

**ACTION:** Notice of availability.

**SUMMARY:** The New York District of the U.S. Army Corps of Engineers (Corps) is issuing this notice to announce the availability for public review and comment of a Draft Environmental Impact Statement (DEIS) for proposed measures to provide flood control and storm damage protection in Union Beach, New Jersey. The DEIS has been prepared in accordance with the National Environmental Policy Act (NEPA). The DEIS evaluates the potential adverse and beneficial environmental impacts that may result from the implementation of the restoration of the beach berm and dune, periodic beach renourishment, and construction of storm damage reduction measures. The DEIS documents and addresses the environmental impacts of the following projects: Union Beach including Chingarora Creek, Flat and East Creeks, and the Bay Shore.

The selected plan consists of three major elements: (1) Chingarora Creek levee and floodwall; (2) Bay Shore beach and dune incorporating terminal groins with adjoining revetments; and (3) Flat and East creeks floodwall and levee alignment. In addition to the initial construction, the selected plan includes periodic renourishment of the Bay Shore element. Public comments on the DEIS will assist in the Corps' evaluation of the project and will be reflected in the final EIS.

Written comments received within 45 days of the publication of the Environmental Protection Agency's notice of availability will be considered by the Corps in preparing the final EIS.

**FOR FURTHER INFORMATION CONTACT:** Mr. Howard Ruben, Environmental Analyst, Planning Division, Environmental Analysis Branch, U.S. Army Corps of Engineers, New York District, 26 Federal Plaza, Room 2151, New York, NY 10278-0090, at (212) 264-0206 or at [howard.ruben@usace.army.mil](mailto:howard.ruben@usace.army.mil). Written comments are to be provided to Mr. Ruben.

**SUPPLEMENTARY INFORMATION:** 1. The Corps is currently evaluating a hurricane and storm damage reduction study to provide hurricane and storm protection to residential, commercial, and recreational resources in the Borough of Union Beach, located along the Raritan Bay and Sandy Hook Bay (RBSHB) shoreline and adjacent areas in Monmouth County, NJ. Hurricanes, northeasters, and extratropical storms have historically damaged shorefronts, beaches, homes, commercial properties, and community infrastructures. Erosion of the beach and the lack of long-term

shore protection measures have resulted in deterioration of the natural beachfront dune complexes in the study area. Severe storm events have flooded the areas and stranded residents in their homes. Consequently, there has been a reduction in the capability of the study area beaches and the low-lying terrain, to provide long-term protection from damages caused by hurricanes and severe storms such as northeasters. In addition, the threat of future storms in the study area poses a danger to local residents and business owners.

2. The Union Beach, New Jersey Beach Hurricane and Storm Damage Reduction Study, was originally authorized for construction as part of the RBSHB Project, New Jersey, in the Flood Control Act of October 23, 1962, in accordance with House Document Number 464, 87th Congress, Second Session.

**Leonard Houston,**

*Chief, Environmental Analysis Branch.*

[FR Doc. 03-16178 Filed 6-27-03; 8:45 am]

**BILLING CODE 3710-06-M**

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## DENALI COMMISSION

### 5-Year Strategic Plan

#### Introduction

The Denali Commission Act of 1998 (Title III, Pub.L. 105-277, 42 U.S.C. 3121) created a State-Federal partnership to address crucial needs of rural Alaskan communities, particularly isolated Native villages and other communities lacking access to the national highway system, affordable power, adequate health facilities and other impediments to economic self sufficiency. Guided by five Commissioners representing statewide non-governmental organizations, the unprecedented results to date testify to the efficacy of inter-agency teamwork, effective training, and the setting of high sustainability standards by those closest to the problems at hand. The Commission is a highly effective catalyst for enhanced collaboration among federal, State, tribal and local governments as well as private sector, non-profit and other interests. The overarching goal of enabling economic self sufficiency is based on effective community comprehensive planning, and regional support.

This document will guide the reader through:

An introduction of the Denali

Commission's mission

The workplan for fiscal year 2004 and

The 5-year strategic plan

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### Purpose of the Commission

The Denali Commission Act of 1998, as amended (Division C, Title III, Pub. L. 105-277) states that the purposes of the Denali Commission are:

To deliver the services of the Federal Government in the most cost-effective manner practicable by reducing administrative and overhead costs.

To provide job training and other economic development services in rural communities, particularly distressed communities (many of which have a rate of unemployment that exceeds 50 percent).

To promote rural development, provide power generation and transmission facilities, modern communication systems, bulk fuel storage tanks, water and sewer systems and other infrastructure needs.

### Vision

Alaska will have a healthy well-trained labor force working in a diversified and sustainable economy that is supported by a fully developed and well-maintained infrastructure.

### Mission

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

### Values

*Catalyst For Positive Change*—The Commission will be an organization through which agencies of government, including Tribal governments, may collaborate, guided by the people of Alaska, to aggressively do the right things in the right ways.

*Respect For People and Cultures*—The Commission will be guided by the people of Alaska in seeking to preserve the principles of self-determination, respect for diversity, and consideration of the rights of individuals.

*Inclusive*—The Commission will provide the opportunity for all interested parties to participate in decision making and carefully reflect their input in the design, selection, and implementation of programs and projects.

**Sustainability**—The Commission will promote programs and projects that meet the current needs of communities and provide for the anticipated needs of future generations.

**Accountability**—The Commission will set measurable standards of effectiveness and efficiency for both internal and external activities.

#### Goals

The goals generated by the strategic planning process define conditions that must be created to realize the Denali Commission Vision.

1. All Alaska, no matter how isolated, will have the physical infrastructure necessary to protect health and safety and to support self-sustaining economic development.

2. Local residents in Alaskan communities will be provided the opportunity to acquire the skills and knowledge necessary to be employed on the construction, operation and management jobs created by publicly funded physical infrastructure in their communities.

3. Alaskans will have access to financial and technical resources necessary to build a cash economy to supplement the existing subsistence economy.

4. Federal and state agencies will simplify procedures, share information, and improve coordination to ensure equitable delivery of services to all Alaskan communities.

#### Implementation Guiding Principles

- Projects must be sustainable. To assist with the implementation of this principle, an *Investment Strategy* has been drafted to ensure that the level of funding provided by the Denali Commission to infrastructure projects in small, declining and/or environmentally threatened communities serves a public purpose and is invested in the most conscientious and sustainable manner possible. (The *Investment Strategy* is now available on the Denali Commission website for *public review and comment*.)

- The Denali Commission will generally not select individual projects for funding nor manage individual projects, but will work through existing state, federal or other appropriate organizations to accomplish its mission.

- Projects in economically distressed communities will have priority for Denali Commission assistance.

- Projects should be compatible with local cultures and values.

- Projects that provide substantial health and safety benefit, and/or enhance traditional community values,

will generally receive priority over those that provide more narrow benefits.

- Projects should be community-based and regionally supported.
- Projects should have broad public involvement and support. Evidence of support might include endorsement by affected local government councils (municipal, Tribal, IRA, etc.), participation by local governments in planning and overseeing work, and local cost sharing on an “ability to pay” basis.

- Priority will generally be given to projects with substantial cost sharing.

- Priority will generally be given to projects with a demonstrated commitment to local hire.

- Denali Commission funds may supplement existing funding, but will not replace existing federal, state, local government, or private funding.

- The Denali Commission will give priority to funding needs that are most clearly a federal responsibility.

- Denali Commission funds will not be used to create unfair competition with private enterprise.

#### Additional Guiding Principles for Infrastructure:

- A project should be consistent with a comprehensive community or regional plan.

- Any organization seeking funding assistance must have a demonstrated commitment to operation and maintenance of the facility for its design life. This commitment would normally include an institutional structure to levy and collect user fees if necessary, to account for and manage financial resources, and having trained and certified personnel necessary to operate and maintain the facility.

#### Additional Guiding Principles for Economic Development

- Priority will be given to projects that enhance employment in high unemployment areas of the State (economically distressed), with emphasis on sustainable, long-term local jobs or career opportunities.

- Projects should be consistent with statewide or regional plans.

- The Denali Commission may fund demonstration projects that are not a part of a regional or statewide economic development plan if such projects have significant potential to contribute to economic development.

#### Additional Guiding Principles for Training

- Training should increase the skills and knowledge of local residents to become employed on jobs created by the Denali Commission’s investment in public facilities in a community.

#### Intergovernmental Coordination—The Memorandum of Understanding:

The Denali Commission Act recognizes that our mission can only be accomplished through a collaborative, coordinated effort by the State of Alaska and key federal agencies. The State of Alaska also recognizes benefits can be furthered if State agencies work in a collaborative and coordinated effort. With this in mind, Denali Commission has drawn up a Memorandum of Understanding (MOU), which more than 20 agencies have agreed to, that outlines some points of agreement that will facilitate the collaboration and coordination necessary for achievement of the purposes of the Denali Commission and related missions of agencies who are parties to the MOU.

#### The Points of the MOU Are—

- **Sustainability.** Federal and State agencies recognize the importance of utilizing sustainability principles when investing in public infrastructure projects

- **Regional Strategies.** Systematic planning and coordination on a local, regional and statewide basis are necessary to achieve the most effective results from investment in infrastructure, economic development, and training.

- **Community Plans.** A single community strategic plan should be sufficient to identify and establish the priorities of each rural community.

- **Sharing Information.** Sharing information increases efficiencies and decreases duplication of services by State and Federal agencies.

- **Economic Development.** Economic development facilitates and supports the growth of self-sufficient communities.

- **Non-Profit Organizations and Other Community Organizations.** Non-profit and other organizations in Alaska are a valuable resource for State and Federal Agencies. They provide regional planning, program support and partnering opportunities

- **Workforce Development (Vocational and Career Training).** Workforce development is a critical component to building sustainable public infrastructure and self-sufficient communities in Alaska.

#### Workplan for 2004

The Commission has determined that the scope and scale of infrastructure issues facing rural Alaska are staggering. The total of known basic infrastructure needs for Alaskan communities is estimated to be over \$13 billion. These infrastructure needs include:

- Infrastructure:
  - Housing Construction/Development
  - Multi-use Facilities
  - Power Utilities
  - Fuel Storage
  - Drinking Water and Waste Water Facilities
  - Solid Waste Management Facilities
  - Health Care Facilities
  - Airport Facilities
  - Road and Trail Construction
  - Port, Dock and other Marine Facilities
  - Telecommunications
  - Community Facilities
- Economic Development:
- Comprehensive Planning
  - Job Training, Education, Capacity Building:
- Comprehensive Planning

In Fiscal Year 2004, the Denali Commission will continue to collaborate with other funding agencies and with all impacted and interested parties to address identified needs on a priority

basis. Allocation of Denali Commission funds to various funding categories and classes within those categories will be based on a formula agreed to by the Commission at the beginning of each fiscal year.

For FY04 the formula allocates 85% of general appropriated funds to Power, Health and related infrastructure and up to 10% to job training. The Commission has a statutory limit of 5% for administrative expenses.

In addition to FY04 appropriated funds, the Commission expects to receive approximately \$3 million in interest from the Trans Alaska Pipeline Liability (TAPL) fund in FY04, which is earmarked for bulk fuel facility upgrade and maintenance.

The Commission may receive other special purpose funding from Congressional appropriations such as dedicated training funding from the U.S. Department of Labor pursuant to authorization received in FY03.

#### *Prioritization of Projects for FY 2004*

Of necessity, the Commission's work must be phased over a number of years based on the urgency of competing needs and availability of funding. The theme of rural energy, as one important prerequisite to all other utilities and economic development, was selected as the Commission's top priority for infrastructure funding. Primary health care facilities were identified as the second infrastructure theme for the Commission beginning in FY00. These two themes will continue to be the top priorities for infrastructure funds through FY04, and the Commission, consistent with Congressional intent, may add one or more additional themes.

For planning purposes, the Commission has allocated \$12,500,000 using the Commission's approved formula for FY04.

FY04 work plan projection	FY04 projected funding	TAPL interest funds	TAPL and FY04 combined
Bulk Fuel .....	\$2,375,000	\$2,700,000	\$5,075,000
Power Generation .....	1,979,167	.....	1,979,167
Health Clinics .....	2,770,833	.....	2,770,833
Other Infrastructure .....	950,000	.....	950,000
Training .....	950,000	.....	950,000
Subtotal .....	9,025,000	2,700,000	11,725,000
Administration* .....	475,000	300,000	775,000
Total .....	9,500,000	3,000,000	12,500,000

\* Administration: Figure used reflects 5% ceiling, not actual overhead cost. This includes future salary obligations, directed studies, independent audits, and project support.

In accordance with the Denali Commission Code, Administrative funds (5%) are solely the responsibility of the Federal Co-Chair. Allocation of the balance of funds (95%) will be made by the full Denali Commission, utilizing the guiding principles previously outlined in this document, and priority systems designed specifically for each budget category.

Project implementation will generally be accomplished through state, local or federal government entities, regulated utilities, or non-profit organizations. It shall be the responsibility of all such implementing organizations to comply with all applicable laws. Any special requirements will be articulated in the funding agreement between the Denali Commission and the funding recipient. The MOU will serve to guide intergovernmental coordination and collaboration among agencies.

As indicated above, 85% of Denali Commission base funds are designated for priority infrastructure focus areas and those funds are distributed using

priority systems designed for each area and following the Denali Commission Investment Strategy guidance. Concurrently the Commission encourages communities and regional entities to complete comprehensive community and economic development plans. Priority systems for focus areas selected for funding by the Commission give credit to communities with current comprehensive plans.

Projects resulting from funding of infrastructure themes generally are consistent with high priorities identified in community plans. The existence of community plans greatly facilitates the location, design, and completion of infrastructure projects within a community. The Commission also participates in the organization and execution of regional "funding summits." These summits, which are held throughout the State, bring key state and federal agencies together with communities and regional organizations for the purpose of matching needs identified in community and regional

comprehensive plans with federal, state and other available funding.

#### *Performance Indicators for FY 2004*

##### *Energy*

- Reduce the backlog of non-compliant bulk fuel storage facilities in rural Alaska by renovating or building a bulk fuel storage facility in 1 community.

- Increase the reliability, efficiency and sustainability of power generation and/or transmission by renovating or building a power facility in 1 community.

##### *Health Care*

- Complete construction or renovation of primary health care facilities in 2 communities.

##### *Training*

- Increase the number of local area residents trained on construction, operations and maintenance of Denali Commission-funded physical infrastructure in Alaska by 5%.

- Increase the local resident payroll on Denali Commission-funded projects by 2%.

- Increase the annual earnings of each local resident that completes Denali Commission-funded training by 5%.

#### Financial and Technical Resources

- Produce reliable and timely performance and other financial (proprietary and budgetary) information from the financial management system for managing current operations.

- Safeguard assets (including performance and financial information) from waste, loss, misappropriation or destruction.

- Prepare accurate and timely financial reports on Budget Execution in accordance with generally accepted accounting principles and meeting the requirements of the Office of Management and Budget and U.S. Treasury.

#### Government Coordination

- Maintain administrative expenses of Denali Commission at 5% or less of appropriated funds.

- Hold Denali Commission partners to the lowest reasonable overhead costs needed to complete projects.

#### *Work Toward the President's Management Agenda*

President George W. Bush has set forth a strategy to improve management of the federal government through government-wide goals in five mutually reinforcing areas:

- Human Capital
- Competitive Sourcing
- Improved Financial Management
- Expanded e-Government
- Budget and Performance Integration

The Denali Commission is making progress in these strategic areas in the following ways.

#### *Human Capital*

The Denali Commission attempts to be innovative in its recruitment and retention of staff. With a small permanent staff of eight and an on-loan staff of eight, the Denali Commission has a flat organization chart, making it simple for customers to reach the staff they need to and get the answers they require, through electronic messaging, telephone, or in-person.

An additional advantage of a small organization is the ease of managing the accurate measurement and appropriate rewarding of staff for performance. Denali Commission utilizes many human capital investment-oriented strategies for retaining qualified and effective staff, such as preventive health

programs, a student loan repayment program, and appropriate training.

A project now underway is tying each position's roles and responsibilities with the organizational mission. This matrix, once completed, will be used to enhance efficiency and effectiveness by realigning duties where they do not reflect the mission, and ensuring that all mission-critical work is being addressed adequately.

#### *Competitive Sourcing*

As a very small agency headquarters, Denali Commission is highly motivated, by necessity, to comply with this initiative. Although formal assessments have not been carried out on the competitive sourcing opportunities, Denali Commission regularly utilizes contractors and private enterprise for many of our tasks. Examples include graphic design, computer maintenance, and document scanning services.

#### *Improved Financial Management*

Five of the Denali Commission permanent staff are responsible for all operations and finance. Limited to 5% overhead, the agency has, and will continue to, enthusiastically participate and pursue automation and forward-thinking technology whenever possible. Through advances in technology, we will continue to realize internal efficiencies and increases in effectiveness.

To keep pace with the Government-Wide-Accounting (GWA) initiative, a new accounting system is being developed, with an anticipated implementation date of October 1, 2003. We are utilizing the Veterans Affairs (VA) Financial Services Enterprise Center as consultants on this project. We expect this accounting system to maintain the highest quality of accuracy in reporting to OMB, Congress and the public.

Staff are working in conjunction with other federal agencies to accomplish automation to the extent feasible, with Federal Treasury payment and collection systems (IPAC, ASAP and SPS). We anticipate being a pilot test site for the Internet Payment Platform (IPP) which is being developed by Treasury for the efficient and timely payment of vendors.

#### *Expanded e-Government*

Denali Commission is committed to managing our projects more effectively and more transparently to our partners, customers and the public. The Project Database is a significant step in this direction. The Denali Commission Project Database, now operational on our website, is an initiative that

permeates several of the five strategic areas of the President's Management Agenda. To enhance project management and information sharing with our partners and the public, Denali Commission has developed an Internet-based database of all Commission projects. This tool is for tracking and managing Denali Commission and partner project data. The database is built to provide information that is easy to use, has the highest degree of integrity and maintainability, and is accessible for all interested parties. In keeping with the Denali Commission mission, the system allows for collaboration to improve the effectiveness and efficiency of government services. Within the database, managers and grantees place reports, project financials, photos and status information on each funded project. Also available within the database are priority lists of projects yet to be funded in communities across Alaska. Across the state of Alaska, Federal, State and local entities (including regional non-profits, health corporations, and tribal governments) share a vision for developing a shared, central database (or portal) to further improve the transparency of government. This database would be a part of that larger effort.

Denali Commission now has an active link to our agency website located on [www.FirstGov.gov](http://www.FirstGov.gov) to help citizens find information and obtain services from that central location. We are working to place Denali Commission grant opportunities on the [www.Grants.gov](http://www.Grants.gov) website as well. Additional e-Government projects that Denali Commission is monitoring and will participate in include e-Travel and e-Authentication. To maximize IT partnerships (and coordination) with other federal agencies, Denali Commission works with the Federal Aviation Administration (FAA) and Department of the Interior (DOI) to support our local computer network.

Our commitment to internet and electronic payment and collection systems is hailed by our vendors and customers, especially in this large state with sometimes slow and unpredictable mail and telephone (internet) services. These systems assist with streamlining and ensuring timely and accurate transactions.

As we build and develop strong IT infrastructure at Denali Commission, we maintain a high level of vigilance that proper and adequate security is set in place. Our plan for IT development always includes an assessment of value to the public, avoidance of duplication

and the goal of transparency and accountability.

#### *Budget and Performance Integration*

The Denali Commission, by legislation, is limited to 5% overhead/administrative rate. So, 95% of our funds go into making progress toward our vision:

Alaska will have a healthy, well-trained labor force working in a diversified and sustainable economy that is supported by a fully developed and well-maintained infrastructure.

Denali Commission has set in motion the tools to assist the staff in measuring performance—the Project Database and a new accounting system (under development).

We require our grantees to establish and meet milestones, and we publish those on the Project Database. We set goals at an agency level for construction projects reaching completion each year. That is the bottom line that will improve the lives of the residents of Alaska. And we set internal benchmarks for the quality and efficiency of services provided to our customers. That keeps the Denali Commission staff on track in prioritizing individuals' work time. We

measure ourselves against these standards constantly and check on them as a team once a month.

#### **Strategic Plan—2005–2009**

##### *Challenges to Development and Economic Self-Sufficiency in Alaska*

*Geography/Climate*—The State of Alaska encompasses twenty percent of the landmass of the United States, encompassing five (5) climatic zones from the arctic to moderate rain forests in the south.

*Isolation*—Approximately 220 Alaskan communities are accessible only by air or small boat. Some village communities are separated by hundreds of miles from the nearest regional hub community or urban center. The average community is over 1,000 miles from the state capital.

*Unemployment*—The economy of rural Alaska is a mix of government or government-funded jobs, natural resource extraction and traditional Native subsistence activities. Many rural Alaskans depend on subsistence hunting, fishing and gathering for a significant portion of their foods, but also depend on cash income to provide the means to pursue subsistence

activities. Cash paying employment opportunities in rural Alaska are scarce and are highly seasonal in many areas; unemployment rates exceed 50% in 147 communities.

*High Cost and Low Standard of Living*—Over 180 communities suffer from inadequate sanitation or a lack of safe drinking water. Residents face high electric costs: 61 cents per kilowatt-hour for electricity in a few communities (average in rural Alaska is approximately 40 cents per kilowatt-hour which is over 6 times the National average of 6.75 cents) even with State subsidies.

The Commission determined that the scope and scale of infrastructure issues facing rural Alaska are staggering. Assessment of needs and refinement of estimates will be an ongoing process. The total of known infrastructure needs is estimated to be over \$13 billion. Training and economic development needs have not been quantified, but the unmet needs in these areas are also believed to be quite large. Consequently, it is imperative that efforts to address the most essential needs be both focused and strategic.

Funding category	Category/Class	Needs (\$)	Total (\$)
Infrastructure .....	Housing Construction/Development .....	1,800,000,000 .....	13,794,300,000 .....
	Power Utilities .....	300,800,000 .....	
	Fuel Storage .....	362,500,000 .....	
	Drinking Water and Waste Water Facilities .....	650,000,000 .....	
	Solid Waste Management Facilities .....	<sup>1</sup> .....	
	Health Care Facilities .....	481,000,000 .....	
	Airport Facilities .....	1,300,000,000 .....	
	Road Construction .....	8,600,000,000 .....	
	Port Facilities .....	300,000,000 .....	
	Telecommunications .....	( <sup>1</sup> ) .....	
	Community Facilities .....	( <sup>1</sup> ) .....	
	Other .....	( <sup>1</sup> ) .....	
	Subtotal .....	.....	
	Comprehensive Planning .....	( <sup>1</sup> ) .....	
Economic Development .....	Other .....	( <sup>1</sup> ) .....	13,794,300,000 .....
Job Training, Education, Capacity Building .....	Comprehensive Planning .....	( <sup>1</sup> ) .....	
	Other .....	( <sup>1</sup> ) .....	
Total .....		.....	13,794,300,000 .....

<sup>1</sup> Unknown.

#### *Goals, Objectives and Key Activities*

##### **Goal # 1**

All Alaska, no matter how isolated, will have the physical infrastructure necessary to protect health and safety and to support self-sustaining economic development.

##### *Objectives*

1. Energy facilities (bulk fuel storage, power generation and transmission) will

be constructed and upgraded at a significantly accelerated pace.

2. All Alaskans will have reasonable access to primary health care services.

3. All Alaskans will have safe drinking water and sanitary waste disposal systems.

4. All Alaskans will have reasonable access to telecommunication services comparable to those available in major urban centers at comparable costs.

5. Construction of other basic physical infrastructure including but not limited

to roads, ports, airports, and community facilities will be accelerated on a priority basis.

##### *Key Activities to Achieve Goals and Objectives*

- Complete a statewide energy strategy to clearly identify needs and set priorities for completion of bulk fuel storage facilities, power generation facilities including innovative and alternative facilities and power transmission facilities. The strategy will

identify institutional structures and measures to achieve sustainable operation and maintenance of completed physical systems.

- Complete a statewide needs assessment for primary health care facilities and develop a system to establish priorities for completion of needed facilities.
- Collaborate with federal agencies and assist the State of Alaska as necessary in identifying gaps in funding for physical infrastructure that can be filled first by existing federal programs or, if necessary, by Denali Commission funding.
- Utilize the annual work plan development process to allocate funds to physical infrastructure categories. Allocation of funds to specific projects will generally be guided by statewide priority systems and comprehensive plans developed at the community and regional levels.

#### *Performance Indicators*

- Reduce the backlog of non-compliant bulk fuel storage facilities in rural Alaska in 6 communities annually.
- Increase the reliability, efficiency and sustainability of power generation and/or transmission in 6 communities annually.
- Complete construction or renovation of primary health care facilities for at least 5 communities is anticipated annually.
- Enter into formal agreements with State and Federal agencies and others as appropriate to ensure accomplishment of objectives 3–5.

#### *Goal # 2*

Local residents in Alaskan communities will have the opportunity to acquire skills and knowledge necessary to be employed on the construction, operation and management jobs created by publicly funded physical infrastructure in their communities.

#### *Objectives*

1. Local residents will have access to skills and knowledge training that is necessary for employment on publicly funded physical infrastructure in their communities.
2. The Denali Commission's investment in physical infrastructure will be protected by local residents trained to operate and maintain facilities.
3. Workers from outside a community will not need to be imported to fill construction, operations and maintenance jobs necessary for publicly funded physical infrastructure.
4. Communities will benefit from the increase in earnings from local residents

employed on publicly funded physical infrastructure.

#### *Key Activities To Achieve Goals and Objectives*

- Provide funding to a coordinated training system including, regional and local coordination, career pathway information, specific training courses, union apprenticeship-based training and non-union based training.
- Partner with the State of Alaska, Native Non-Profit Corporations, private sector, union-based training organizations, non-union based training organizations and other federal agencies to create a coordinated system to meet the training needs of local residents.
- Provide financial assistance to communities and organizations that will provide specific training to local residents to become employed on construction, operations and maintenance jobs created by publicly funded physical infrastructure projects.

#### *Performance Indicators*

- Increase the number of local area residents trained on construction, operations and maintenance of Denali Commission funded physical infrastructure in Alaska by 5% annually.
- Increase the local resident payroll on Denali Commission funded projects by 2% annually.
- Increase the annual earnings of each local resident that completes Denali Commission funded training by 5%.

#### *Goal # 3*

Rural Alaskans will have access to financial and technical resources necessary to build a cash economy to supplement the existing subsistence economy.

#### *Objectives*

1. All Alaskans will have access to programs that provide entrepreneurial education. Technical assistance and business services will be available to entrepreneurs and business owners.
2. Entrepreneurs will have access to capital resources appropriate for their circumstances including bank loans, micro loans, BIDCO loans, venture capital, SBA loans, USDA Rural Development loans, U.S. Department of Commerce EDA loans or grants.
3. Support access to partnership funding for community based utilities, infrastructure and health delivery projects.

#### *Key Activities To Achieve Goals and Objectives*

- Financial assistance will be provided through the State Department

of Community and Economic Development and the First Alaskans Foundation to assist entrepreneurs, communities and regional entities to develop economic capacity.

- Financial assistance will be provided to Alaska Growth Capital to enable that company to make loans and provide hands on technical assistance to entrepreneurs in economically distressed areas of Alaska.
- The Denali Commission will work with financial institutions, foundations and other entities as appropriate to create a revolving loan fund expressly for funding feasibility studies.
- A minimum of two partnerships will be facilitated annually leading to completed projects within 5 years.

#### *Performance Indicators*

- Minimum annual disbursement of financing by Alaska Growth Capital to business in communities defined as distressed by the Denali Commission will be \$275,000.
- Annual payroll of projects financed through Alaska Growth Capital will be at least \$90,000 and will increase annually by at least \$30,000.
- A minimum of 5 feasibility studies for new business startups in economically distressed areas of Alaska will be funded annually from the revolving loan fund.

#### *Goal # 4*

Federal and state agencies will simplify procedures, share information, and improve coordination to enhance and improve the efficiency of the delivery of services to Alaskans and the communities in which they reside.

#### *Objectives*

1. The Denali Commission will limit its own administrative expenses to no more than 5% of its total budget and will ensure that all Denali Commission partners are kept to the lowest possible overhead needed to complete a project.
2. The Denali Commission will work to gain acceptance of a single community developed comprehensive plan as the basis for all federal and state agency funding.
3. The Denali Commission will work to gain acceptance and utilization of a single comprehensive database for information (plans and project information) for rural Alaskan communities.

#### *Key Activities To Achieve Goals and Objectives*

- The Denali Commission will work with key state and federal agencies to complete and periodically update a memorandum of agreement that outlines

key actions necessary to achieve this goal.

- The Denali Commission will actively engage the Alaska Federal Executives Association, consistent with its charter, as a means to achieve this goal.

- The Denali Commission will seek the guidance and assistance of the State Co-Chair as he/she works with the Governor's cabinet to assist in meeting these goals and objectives.

- Agreements with Denali Commission program implementation partners will be negotiated to achieve the minimum practicable overhead rates.

#### *Performance Indicators*

- Administrative expenses of Denali Commission will be 5% or less.

- Denali Commission partners will be held to the lowest reasonable overhead costs needed to complete projects.

- An MOU will be reviewed annually, and updated as necessary to memorialize the commitment of federal and state agencies to this goal.

- Progress in meeting these goals and objectives will be documented annually.

#### *Implementation Guiding Principles*

- Projects must be sustainable. To assist with the implementation of this principle, an *Investment Strategy* has been drafted to ensure that the level of funding provided by the Denali Commission to infrastructure projects in small, declining and/or environmentally threatened communities serves a public purpose and is invested in the most conscientious and sustainable manner possible. (The *Investment Strategy* is now available on the Denali Commission website for *public review and comment*.)

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- Projects should be community-based and regionally supported.

- Projects should have broad public involvement and support. Evidence of support might include endorsement by affected local government councils (municipal, Tribal, IRA, etc.),

participation by local governments in planning and overseeing work, and local cost sharing on an "ability to pay" basis.

- Priority will generally be given to projects with substantial cost sharing.

- Priority will generally be given to projects with a demonstrated commitment to local hire.

- Denali Commission funds may supplement existing funding, but will not replace existing federal, state, local government, or private funding.

- The Denali Commission will give priority to funding needs that are most clearly a federal responsibility.

- Denali Commission funds will not be used to create unfair competition with private enterprise.

#### *Additional Guiding Principles for Infrastructure*

- A project should be consistent with a comprehensive community or regional plan.

- Any organization seeking funding assistance must have a demonstrated commitment to operation and maintenance of the facility for its design life. This commitment would normally include an institutional structure to levy and collect user fees if necessary, to account for and manage financial resources, and having trained and certified personnel necessary to operate and maintain the facility.

#### *Additional Guiding Principles for Economic Development*

- Priority will be given to projects that enhance employment in high unemployment areas of the State (economically distressed), with emphasis on sustainable, long-term local jobs or career opportunities.

- Projects should be consistent with statewide or regional plans.

- The Denali Commission may fund demonstration projects that are not a part of a regional or statewide economic development plan if such projects have significant potential to contribute to economic development.

#### *Additional Guiding Principles for Training*

- Training should increase the skills and knowledge of local residents to become employed on jobs created by the Denali Commission's investment in public facilities in a community.

- In order to protect the federal investment, training should increase the local capacity to operate and maintain Denali Commission funded public infrastructure.

#### *Intergovernmental Coordination—The Memorandum of Understanding*

The Denali Commission Act recognizes that our mission can only be

accomplished through a collaborative, coordinated effort by the State of Alaska and key federal agencies. The State of Alaska also recognizes benefits can be furthered if State agencies work in a collaborative and coordinated effort. With this in mind, Denali Commission has drawn up a Memorandum of Understanding (MOU), which more than 20 agencies have agreed to, that outlines some points of agreement that will facilitate the collaboration and coordination necessary for achievement of the purposes of the Denali Commission and related missions of agencies who are parties to the MOU.

The points of the MOU Are—

- *Sustainability.* Federal and State agencies recognize the importance of utilizing sustainability principles when investing in public infrastructure projects.

- *Regional Strategies.* Systematic planning and coordination on a local, regional and statewide basis are necessary to achieve the most effective results from investment in infrastructure, economic development, and training.

- *Community Plans.* A single community strategic plan should be sufficient to identify and establish the priorities of each rural community.

- *Sharing Information.* Sharing information increases efficiencies and decreases duplication of services by State and Federal agencies.

- *Economic Development.* Economic development facilitates and supports the growth of self-sufficient communities.

- *Non-Profit Organizations and Other Community Organizations.* Non-profit and other organizations in Alaska are a valuable resource for State and Federal Agencies. They provide regional planning, program support and partnering opportunities.

- *Workforce Development (Vocational and Career Training).* Workforce development is a critical component to building sustainable public infrastructure and self-sufficient communities in Alaska.

#### **Appendix A: Needs Assessment Supporting Information**

##### *Power Utilities*

*Need:* \$300.8 million  
*Annual Funding:* Denali Commission to establish.

*Source:* AEA Assessment, 2000.

*Background:* 178 communities were surveyed by the Alaska Energy Authority (AEA) which was completed in 2000. The total need for power utilities which includes power plant

construction, rehabilitation, distribution, and cost reduction projects totals \$300.8 million. The information presented below is separated by needs of communities that are part of the Alaska Village Electric Cooperative (AVEC) and all other remote communities.

#### *AVEC*

\$76,000,000—Power Plant Construction and Rehabilitation.  
\$18,000,000—Wind Power Generation Projects.  
\$1,800,000—Other Power Distribution.  
Total AVEC: \$93,800,000.

#### *Other Communities*

\$131,000,000—Power Plant Construction and Rehabilitation.  
\$20,000,000—Power Distribution Construction and Rehabilitation.  
\$56,000,000—Energy Cost Reduction Projects\*.  
Total for other communities: \$207,000,000.

In terms of facility upgrades, AEA is approximately 10% complete with the initial scope of projects. Based upon current and projected funding, AEA anticipates completing the program of upgrading projects for communities outside of AVEC by 2015.

\* Energy Cost Reduction Projects include: Alternative Energy Projects (Wind \$30 million and Hydro \$20 million) and Energy Efficiency Upgrades \$6 million.

#### *Bulk Fuel Storage*

*Need:* \$362.5 million.

*Annual Funding:* \$20 to \$40 million Denali Commission Funding.

*Source:* AEA Assessment, 2000.

*Background:* The Alaska Energy Authority (AEA) initiated an assessment of bulk fuel tank farms in rural Alaska communities in 1996. This assessment was completed in 2000.

AEA is responsible for 141 projects while the Alaska Village Electric Cooperative (AVEC) has assumed responsibility for 51 communities under construction agreements between the Commission and AVEC.

Of AEA's 141 projects, 9 have been completed by others. The balance of 132 AEA projects has a bulk capacity upgrade need of approximately 26,000,000 gallons. This average is anticipated to decline as AEA undertakes projects that are lower on the deficiency list and thus require less effort to upgrade. To date (including the 2003 construction season), AEA has upgraded 9,500,000 gallons of capacity and has projected that 11,000,000 of capacity remain to be upgraded.

The average project size AEA has undertaken is decreasing in size from an

average of \$2,100,000 in 2001 to a projected cost of \$1,700,000 in 2004. The average cost of upgrading since 2001 (including the 2003 Construction Season) is approximately \$15.00 per gallon. It is not anticipated that this cost will increase over the next few years.

In terms of storage capacity, AEA is approximately 48% complete with the initial scope of projects. Based upon current and projected funding, AEA anticipates completing the program of upgrading their respective project communities by 2010.

Of AVEC's 52 projects a total of 9 have been completed. Of the 42 remaining communities, a total of 9,800,000 gallons remains to be completed for AVEC communities.

#### *Water and Wastewater*

*Need:* Current need: \$650 million (FY 02 estimate for Alaska Natives only). (Funded Fiscal years 1960—2002: \$1.33 billion).

*Annual Funding:* There are six existing primary funding sources for developing and improving water and wastewater facilities in rural Alaska. Those sources and the amounts contributed in federal fiscal year 2002 are shown below.

U.S. Public Health Service—Indian Health Service .....	\$17,863,000
U.S. Environmental Protection Agency Drinking Water Tribal Set-Aside .....	3,958,200
U.S. Environmental Protection Agency Clean Water Tribal Set-Aside .....	7,053,100
U.S. Environmental Protection Agency Infrastructure Grant .....	36,494,500
U.S. Department of Agriculture—Rural Development .....	23,120,000
State of Alaska, Village Safe Water .....	19,873,370
<b>Total .....</b>	<b>108,362,170</b>

While these amounts vary from year to year, the annual average for fiscal years 1997 through 2002 is \$85.7 million. The trend has been towards increased funding levels.

*Background:* Assistance in developing water and wastewater facilities in rural Alaska is provided to communities through two programs. The Alaska Native Tribal Health Consortium (ANTHC) is the organization responsible for administering Indian Health Service, and EPA Indian Set-Aside sanitation construction funds in Alaska. The Alaska Department of Environmental Conservation's Village Safe Water (VSW) program is the organization responsible for administering sanitation

construction funds provided by the State, EPA (non-Tribal Set-Aside), and the USDA—Rural Development.

Both ANTHC and VSW work with rural communities to plan, design and construct sanitation systems. ANTHC and VSW have developed a close working relationship despite the relative recent transfer of the sanitation program from IHS to ANTHC in October 1998. The priority funding lists of both organizations are coordinated and generally complement each other. ANTHC predominantly works in Alaska communities with Native-owned homes, whereas VSW works in all rural communities (Native and non-Native). A lead agency is designated for each community receiving assistance. Lead agencies typically have responsibility for administering all state and federal funding in the community.

Existing funding streams and programs are making progress towards satisfying the overall need for sanitation facilities in rural Alaska. An estimated remaining need of \$650 million and a current funding level of \$108 million combine to suggest a 6-year timeframe for meeting the need.

The Denali Commission has not targeted water and wastewater improvements as a major initiative for infrastructure funding due to the level of funding and effort already underway in this sector of critical infrastructure. However, the Commission is involved in improving, planning and interagency coordination.

#### *Primary Health Care Facilities*

*Identified Need:* \$253 Million as of October 1, 2000.

\$481 Million as of April 17, 2003 for the total unmet need.

\$165 Million from the Commission to fully address clinic needs.

*Annual Funding:* Typically \$30 Million/Year.

*Source:* Annual funding is a mixture of Health Resources Services Administration (HRSA) funding and Denali Commission Base funding.

*Background:* In October 2000 the Commission published the "Alaska Rural Primary Care Facility Needs Assessment—Final Report". The report looked at primary care clinic improvements in 288 Alaskan communities with a minimum population size of 20 year-round residents, and lacking in-patient services (hospital). The report identified an unmet primary care need of \$253 Million.

Not long after the report was published the Commission recognized that the unmet primary care need for "hospital" communities was extremely



high and was not reflected in the Final Report. Within two years, the Commission also recognized that the clinic space guidelines developed for the Final Report did not correspond to the needed square footage necessary to

provide behavioral health and dental services most health organizations felt were minimally necessary. The Commission has increased their space guidelines approximately 20%. In addition, there are normal inflationary

construction cost increases. Listed in the table below is the revised estimate to fully address expected local and regional interests in improved primary care facilities.

#### APRIL 2003 ESTIMATE FOR PRIMARY CARE FACILITIES

	Total (millions)	Denali funds (millions) 65%	Match required 35%
Total Unmet Need .....	\$481	\$313	\$168
Demand Adjustment—20% reduction .....	(\$96)	(\$63)	(\$34)
Funded in FY2001 and FY2002 .....	(\$77)	(\$50)	(\$27)
Estimated Funding For FY2003 .....	(\$54)	(\$35)	(\$19)
Total Remaining Unmet Need .....	\$254	\$165	\$89

Total costs to fund the expected demand for primary care infrastructure development after the FY2003 funding cycle are estimated at \$254 million dollars. At current match requirements, the match will be \$89 million dollars of that total, and the Denali Commission requirement will be \$165 million. The Commission has noticed a trend that about 1 in 5 communities surveyed (from the Final Report) are not interested in improvements to primary care facilities due to sustainability and health service operational concerns.

#### Airport Facilities

*Need:* \$1.3 billion.

*Annual Funding:* \$65–90 million.

*Source:* Transportation Needs and Priorities in Alaska (November 2002) and Transportation Investment Analysis (Spring 2002), published by the State of Alaska Department of Transportation and Public Facilities (ADOT&PF).

*Background:* Alaska's extensive aviation system plays a crucial role in the movement of people and goods throughout the state. In many parts of rural Alaska, aviation serves as the principal link between communities. There are 1,112 designated airports, seaplane bases, and aircraft landing areas in the State of Alaska. The ADOT&PF owns and operates 261 public airports, the majority of Alaska's public airports. 23 public airports are owned and operated by local governments.

Nearly all of Alaska's airport capital improvements rely on funding from the Federal Aviation Trust Fund. This fund, supported by federal taxes on airline tickets, cargo, and fuel, supplies monies for capital improvements through the Airport Improvement Program (AIP), which is authorized for funding on an annual basis. In recent years, AIP entitlement funds for Alaska's airports varied from approximately \$65 million to \$90 million annually. The state or

local sponsor is required to contribute 6.25% in the form of match. The current AIP authorizing legislation expires on September 30, 2003, and at this time, it is unknown what changes Congress may incorporate into the AIP legislation.

#### Road Construction and Major Maintenance

*Need:* \$8.6 billion.

*Annual Funding:* \$260–350 million.

*Source:* Transportation Needs and Priorities in Alaska (November 2002) and Transportation Investment Analysis (Spring 2002), published by the State of Alaska Department of Transportation and Public Facilities (ADOT&PF).

*Background:* Improved surface transportation can have many positive effects including lowering costs for goods and services, improving village to village interaction, and allowing for state and federal investments in schools, clinics, airports, harbors, and tank farms to serve more communities per project. Because of its vast geographic expanse and young age as a state, Alaska continues to require significant resources for transportation improvements.

The list of unmet surface transportation needs in Alaska is about 1,950 projects with a total estimated cost approximating \$8.6 billion. The primary funding source for surface transportation projects in Alaska is federal-aid highway funding, which flows through the Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA). State funds are required to match these federal funds; for most highway projects, the federal ratio is 91 percent.

The State of Alaska administers most of the FHWA funding allocated to Alaska with the exception of money specifically designated for the Bureau of Indian Affairs (BIA), which currently amounts to approximately \$17 million per year. One important distinction

between FHWA and BIA funding for roads is the long-term maintenance obligation. Under FHWA, the recipient is responsible for maintenance in perpetuity, with no federal support for this activity. Under the BIA funding system, such roads are then added to the Indian Reservation Road system (IRR) and are eligible for a share of a national pot of money allocated to maintenance of IRR roads.

Through the recent TEA–21 era, average funding levels have been approximately \$350 million per year, up substantially from the approximately \$220 million under ISTEA (1991–1997). Most FHWA funding received by the state stays in larger auto-dependent communities, with some funding going to rural communities largely for sanitation roads and trail markings. Funding for projects off the road system goes primarily to the larger hub communities.

The existing authorizing legislation, TEA–21, expires on September 30, 2003. Congressional changes to the reauthorization are unknown at this time. However, given the current economic climate, estimates of future federal funding are not as optimistic as those made one year ago.

#### Port Facilities

*Need:* \$300 million.

*Annual Funding:* \$7 to 15 million.

*Source:* Transportation Needs and Priorities in Alaska (November 2002) and Transportation Investment Analysis (Spring 2002), published by the State of Alaska Department of Transportation and Public Facilities (ADOT&PF).

*Background:* With over 30,000 miles of shoreline, relatively few roads, and 90 percent of the state's population living within ten miles of the coast or along a major river, Alaska's marine facilities are integral to the local, statewide, and international transportation of goods and people.

Ports and harbors have no federal capital assistance program comparably to the highway and airport funding programs. Federal funds for ports and harbors come through the U.S. Army Corps of Engineers. The Corps distributes funding on a nationally competitive, project-by-project basis. State and local communities in Alaska have been awarded between \$7 and 15 million annually in federal funding for all Corps of Engineers programs in recent years. For construction, the Corps requires between 20 and 35 percent match for projects such as dredging basins, docks, floats, grids, and upland facilities. Though not a dedicated funding source, the Marine Users Fuel Tax is the traditional foundation of small boat harbor improvements in the State, and general obligation bonds have been the foundation of State assisted port development.

#### *Telecommunications*

*Need:* Unknown.

*Annual Funding:* \$7.5m in FY03 funding for Regulatory Commission of Alaska's Rural Broadband Internet Grant Program. Several other funding support mechanisms including Universal Service Fund also exist.

*Background:* In January 2001, the Denali Commission, in partnership with the State of Alaska, completed an inventory of available telecommunication services in rural Alaska. Among other findings, the inventory found that 61% of all Alaskan communities do not have access to local dial-up Internet service. This identified need is being addressed through the Regulatory Commission of Alaska's Rural Broadband Internet Grant Program and Telecommunications Industry investment and expansion of Internet offerings in most rural communities in the next 1–3 years.

#### *Solid Waste Disposal Facilities*

*Need:* Unknown.

*Annual Funding:* Generally less than \$1,000,000.

*Background:* Solid waste disposal is a necessity for all rural Alaska communities as it is for every community in the country. Observation would indicate that the majority of rural Alaska communities do not have facilities that meet basic legal requirements for solid waste disposal. The State of Alaska is preparing a state solid waste/regionalization plan. That plan will be available in the fall of 2003 and will include recommendations for managing solid wastes in the different regions of the State.

#### *Community Facilities*

*Need:* Unknown.

*Annual Funding:* Unknown.

*Background:* Communities have a need for community assembly facilities for various purposes, including planning, meetings, traditional functions, and recreation for youth. These facilities, when available, are heavily used in rural communities. No assessment mechanism is in place for determining statewide needs for community facilities.

### **Appendix B: Program Principles Supporting Information**

#### *Rural Infrastructure Development*

In the evolution of the Denali Commission and its approach to infrastructure development some principles have been established. These include the following:

- Selection of infrastructure themes for allocating funds. In FY99 rural energy was selected as the primary infrastructure theme. That priority was continued in FY00, and is expected to continue in FY01 and beyond. In FY00 rural health care facilities were selected as the second infrastructure theme. Other themes may be selected in future years.
- Selection of program/project partners to carry out infrastructure development. The Alaska Energy Authority (AEA) was selected as the Denali Commission's first partner for rural energy projects. AEA was selected because of its demonstrated capability to prioritize and implement rural energy projects. The Alaska Village Electric Cooperative was selected as the second energy partner and Alaska Native Tribal Health Consortium was selected as the Commission's primary partner for clinic design and construction. The overriding point in selection of a program/project partner is that the Commission wishes to utilize existing capabilities provided by state or federal agencies or other organizations. More than one partner may be identified to participate in carrying out Commission sponsored programs/projects for a particular theme.
- Project selection by the Commission and/or the program/project partner must be defensible and credible. In the case of AEA, two separate comprehensive statewide project priority lists had been developed—one for bulk fuel storage facilities, and a second for power generation/distribution projects. As in the case of AEA the Commission will utilize existing credible priority systems. Where a credible statewide priority methodology for a selected theme does not exist, the Commission in

cooperation with appropriate organizations will foster the development of a system. This is illustrated by the Commission's efforts in partnership with the Alaska Department of Health and Social Services, the Indian Health Service, and the Alaska Native Tribal Health Consortium to develop a prioritization methodology for primary health care facilities.

- Theme selection is a methodical process. The Commission has stressed the importance of comprehensive investigation and exploration of infrastructure themes so that Commission resources are strategically funneled to "gaps" in state and federal funding streams. Carrying out needs assessments on various infrastructure themes is central to the development of a theme. Energy, telecommunications, and rural primary health care facilities are examples of assessments that were initiated in conjunction with interested state and federal agencies in the Commission's first year.

- Commission partners are responsible for compliance with procedural and substantive legal requirements. It is the expectation of the Denali Commission that partners will comply with all applicable local, state and federal laws in carrying out Commission funded programs/projects. For example, the partner must address NEPA and OSHA regulations, federal auditing requirements, competitive procurement issues and so forth. As a result, the Commission will look to partners who have demonstrated both administrative and program/project management success.

- Adherence to the successful project management elements of time, budget and quality. Each of these factors is central to Denali Commission agreements with partners. The Commission wants to put our partners in a position of success in meeting the triple constraint of project management: Deliver the project on time, on budget and completion of the full project scope in a cost effective manner. The challenge to the Commission is to allow sufficient flexibility for each partner to carry out the programs/projects within their own established methods while assuring confident project completion and meeting all requirements of applicable laws and regulations. For example, the AEA employs a project methodology that relies heavily on force account construction (locally sponsored government crews). AEA also uses construction contracting to a lesser degree. In short, each agreement with a partner organization must be tailored to

fit their approach to program/project management.

#### *Rural Energy Approach*

AEA has employed a two-step approach to bulk fuel project funding that is strongly supported by the Commission. Starting at the top of the AEA priority list, projects are provided 35% design funds one or more years before being eligible for capital funding. This allows for more accurate project cost estimates, resolution of easement and land issues, development of agreements between various local parties in site selection and tank farm ownership/maintenance. This step also serves to filter projects that are not ready for construction, for one reason or another, from advancing to the second step of project funding. This two-step approach ensures that funding does not sit unused by projects that are not ready for construction. Once a project has resolved any obstacles at the 35% design stage, then they are eligible for capital funding.

AEA will reevaluate its priority list from time to time in order to factor in new information, particularly information from the statewide energy strategy. This reevaluation may result in some modification of the list. Funding priorities will also be subject to "readiness to proceed" considerations as described in part above.

#### *Rural Primary Care Facilities Approach*

In the past, communities constructed clinics based upon available grant funds (typically community development block grants of \$200,000 to \$500,000). Consequently clinic square footage was based upon available funding and not necessarily upon health care delivery service appropriate for the population and demographics of the community. Many clinics are therefore undersized. In FY99 the Commission allocated \$300,000 to undertake a needs assessment for rural primary care facilities. The needs assessment was completed in October 2000 and included a database of primary health care facility needs statewide as well as a project prioritization methodology. The Commission's investments in rural health facilities is based on this needs assessment.

#### *Job Training Strategy*

The Commission realizes that proper and prudent investment in public infrastructure must include a component for training local residents to maintain and operate publicly funded infrastructure. The Commission further realizes that through its investment in public infrastructure, such as bulk fuel

storage facilities, it is creating numerous jobs related to the construction of these facilities and must develop a strategy to ensure local residents are properly trained to receive these jobs.

The Denali Commission's Training Strategy creates a statewide system to increase the local employment rates in Alaskan communities through the development of skills necessary to construct, maintain, and operate public infrastructure.

The Commission has approved 10% of the FY00-FY 02 funding for implementation of the Training Strategy. Through this funding the Commission ensures local residents are employed on public facility construction projects in their communities, while also protecting the Denali Commission's investment in infrastructure by ensuring local residents are properly trained in the operations and maintenance of completed facilities.

The Denali Commission's Training Strategy involves several components that create a statewide system for job training outreach, coordination and delivery in rural Alaska. The Commission has partnered with several statewide organizations that will perform the necessary functions that make up the Denali Commission's Training Strategy.

The Training Strategy provides the Denali Commission the flexibility for future investment in job training needs statewide. Currently the Commission's partners and the Denali Training Fund are focusing on jobs created by the construction of energy and health related projects. In the future, the Training Strategy will focus its efforts on other areas where the Commission is investing.

#### *Economic Development Strategy*

The Denali Commission is not a funding agency for traditional economic development activities. The Commission has a strategy that outlines the appropriate role of the Commission in the area of economic development. The strategy includes the following components:

- The Commission, where appropriate will play the role of convener, bringing potential economic development participants together to support projects that meet Commission Standards outlined in paragraph IV below.
- The Commission will act as a facilitator to assist in matching high priority, high potential public or private investment opportunities with available funding sources.

- The Commission will serve as a catalyst for identification and removal of unnecessary economic development barriers by government.

#### *Regional Development Strategy*

The Denali Commission encourages communities/tribes to build a local comprehensive plan and strategy, a component of which will be economic development. A comprehensive plan may also be referred to as a Development Strategy.

Communities are encouraged to work with regional organizations such as ARDOR's, Regional Non-Profit Corporations, Borough Governments and Regional for-profit organizations to develop comprehensive strategies of which economic development will be a component. Regional strategies should take into consideration existing regional planning and strategy efforts including, but not limited to, the efforts of the FAA, HUD, Alaska DOT, ANTHC, Alaska VSW, State Division of Public Health, Alaska Department of Public Safety, regional non-profits and others.

The Denali Commission encourages the state to assist with technical support and funding at the local and regional level to build local and regional development strategies. The Denali Commission also encourages state and federal governments to utilize the local and regional development strategies when prioritizing projects in the state or in a region.

**Jeffrey B. Staser,**

*Federal Co-Chair.*

[FR Doc. 03-16416 Filed 6-27-03; 8:45 am]

**BILLING CODE 3300-01-P**

## **DEPARTMENT OF EDUCATION**

### **Submission for OMB Review; Comment Request**

**AGENCY:** Department of Education.

**SUMMARY:** The Leader, Regulatory Information Management Group, Office of the Chief Information Officer invites comments on the submission for OMB review as required by the Paperwork Reduction Act of 1995.

**DATES:** Interested persons are invited to submit comments on or before July 30, 2003.

**ADDRESSES:** Written comments should be addressed to the Office of Information and Regulatory Affairs, Attention: Karen Lee, Desk Officer, Department of Education, Office of Management and Budget, 725 17th Street, NW., Room 10235, New Executive Office Building, Washington, DC 20503 or should be electronically