spending or receipts, pay-as-you-go procedures would not apply to the bill. S. 2109 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.

S. 2109 would direct the Secretary of the Interior to convey to the state of Alaska sufficient federal land within the wilderness boundaries of Glacier Bay National Park and Preserve (GBNPP) to allow the Gustavus Electric Company (GEC) to construct and operate a hydroelectric project there. According to the National Park Service (NPS) and the state of Alaska, roughly 1,000 acres of federal land could be conveyed to the state, depending on the outcome of analysis by federal agencies and the state as to the minimum amount of land necessary for the project. In exchange, based on negotiations between the state and federal government, the state would convey to the federal government land to be selected from acreage specified in the bill. Land acquired from Alaska would be added to the National Park System. Upon completion of the exchange, the bill would designate as wilderness enough federal land in Alaska to avoid any net loss of wilderness acreage relative to current law.

S. 2109 would make the land exchange contingent on several items, including an analysis of the impact of the proposed hydroelectric project on GBNPP and an action by the Federal Energy Regulatory Commission (FERC) to grant GEC a license for the project. The bill would allow GEC three years from enactment to apply for a license from FERC. The Secretary of the Interior would have six months from the date on which FERC issues GEC a license to complete the land exchange. If the Secretary and the state do not agree within six months as to the state land to be conveyed to the federal government, the bill would

require the Department of the Interior to accept state land of sufficient value to complete the exchange.

Based on information from the NPS, CBO estimates that conveying the federal land required for the hydroelectric project and designating additional federal land as wilderness would not result in any loss of receipts to the U.S. Treasury. We estimate that conducting the environmental analyses, implementing the conveyances, and adjusting park boundaries would cost the NPS less than \$500,000 over the 1999-2003 period, assuming the availability of appropriated funds. Furthermore, CBO estimates that any additional work by FERC to implement this bill would have no net budgetary impact. If FERC receives additional appropriated funds to cover the cost of analyses and licensing, then the agency would offset those costs by collecting additional fees, as required under current law. In any case, we estimate that such FERC costs would be negligible.

The state of Alaska currently pays subsidies to individuals in the community of Gustavus to reduce their cost for electric power. Should the land exchange authorized by this bill lead to the construction and operation of a hydroelectric power project, these costs would be reduced and the payments by the state would decrease.

On July 30, 1998, CBO prepared a cost estimate for H.R. 3903 as ordered reported by the House Committee on Resources on July 22, 1998. S. 2109 is similar to H.R. 3903, and the estimated costs are the same.

The CBO staff contacts for this estimate are Victoria V. Heid (for federal costs), and Marjorie Miller (for the state and local impact). This estimate was approved by Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.