

SOUTH UTAH VALLEY ELECTRIC CONVEYANCE ACT

MAY 17, 2013.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. HASTINGS of Washington, from the Committee on Natural Resources, submitted the following

R E P O R T

[To accompany H.R. 251]

[Including cost estimate of the Congressional Budget Office]

The Committee on Natural Resources, to whom was referred the bill (H.R. 251) to direct the Secretary of the Interior to convey certain Federal features of the electric distribution system to the South Utah Valley Electric Service District, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF THE BILL

The purpose of H.R. 251 is to direct the Secretary of the Interior to convey certain Federal features of the electric distribution system to the South Utah Valley Electric Service District.

BACKGROUND AND NEED FOR LEGISLATION

The Bureau of Reclamation (Reclamation) began developing the Strawberry Valley Project (SVP) in Utah in 1906. Today, this federal project includes the Strawberry Dam and Reservoir, several diversion dams, canals, three power plants and a 296-mile long electric transmission and distribution system. The Strawberry Water Users Association (SWUA), which operated the SVP until 1986 and repaid all applicable construction costs of the electricity distribution system to the federal government, also owned a portion of that electricity distribution system.

In 1986, SWUA sold its portion of the electricity distribution system to the South Utah Valley Electric Service District (SESD). Since there was a mix of federal and non-federal ownership of the electricity distribution system, Reclamation approved the sale only on the condition that the sale be limited to those portions that were

not part of the original SVP or were not constructed on federal lands or easements. At the time, Reclamation, SWUA and the SESD believed that most of the distribution system was non-federal. However, Reclamation recently determined that most of the distribution system was built on federal easements acquired early in the SVP history. Reclamation, as a result, now believes that most of the distribution system still belongs to the federal government. It has not quantified how much of the system it owns, however, due to inadequate paperwork. The federal government's determination has created system management and ownership uncertainty since it is unclear which entity owns which portions of the electric distribution system. H.R. 251 resolves this confusion by placing the entire system in local ownership by transferring federal title to the SESD.

In general, such title transfers benefit both local communities and the federal government. The transfer of title will divest Reclamation of federal liability while providing the non-federal entity with greater autonomy and flexibility to manage facilities in a manner that best meets its needs. Non-federal ownership also gives a local entity the ability to leverage private equity in the event of needed repairs or for other reasons. Each Reclamation title transfer requires specific Congressional authorization and Presidential signature. Since 1996, titles to portions of 27 Reclamation projects have been transferred.

COMMITTEE ACTION

H.R. 251 was introduced on January 15, 2013, by Congressman Jason Chaffetz (R-UT). The bill was referred to the Committee on Natural Resources, and within the Committee to the Subcommittee on Water and Power. On April 24, 2013, the Full Natural Resources Committee met to consider the bill. The Subcommittee on Water and Power was discharged by unanimous consent. No amendments were offered, and the bill was then adopted and ordered favorably reported to the House of Representatives by unanimous consent.

SECTION-BY-SECTION ANALYSIS

Section 1. Short title

This section provides the short title of the bill: the South Utah Valley Electric Conveyance Act.

Section 2. Definitions

This section defines key terms used in the bill.

Section 3. Conveyance of electric distribution system

This section directs the Secretary of the Interior to convey all right, title, and interest currently owned by the United States to the South Utah Valley Electric Service District (SESD), requires that the conveyance of land shall comply with all applicable environmental laws and excludes the Strawberry Valley Project power generation system and the federally-owned portions of the 46 kilovolt transmission system, except in specific and limited cases, from being conveyed to the SESD.

Section 4. Effect of conveyance

This section specifies that the land and facilities conveyed shall no longer be part of a federal reclamation project, that SESD shall not be entitled to any future Reclamation benefits for the conveyed land and facilities, and that the federal government shall not be liable for damages related to the land and facilities, including the 1986 sale between the Strawberry Water Users Association and the SESD.

Section 5. Report

This section requires that if the conveyance under section 3 is not completed within one year of enactment, the Secretary of the Interior shall submit a report to Congress that describes the status of the conveyance, any obstacles preventing completion of the conveyance, and specifies an anticipated new date for completion of the conveyance.

COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

Regarding clause 2(b)(1) of rule X and clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee on Natural Resources' oversight findings and recommendations are reflected in the body of this report.

COMPLIANCE WITH HOUSE RULE XIII

1. Cost of Legislation. Clause 3(d)(1) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison by the Committee of the costs which would be incurred in carrying out this bill. However, clause 3(d)(2)(B) of that rule provides that this requirement does not apply when the Committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974. Under clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 403 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for this bill from the Director of the Congressional Budget Office:

H.R. 251—South Utah Valley Electric Conveyance Act

H.R. 251 would direct the Secretary of the Interior to transfer title to the electric distribution system located in Spanish Fork, Utah, to the South Utah Valley Electric Service District. Based on information from the Bureau of Reclamation, CBO estimates that implementing the legislation would have no significant net impact on the federal budget. Enacting H.R. 251 would have an insignificant impact on direct spending; therefore, pay-as-you-go procedures apply. The legislation would not affect revenues.

The electric distribution system was developed as part of the Strawberry Valley Project in the 1920s. The Strawberry Water Users Association, the nonfederal sponsor of the project, satisfied all federal repayment obligations associated with the project in 1974. In 1986, the Bureau of Reclamation transferred financial responsibility for operating and maintaining the system to the South Utah Valley Electric Service District. Under the current law, the bureau oversees those activities.

Under the legislation, transfer to the district of title to the electric distribution system would include all federally owned fixtures and the underlying federal land not shared by other facilities. In instances where the underlying federal land is also occupied by other facilities and in the case of shared power poles, permanent access and licensing privileges would be granted to the district to perform required maintenance.

Under H.R. 251, the Bureau of Reclamation would no longer oversee the facilities or collect licensing fees from utilities seeking easements. Based on information from the bureau, CBO estimates that the loss of those collections would not be significant.

H.R. 251 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.

On March 25, 2013, CBO transmitted a cost estimate for S. 25, the South Utah Valley Electric Conveyance Act, as ordered reported by the Senate Committee on Energy and Natural Resources on March 14, 2013. The two pieces of legislation are similar, and CBO cost estimates are the same.

The CBO staff contact for this estimate is Aurora Swanson. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.

2. Section 308(a) of Congressional Budget Act. As required by clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974, this bill does not contain any new budget authority, spending authority, credit authority, or an increase or decrease in revenues or tax expenditures. Based on information from the Bureau of Reclamation, CBO estimates that implementing the legislation would have no significant net impact on the federal budget.

3. General Performance Goals and Objectives. As required by clause 3(c)(4) of rule XIII, the general performance goal or objective of this bill is to direct the Secretary of the Interior to convey certain Federal features of the electric distribution system to the South Utah Valley Electric Service District.

EARMARK STATEMENT

This bill does not contain any Congressional earmarks, limited tax benefits, or limited tariff benefits as defined under clause 9(e), 9(f), and 9(g) of rule XXI of the Rules of the House of Representatives.

COMPLIANCE WITH PUBLIC LAW 104-4

This bill contains no unfunded mandates.

COMPLIANCE WITH H. RES. 5

Directed Rule Making. The Chairman does not believe that this bill directs any executive branch official to conduct any specific rule-making proceedings.

Duplication of Existing Programs. This bill does not establish or reauthorize a program of the federal government known to be duplicative of another program. Such program was not included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111-139 or identified in the

most recent Catalog of Federal Domestic Assistance published pursuant to the Federal Program Information Act (Public Law 95-220, as amended by Public Law 98-169) as relating to other programs.

PREEMPTION OF STATE, LOCAL OR TRIBAL LAW

This bill is not intended to preempt any State, local or tribal law.

CHANGES IN EXISTING LAW

If enacted, this bill would make no changes in existing law.

