Alaska Mental Health Trust Land Exchange Act of 2016 Letters of Support

Although all of these were obtained for the effort to support the federal legislation last year, the letters of support are consistent with this year's federal and state legislation.

Southeast Conference
Alta Forest Products
Brian Brown
Clare Doig
Dahlstrom Lumber Company
Ketchikan Gateway Borough
Kirk Dahlstrom Testimony
Russ Webb
Mary Jane Michael
Larry Norene
Petersburg, Alaska
Randy Johnson, Tyler Rental
Carl Portman, Resource Development Council of AK Borough of Wrangell, Alaska
AK Board of Forestry, Chris Maisch
Senator Murkowski letter to Secretary Vilsak
Secretary of Agriculture Vilsak response letter to Senator Murkowski
John Morrison testimony on S.3006
John Morrison testimony on S.3203

Southeast Conference

Resolution 13-03

A RESOLUTION OF THE SOUTHEAST CONFERENCE IN SUPPORT OF ALASKA MENTAL HEALTH TRUST – U.S. FOREST SERVICE LAND EXCHANGE

WHEREAS, in 1956, Congress passed the Alaska Mental Health Enabling Act, entitling the Territory of Alaska to one million acres of federal land to be used for revenue generation to support mental health services in Alaska The Territory and State of Alaska selected land throughout the state under this entitlement, and

WHEREAS, the Alaska Mental Health Trust Authority is a state corporation that administers the Alaska Mental Health Trust, a perpetual trust established for the benefit of Alaskans with mental illness, developmental disabilities, chronic alcoholism, and Alzheimer's disease and related dementia. The Trust operates much like a private foundation, using its resources to team with the Alaska Legislature in funding the state's mental health program, and

WHEREAS, the Trust owns about 18,000 acres of land that are primarily timber lands in and around the Southeast Alaska cities, towns and villages of , Juneau, Wrangell, Petersburg, Sitka, Meyers Chuck and Ketchikan, and

WHEREAS, the Southeast Conference is aware of known conflicts between residents of said Southeast Alaska communities and the Trust's need to harvest timber on their land for revenue generation, and

WHEREAS, the Alaska Mental Health Trust is proposing a value for value land exchange with the U.S. Forest Service The Trust, Forest Service and other parties have identified approximately 2,000 acres of timber lands in the Tongass National Forest (TNF) near Naukati, and Hollis on Prince of Wales Island and Shelter Cove and Gravina Island near Ketchikan, and

WHEREAS, the proposed Alaska Mental Health Trust - U.S. Forest Service – Alaska Mental Health Trust Land Exchange, if successful will aid in the stable supply of timber to the Alaska Timber Industry,

THEREFORE BE IT RESOLVED, the Southeast Conference supports the proposed land exchange between the U.S. Forest Service and the Alaska Mental Health Trust as presented at the packet dated September 4, 2012.

ADOPTED BY THE SOUTHEAST CONFERENCE BOARD OF DIRECTORS ON March 18, 2013 and sunsets on March 18, 2014

Witness:

Timothy D. Rooney

Tim Rooney
President

Attest:

Shelly Wright

Shelly Wright
Executive Director

Alta Forest Products
810 NW Alta Way
Chehalis, WA 98532

9-19-16

Dear Senator Cantwell,

In regards to Senate Bill – S.3006

Regarded as "Alaska Mental Health Trust Land Exchange Act of 2016"

Alta Forest Products operates three Western Red Cedar (WRC) fence manufacturing facilities in Washington State (Morton, Shelton, and Amanda Park) employing over 300 dedicated milling professionals with family wage jobs. We work hand in hand with TERO and employ an exemplary crew of minority workers at our Amanda Park mill which is located on the Quinault Reservation

Alta's fencing products are produced from renewable Western Red Cedar trees. The logs are sourced exclusively from well managed timberlands in regions where the species grow, including Washington, Oregon, Idaho & Alaska

Alta prides itself by leading the industry in technology and green manufacturing which results in 100% of the log fiber being recovered and utilized.

In recent years West coast WRC manufactures have been extremely challenged to source enough raw materials to keep their mills running and our industry has seen the closure of multiple mills. Most recently was early 2016 when Mary's River Lumber that employed some 250 workers in Washington and Oregon was forced to close and publicly cited the lack of raw materials as the main contributing factor to the company's closure

The passage of S.3006 will give an opportunity for WRC logs that do not fit the grade of products manufactured in the state of Alaska to be processed by mills in Washington State.

At the same time that our industry suffers from lack of raw materials due largely to timber harvest restrictions, consumer demand for our products is high. We urge you to keep inferior foreign products from being imported into our markets and putting our Washington jobs at risk. Please pass bill S.3006 which makes sense for state of Alaska and Washington.

Sincerely,

Todd Shipp
Vice President of Procurement
Alta Forest Products

September 20, 2016

The Honorable Lisa Murkowski
709 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Murkowski,

Please accept these comments for the committee regarding the Alaska Mental Health Trust Land Exchange.

As you know and understand, the Timber Industry in Alaska is on life support and may soon disappear completely. This would be a hard blow to the region's fragile economy. In many of our communities there are very few opportunities to work year round in a position that provides enough income and stability to raise a family and otherwise thrive. Without timber harvest, many more young people will leave, and more communities will be hollowed out.

The US Forest Service has not been able to provide adequate timber to keep any stability for the industry in Southeast Alaska. The exchange of the 17,341 acres of Trust lands for up to 20,580 acres of US Forest Service lands of equal value would avoid the potential adverse impacts on tourism, recreation, wildlife management, and watershed protection while sustaining what remains of the timber industry in Southeast Alaska by providing more timber lands that could be managed on a sustained yield basis.

The Alaska Mental Health Trust Land Exchange bill is critical to maintain the current timber industry in SE Alaska by providing the Trust the ability to offer sufficient timber supply until other lands owners can place enough timber on the market during the transition to young growth harvest. Trust timber sales will provide required timber for the last medium size sawmill on Prince of Wales which supplies employment for 150 people. The timber industry provides many other jobs in SE communities.

I strongly urge you to pass the Alaska Mental Health Trust Land Exchange bill to support the SE economy, communities, timber industry, and the Trust in providing mental health services in SE Alaska.

Sincerely,

Brian Brown
PO Box 23105
Ketchikan, Alaska 99901

From: Clare Doig
To: Chuck_Kleeshulte@energy.senate.gov
Subject: Support of S.3006
Date: Monday, September 19, 2016 10:00:46 PM

Dear Senator Murkowski,

I am writing in support of S. 3006, the exchange of lands between the Alaska Mental Health Trust and the U.S. Forest Service.

This exchange will benefit the communities which value the Trust's current lands as the scenic background that enhances their tourism dependent enterprises. It will benefit the Mental Health Trust by allowing it to manage the forest lands it receives as investment properties to generate revenues to support the programs needed by the Trusts beneficiaries; Alaskans with mental health problems and related disabilities. The exchange will benefit the residents of southeast Alaska by supporting the continued operation of the only large sawmill and the major employer in Klawock and Prince of Wales Island.

This exchange will also benefit the US Forest Service, as it will provide a little more time for it to work through the the various issues preventing it from fulfilling it's mandate to provide sufficient volumes of economically operable timber to support the southeast Alaska timber industry.

I am writing this as a professional forester, born and raised in Sitka, Alaska, and having worked the majority of my professional career in Alaska. It is my personal and professional opinion that this exchange is in the best interest of all of the principal stakeholders.

Thank you for your consideration of these comments.
Sincerely,

Clare E.Doig, ACF,CF
P.O. Box 110149
Anchorage, Alaska 99511

DAHLSTROM LUMBER COMPANY

100 Airport Way • P.O. Box 386 • Hoquiam, WA 98550

Telephone (360) 533-0448, 533-0521 • FAX (360) 533-3619

Dear Sir or Madam:

We are writing in an effort to express the impact that the Alaska Mental Health Trust land exchange will have on several communities throughout SouthEast Alaska and Washington State especially. The land exchange is vital in providing continued economic security within these communities.

The Alaska Mental Health Trust land exchange will not only generate income for the Trust for many Alaskans with mental illness, brain injuries, developmental disabilities and Alzheimer's disease , to name a few, but has also far reaching affects to many small communities that are dependent on jobs provided by the timber supply generated by the harvest and management of the forest.

Directly, Viking Lumber, the only old-growth sawmill still in operation in Southeast Alaska currently employs 43 employees within a small community in Klawock Alaska. This sawmill, though seemingly small, is mighty in the far reaching impact its vital operation has on the continued employment of jobs throughout Alaska and Washington and Oregon. The continued supply of wood brought to the mill will sustain the viability of the mill and allow it to continue to operate profitably. It is essential that this mill not be allowed to close as it is the keystone in production that will make it possible for many other companies to also continue business in several economically sensitive communities.

Companies that employ many with jobs that are essential for struggling families in communities that are not rich with opportunity are keen to see the Alaska Mental Health Trust land exchange proceed. These companies, Papac Alaska, Columbia Helicopters, Boyer Tug and Barge, Alcan Timber, just to name a few are associated with the business provided through the harvest of timber that the land exchange will ensure.

In Washington state, several businesses are also directly impacted by the production of the Viking Lumber mill. Little River and Afab and Dahlstrom Lumber are companies that employ 38 direct jobs in the Grays Harbor county and depend on the production generated by the mill in Alaska. Not only do these companies provide many stable jobs for its employees but indirectly bring business to other companies within the Grays Harbor area. These companies, along with Viking Lumber in Klawock Alaska, will likely not survive without the Alaska Mental Health Trust Exchange.

The Alaskan Mental Health Trust land exchange, after years of conscientious planning with local governments and environmental and conservation groups, has come up with an acceptable policy for continued stewardship of land that not only just makes sense environmentally for the community but also economically. With the land exchange the Trust will continue to be able to provide much needed services to those in need. Countless jobs generated in small communities of Alaska and Washington where small businesses are dependent on the timber supply directly and indirectly are hanging in the balance.

Please consider the impact the Alaskan Mental Health Trust land exchange will have on so many families. Your position and voice are much needed in bringing light to the importance of this matter.

Sincerely,

Dennis Reynvaan

Dennis Reynvaan

KETCHIKAN GATEWAY BOROUGH

RESOLUTION NO. 2667

A Resolution of the Assembly of the Ketchikan Gateway Borough Strongly Supporting and Urging Passage of S. 3006, the Alaska Mental Health Land Exchange Act of 2016

RECITALS

A. **WHEREAS**, in 1956, Congress passed the Alaska Mental Health Enabling Act, granting an entitlement of one million acres of federal land to the Territory of Alaska to generate revenues for the benefit of Alaskans with mental illness, developmental disabilities, chronic alcoholism, Alzheimer's disease, and dementia; and

B. **WHEREAS**, the Alaska Mental Health Trust Board has a fiduciary responsibility to: (1) maximize long-term revenue from Trust Land; (2) encourage a diversity of revenue-producing uses of Trust Land; (3) manage Trust Land prudently, efficiently and with accountability to the Trust and its beneficiaries; and (4) protect and enhance the long-term productivity of Trust Land; and

C. **WHEREAS**, for nearly a decade, the Alaska Mental Health Trust has been seeking to exchange with the US Forest Service 18,066 acres of forested Trust lands near downtown Ketchikan, Juneau, Petersburg, Wrangell, Sitka, and Myers Chuck, in exchange for US Forest Service timber lands of equal value in the Ketchikan Gateway Borough and on Prince of Wales Island; and

D. **WHEREAS**, from the perspective of Trust beneficiaries, the highest and best use of the 18,066 acres of Trust lands may be to harvest high-value timber lands and develop other lands for residential, commercial, or industrial purposes; and

E. **WHEREAS**, harvesting and development of the 18,066 acres could have wide ranging adverse impacts on tourism, recreation, wildlife management, and watershed protection; and

F. **WHEREAS**, the exchange of the 18,066 acres of Trust lands for US Forest Service lands of equal value of lands would avoid the potential adverse impacts on tourism, recreation, wildlife management, and watershed protection; and would also help sustain what remains of the timber industry in Southeast Alaska by providing more timber lands that could be managed on a sustained yield basis; and

G. **WHEREAS**, the Ketchikan Gateway Borough Assembly has consistently and repeatedly endorsed the proposed land exchange (e.g., Resolution No. 2293

adopted January 17, 2011; Resolution No. 2409 adopted June 4, 2012; Resolution No. 2471-A adopted June 17, 2013; Resolution No. 2513 adopted October 21, 2013); and

H. **WHEREAS**, on June 30, 2015 the US Forest Service and the Trust completed an "Agreement To Initiate" an administrative land exchange which involves preparation of an Environmental Impact Statement that could take years to complete; and

I. **WHEREAS**, delays in the US Forest Service timber sale planning efforts have caused serious concerns that there will not be enough timber available to support what remains of the timber industry in Southeast Alaska to allow it to transition to young-growth timber unless the State of Alaska and Mental Health Trust can provide bridge timber sales in the interim; and

J. **WHEREAS**, S. 3006, the Alaska Mental Health Trust Land Exchange Act of 2016, sponsored by U.S. Senator Lisa Murkowski and co-sponsored by U.S. Senator Dan Sullivan, would provide Congressional authorization and direction for the exchange, which should expedite completion of the transfer so that timber lands could be transferred to the Trust within 12 months; and

K. **WHEREAS**, the Alaska Mental Health Trust Land Exchange Act of 2016 is fair and responsible; notably, it requires: (1) the land exchange to be of equal value, based on appraisal; (2) environmental reviews to protect all species, cultural and historic resources, wetlands, and floodplains; (3) that tribal consultations be conducted; and (4) that the trust cover all expenses incurred by the US Forest Service in completing the exchange; and

L. **WHEREAS**, the Trust has previously worked with the Ketchikan Gateway Borough and other affected municipal governments, affected communities, the Southeast Alaska Conservation Council, the Tongass Futures Roundtable, the Mitkof Homeowners Association of Petersburg, The Nature Conservancy and Trout Unlimited to select lands with the least environmental impacts and to fashion the exchange terms to benefit wildlife.

NOW, THEREFORE, IN CONSIDERATION OF THE ABOVE FACTS, IT IS RESOLVED BY THE ASSEMBLY OF THE KETCHIKAN GATEWAY BOROUGH as follows:

Section 1. The Ketchikan Gateway Borough strongly supports and urges passage of S.3006, the Alaska Mental Health Trust Land Exchange of 2016, which reflects the proposed land exchange between the US Forest Service and the Alaska Mental Health Trust as presented in the Agreement to Initiate dated June 30, 2015.

Section 2. The Borough Clerk is directed to provide a copy of this resolution to:

(1) The Honorable Lisa Murkowski, U.S. Senator for Alaska;
(2) The Honorable Dan Sullivan, U.S. Senator for Alaska;
(3) The Honorable Don Young, U.S Congressman for Alaska;
(4) The Honorable Bill Walker, Governor of Alaska;
(5) Tom Vilsack, Secretary of Agriculture;
(6) M. Earl Stewart, Tongass Forest Supervisor;
(7) Jeff Jessee, Chief Executive Officer, Alaska Mental Health Trust Authority;
(8) John Morrison, Executive Director, Alaska Mental Health Lands Trust Office

Section 3. Effective Date. This resolution shall be effective immediately.

ADOPTED this 15th day of August, 2016.

David Landis, Borough Mayor

ATTEST:

Kacie Paxton, Borough Clerk

APPROVED AS TO FORM:

Scott A. Brandt-Erichsen, Borough Attorney

Testimony of Kirk Dahlstrom
Secretary
Viking Lumber

Testifying Before
Senate Energy and Natural Resources Committee
Regarding
S. 3203 The Alaska Economic Development Act
September 19, 2016

Good Morning Senator and Chair Murkowski, Ranking Member Cantwell, and Members of the Committee. Thank you for the opportunity to present testimony today at this hearing. My name is Kirk Dahlstrom. I am Secretary and operator of Viking Lumber Mill located in Klawock, Alaska. Viking is the sole remaining mid-sized sawmill in southeast Alaska. and a family-owned and operated business, incorporated in the State of Alaska. I have been the general manager of operations at Viking's facilities located between Craig and Klawock on Prince of Wales Island, Alaska since 1994. I am responsible for all of Viking's operations. The mill is this point is almost totally depended on timber which is sold from the Tongass National Forest.

Viking strongly supports rapid passage of Section 502, the Alaska Mental Health Land Exchange. The passage of this section is absolutely critical for the continued success and viability of the Viking Mill and for Viking's sister company's(Dahlstrom Lumber Company) operations in Washington State at Hoquiam. Viking and Dahlstrom Lumber Company operate in an integrated process and wood which Viking is able to harvest in Southeast Alaska plays a key part in the integrated operations which the Hoquiam Mill supplies our customers. Seventy per cent of our customers are domestic purchasers, including Wayne Dalton Corporation, Centralia, Washington, Sierra Lumber, San Jose, California, and Jameson Fence Supply, Dallas, Texas.

It is absolutely critical that I continue a steady supply for my Alaska operation which will also affect the Hoquiam Washington facility. Viking sends much of its timber to Hoquiam for remanufacture and to be dressed, dried, packages, wrapped and distributed. This integrated work in Hoquiam helps support the 38 jobs in Washington State. I am also submitting two letters of support from Alta Forest

Products and Dahlstrom Lumber facility in Hoquiam each of which supports the passage of the Alaska Mental Health Trust Land Exchange as important to their operations. Please accept and add these letters to the hearing record.

Viking is a key economic engine in Southeast Alaska as it provides jobs for its own mill workers, as well as related employment for timber fallers, truck drivers, equipment owners, and operators as well as stevedores many of whom are also members of AFA. I was also President of AFA for four years and remain on AFA's Board of Directors. I make this testimony to provide the committed facts regarding the devastating harm that could befall the families, related businesses, and communities of Southeast Alaska if the Alaska Mental Health Exchange does not pass and quickly.

Viking manufactures raw logs into lumber products. With no timberland holdings of its own, Viking is entirely dependent on a steady supply of public timber sales, the majority of which are offered by the Forest Service on the Tongass National Forest. Timber from the Tongass has always been and continues to be a critical source of supply for Viking's operations. Since 1994, we have purchased and successfully operated over 30 Forest Service timber sales. But now, the Forest Service timber sales are lagging and are not providing my mill with a steady supply of timber. Viking needs the AMHT land exchange to provide some other source of timber supply to help broaden and diversify its timber supply base.

We have operated our mill continuously for 15 years, except for maintenance shutdowns, until we had to shut down our mill for the first time on December 17, 2009, because we lacked the necessary volume of Hemlock and Spruce logs to continue mill operations. As a result, we had to lay off 15 employees.

Fortunately, the Forest Service awarded the Diesel timber contract to Viking on December 23, 2009. Because of our critical need for the logs from Diesel, we moved forward to promptly complete the necessary paperwork and planned to restart the mill on February 8, 2010, at which time we also planned to re-hire all of our laid off personnel, and keep the mill running continuously that year.

However, on January 11, 2010, environmental groups filed a lawsuit seeking, among other things, to enjoin the Diesel timber sale putatively (and much like the instant lawsuit) to protect the Alexander Archipelago wolf and the Sitka black-tailed deer,

which is one source of food for the wolf. Tongass Conservation Soc'y v. Forest Service, 10-cv-00006 TMB. In 2010, the 9th Circuit Court denied plaintiffs' request for injunctive relief in a ruling that was affirmed on appeal. On remand, this Court granted the Forest Service's Motion for Summary Judgment in a ruling that was also affirmed on appeal. See Tongass Conservation Soc'y v. Forest Service, No. 10-35904, Slip Op., Oct. 24, 2011 (Doc. No. 208). Even though the lawsuit against the Diesel timber sale was found to be without merit in four legal opinions, the litigation delayed operations on the sale, consumed Viking's financial resources, and made planning mill operations and the general conduct of business very difficult.

That is why the Alaska Mental Health Trust Land Exchange is so critical to future operations of Viking. If the Trust Land Exchange is approved, I am working with AMHT to provide harvest and production of the timber which AMHT will received in the exchange on Prince of Wales Island. This timber if it becomes available to Viking could provide up to ten years of supply to the Viking Mill at Klawock and be very helpful to our integrated operations in Hoquim. So passage of the AMHT land exchange is time critical.

As of September 15, 2016, Viking had approximately 4.5 MMBF of logs in inventory at its mill and another roughly 28 MMBF of timber under contract on the state sale. However, the high quality spruce, which is the most important source of raw material for Viking's product line, will run out in just a few months at which point Viking's operations will immediately become much less economical than they would be if logs from the AMHT land exchange were available.

Of course, logs ready for processing do not instantaneously appear at the mill. Instead, the timber must be accessed, harvested, loaded and then transported from the timber sale to the mill site.

Viking is currently one of the largest year-round employers on Prince of Wales Island. Most of our annual $22 million in revenue remains on the Island and has contributed significantly to the Island's economy over the years.

Keeping Viking's mill supplied with the reliable source of timber contained in the Alaska Mental Health land exchange is essential to the continued employment of more than 150 people, including not only of Viking's employees but employees of our subcontractors as well.

Finally, I want to thank the Alaska Delegation and particularly Senator Murkowski for her commitment, common sense, and passion to help us achieve this solution. On behalf of Viking and its Alaska and affiliated Washington State employees.

Viking asks Congress to pass the Alaska Mental Health Land Exchange Act as quickly as possible and authorize the land exchange so this timber can be made available to Viking.

Thank you.

Attachments:

1. Alta Forest Products Letter in support of the AMHT Exchange
2. Dahlstrom Lumber Letter in support of the AMHT Exchange

Trust
Alaska Mental Health
Trust Authority

3745 Community Park Loop, Suite 200
Anchorage, AK 99508
907-269-7960
www.mhtrust.org

10/3/2016

The Honorable Lisa Murkowski
709 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Murkowski,

I am writing in my capacity as chairman of the board of trustees for the Alaska Mental Trust on behalf of the entire seven member board. We obviously strongly support the **Alaska Mental Health Trust Land Exchange** Legislation. *I urge to you pass legislation allowing the Trust to fulfill its financial responsibility of supporting programs serving Alaska's most vulnerable populations.*

The Alaska Mental Health Trust and the Trust Land Office (TLO) have been working toward a land exchange for more than 10 years to enable the Trust to better fulfill its mission of generating income to assist in meeting the needs of Trust beneficiaries. Trust beneficiaries include Alaskans of all ages with mental illness, developmental disabilities, substance use disorders, traumatic brain injuries, and Alzheimers's and related dementias.

Our efforts to effect a land exchange have been undertaken in order to make Trust land productive for our beneficiaries while accommodating the interests of communities in Southeast Alaska and broader public interests as well. Those efforts have included extensive public participation while defining the exchange parcels and efforts to define and best accommodate myriad public and private interests.

The exchange is of great benefit because it:

- Protects popular trails, viewsheds, and iconic recreational sites along the Inside Passage;
- Ensures watersheds are protected so that Southeast residents receive clean water
- Preserves old growth timber stands in the forest;
- Ensures jobs stay in the Southeast communities by protecting the timber and tourism industries;
- Protects and promotes the interests of vulnerable Alaskans by providing revenue to support the Trust's mission.

The State of Alaska is facing the worst fiscal crisis in its history. Cuts to state programs threaten to reduce vital services for Trust beneficiaries. There is a critical need for the Trust to generate income to assist in meeting beneficiary needs. While the Trust provides over $20 million annually in support of programs and services for beneficiaries it is insufficient to meet the need. Additional revenue is needed and needed soon. If the Trust cannot generate additional revenue in a timely fashion the well-being and even the lives of our beneficiaries will be increasingly at risk. Legislation is the best option to complete the exchange in a timely fashion.

Trustees want to do what is right for Southeast community and economy, for the broad public interest, but most importantly for vulnerable Alaskans that benefit from the Trust. It's essential that the Alaska Mental Health Trust increase its ability to provide financial support for programs serving our beneficiaries.

I encourage you to pass this legislation with appropriate modifications that have been negotiated by the TLO and the USFS. I also offer the Trust's assistance if we can help in any way.

Thank you for your efforts on behalf of Alaskans.

Sincerely,

Russ Webb
1338 F Street
Anchorage, AK 99501

September 28, 2016

The Honorable Lisa Murkowski
709 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Murkowski, Lisa

I am writing to express my support of the **Alaska Mental Health Trust Land Exchange** Legislation. I have spent the majority of my career working with and for Trust beneficiaries. I have been a Trustee on the board of The Alaska Mental Health Trust Authority for the past six years and can assure you the organization has been working diligently through the process and has ensured extensive public participation. The Trust has made a commitment financially and in countless hours of personnel time to ensure the lands selected are mutually beneficial to the communities as well as to the Trust. *I urge to you pass legislation allowing the Trust to fulfill its financial responsibility of supporting our most vulnerable populations in Alaska.*

Given that Alaska is facing the worst fiscal crisis in history, legislation is the best option to complete the exchange in a timely fashion. In just the last two years the Trust has provided 59 grants to organizations in Southeast, totaling more than $3 million. Another 323 Trust beneficiaries in Southeast have been awarded mini grants from the Trust totaling over $482,000. We need to ensure that the Trust can continue to provide revenue for comprehensive, integrated mental health services in Alaska today and into the future.

The exchange is of great benefit because it:

- Protects popular trails, viewsheds, and iconic recreational sites along the Inside Passage
- Ensures watersheds are protected so that Southeast residents receive clean water
- Preserves old growth timber stands in the forest
- Ensures jobs stay in the Southeast communities by protecting the timber and tourism industries
- Protects mental health services by providing revenue to support the Trust's mission

Without legislation we are putting our communities at risk.

- If the Trust cannot generate revenue in a timely fashion, we jeopardize our mental health services.

I know first hand the importance of the Trust's advocacy efforts and financial support on behalf of beneficiaries across the state. I also know how important preserving the beauty and economic vitality of Southeast communities. This is a win-win solution that having a lasting impact on Alaska.

Sincerely,

Mary Jane

Mary Jane Michael
2421 Wellington Court
Anchorage, Alaska 99517

Hope your doing well. Nice to have the boys back in Anchorage. But I miss the Hutchinson adventures! Best, MaryJane

10/3/2016

The Honorable Lisa Murkowski
709 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Murkowski,

As a Trustee for the Alaska Mental Trust, I am in support of the **Alaska Mental Health Trust Land Exchange** Legislation. The Alaska Mental Health Trust and the Trust Land Office (TLO) have been working toward a land exchange for more than 10 years with extensive public participation while defining the exchange parcels. *I urge to you pass legislation allowing the Trust to fulfill its financial responsibility of supporting our most vulnerable populations in Alaska.*

Given that Alaska is facing the worst fiscal crisis in history, legislation is the best option to complete the exchange in a timely fashion. In just the last two years the Trust has provided 59 grants to organizations in Southeast, totaling more than $3 million. Another 323 Trust beneficiaries in Southeast have been awarded mini grants from the Trust totaling over $482,000. We need to ensure that the Trust can continue to provide revenue for comprehensive, integrated mental health services in Alaska today and into the future.

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- Protects mental health services by providing revenue to support the Trust's mission

Without legislation we are putting our communities at risk.

- If the Trust cannot generate revenue in a timely fashion, we jeopardize our mental health services.

I want to do what is right for the Southeast community and economy, and for all of the people that benefit from the Trust. It's time to let the Alaska Mental Health Trust continue its critical work for those who experiencing mental illness, developmental disabilities, chronic alcoholism, and Alzheimer's disease and related dementia. I encourage you to pass this legislation with appropriate modifications that have been negotiated by the TLO and the USFS.

Sincerely,

Larry Norene
10938 Suneagle Cir
Eagle River AK 99577

PETERSBURG
ALASKA

The TRUST
SEP 30 2016
RECEIVED

September 22, 2016

Alaska Mental Health Trust Authority
Trust Land Office
Attn: John Morrison, Executive Director
3745 Community Park Loop, Suite 200
Anchorage, AK 99508

US Forest Service
Tongass National Forest
Attn: M. Earl Stewart, Forest Supervisor
648 Mission Street
Ketchikan, AK 99901

Dear Mr. Morrison and Mr. Stewart,

The Petersburg Borough Assembly is extremely concerned with the August 24, 2016 decision of the Alaska Mental Health Authority ("Trust") to approve the sale of its timber parcels in Petersburg and Ketchikan should Congress fail to pass the Alaska Mental Health Trust Land Exchange Act of 2016 by the Trust's January 15, 2017 deadline. The sale parcels are part of an ongoing land exchange between the Trust and the US Forest Service ("Forest Service") that has been in negotiations since August, 2006, with an Agreement to Initiate signed on June 30, 2015.

We are in favor of the Alaska Mental Health Trust Land Exchange Act of 2016. The Assembly has supported the United States Forest Service/Tongass National Forest and Alaska Mental Health Trust Authority Proposed Land Exchange, dated September 4, 2012. We strongly encourage the Trust to continue to work with the US Forest Service to realize the exchange. While we support the Southeast Alaska timber industry, we adamantly feel that logging should not take place on the Trust's slopes above Mitkof Highway under any circumstances, as doing so could pose an accelerated risk of landslide and blowdown, endangering homes and property below, cause a loss of water quality to homeowner's patented mountainside water streams, threaten citizens transiting the highway - including Petersburg School District buses August through June, and jeopardize the Tyee hydroelectric utility corridor.

The Trust has expressed concerns for the cost of required environmental review needed to complete the land transfer; however, previous credible analyses of the likely landslide risks as a result from logging these acres clearly puts the burden of liability on the State of Alaska should impact of life or property occur. As we are sure you would agree, the safety of all Alaskans should be the driving force in matters such as these.

Nine (9) landsides have occurred since 1986, of which eight (8) were on Trust property, crossing and closing Mitkof Highway, and within the proposed land exchange/timber sale parcel area. As an attachment to this letter you will find a map showing the slide dates and locations along with many photos of slide debris.

In April of 2006, the Trust contracted with Craig Erdman of GeoEngineers, Inc., to perform risk assessments on the Trust's mountainside parcels above Mitkof Highway.

The Mitkof Highway Homeowners Association's attorneys, Dillon & Findley, contracted with Douglas N. Swanston, Ph.D, a Certified Professional Geologist, to also conduct risk assessments. Dr. Swanston, recently retired from the Forest Service, hired Art Dunn of Dunn Environmental Services to perform the updated assessments on the Mitkof Highway mountainside. Dr. Swanston conducted slope stability assessments on the Mitkof Highway corridor in the 1970's as a Forest Service employee. He compared the 2006 field findings taken by Mr. Dunn to his 1970's baseline findings and concluded "the risk or danger to the utility corridor, structures and residents along the Mitkof Highway corridor from debris torrents initiated

Borough Administration
PO Box 329, Petersburg, AK 99833 – Phone (907) 772-4425 Fax (907)772-3759
www.petersburgak.gov

by logging in this zone" (from Taain Creek and northward) "is **moderately high**", and "the risk or danger to structures and residents along the Mitkof Highway corridor from debris torrents initiated by logging in this zone" (from Taain Creek and southward) "is **extremely high**". These conclusions are detailed in Dr. Swanston's Assessment of Landslide Risk to the Urban Corridor Along Mitkof Highway from Planned Logging of Mental Health Trust Lands, which is provided as an attachment.

In response to the Trust's own risk report of logging their Petersburg mountainside parcels, Dr. Swanston's Critique of: "Geotechnical Forestry Practices Evaluation Petersburg Slope Stability Assessment Petersburg, Alaska File Number 5342-004-00 concluded, "Logging disturbance of any sort along the steep, unstable slopes above Mitkof Highway, particularly on slopes that drain into the gullies and channels reaching the highway, is **extremely reckless and irresponsible** above such an important transportation corridor and an area of known permanent occupation and planned urban expansion. **The risk is simply too high** considering the demonstrated unstable conditions along the slopes, the presence of numerous active and dormant torrent channels reaching the highway and the clear and demonstrated danger to the utility corridor and residents along the highway."

The Petersburg Assembly respectfully implores you, Mr. Morrison and Mr. Stewart, to find a way to complete the land exchange within a reasonable timeframe. Doing so will be the best course of action for **all** Alaskans.

In the event the land exchange fails to move forward prior to the deadline of January 15, 2017 mandated by the Trust, we suggest, strictly as a "Plan B" option to the 2016 Act, the federal government offer an ample monetary endowment to Alaska Mental Health Trust Authority in exchange for the controversial Trust lands in Southeast Alaska, including Petersburg and Ketchikan.

Sincerely,

Cindi Lagoudakis

Cindi Lagoudakis
Vice Mayor

Cc: Governor Bill Walker
Senator Lisa Murkowski
Senator Dan Sullivan

Ketchikan Gateway Borough

Attachments:

- Map of slides that impacted Mitkof Highway from 1986 to present
- Photos of slides with dates and locations
- Dr. Swanston's 2006 Assessment of Landslide Risk to the Urban Corridor Along Mitkof Highway from Planned Logging of Mental Health Trust Lands
- Dunn Environmental Services May 22, 2006 Report on Field Investigations, Mitkof Hwy Area, Petersburg, AK
- Dr. Swanston's August, 2006 Critique of: "Geotechnical Forestry Practices Evaluation Petersburg Slope Stability Assessment Petersburg, Alaska File Number 5342-004 -00"

SCOPING MAP
Public Safety & Landslide Hazards Mitkof Island Area

Land Manager

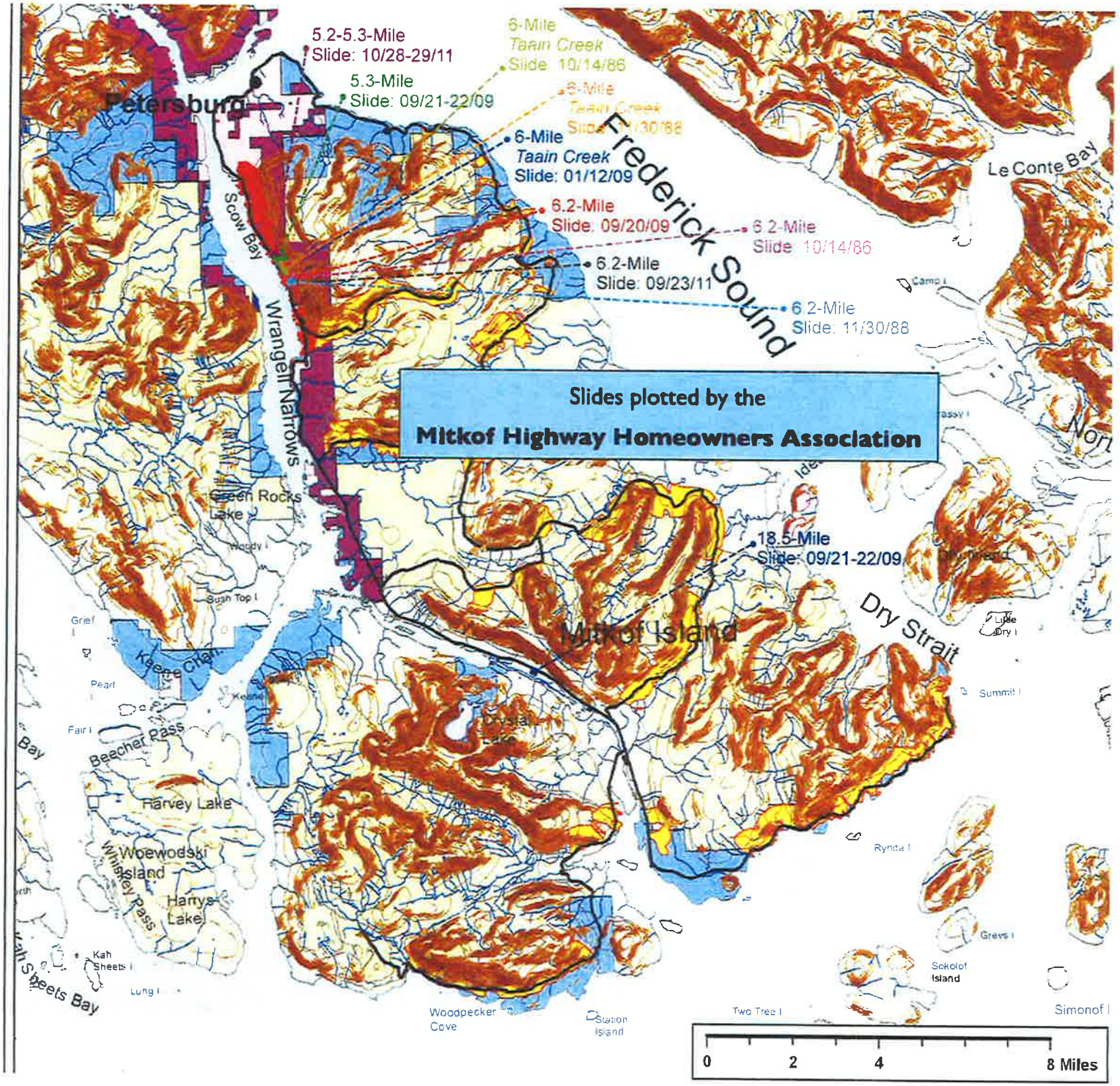
- USFS
- USFS - Natural Land Cover
- State of Alaska
- Mental Health Lands Trust
- Unversity of Alaska
- ANCSA Corporation
- Private/Local Government

- USFS Documented Landslides (point)
- USFS Documented Landslides (polygon)
- Analysis Road
- Other Forest Roads
- 50% - 67% Slope
- 67%+ Slope
- Areas with public roads that are within a ½-mile downhill from slopes >50% that have forests that are open to commercial harvesting
- Areas with public roads and residential or commercial buildings that are within a ½-mile downhill from slopes >50% that have forests that are open to commercial harvesting

Land Status - Assembled from data provided by the Tongass National Forest and the Alaska Dept of Natural Resources (2007). Additional land management information was drawn from the USGS Protected Area Database for Alaska (2006).

Roads - Assembled from the Alaska Division of Forestry Southeast Area and Tongass National Forest Roads Inventories. Roads selected for exposure to public safety were those with a TNF Management Objective of 3 (suitable for passanger cars) or higher, with additional roads identified by the Landslides ST&C.

Slopes - Calculated using the 20 meter Digital Elevation Model developed by NASA Shuttle Radar Topography Mission (SRTM), 2000



6-Mile Mitkof Highway - 14 October 1986 "natural" slide. This slide event originated at approximate 1400-foot elevation on Trust property. Alaska Department of Transportation workers are removing boulders, cobbles and organic material from the two culverts in *Taain Creek* to release flood waters and drain Mitkof Highway *(State Highway #7)* which was closed to through traffic. Bud/Judy Peterson's residential property is visible at photo and was impacted by slide. Dave/Kelly Peterson's home was not built at this time but the driveway at photo right bottom now leads to their home. Aaron/Katrina Miller now live at the other end of the guardrail on the downhill side. The Jones' family lives just past the DOT vehicles.

Photo: Bud Peterson, 14 October 1986

October 14, 1986

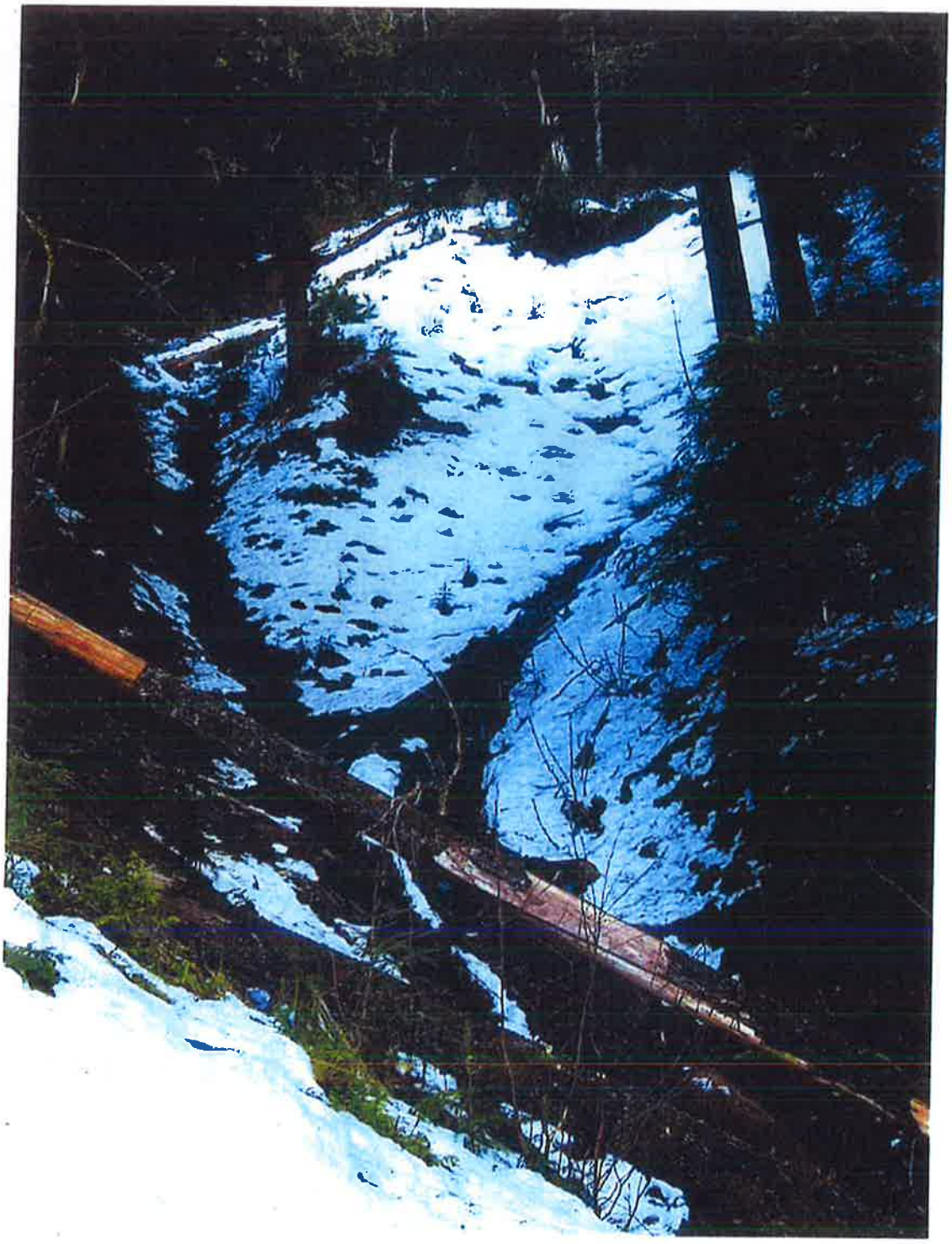
6 Mile Mitkof Highway - Taain Creek

Taain Creek – 14 October 1986 "natural" slide. 6-Mile Mitkof Highway resident, Bud Peterson, photo center, heading up *Taain Creek* to survey slide path that originated on Trust land property ' . The slide crossed through a 62-acre timbered parcel, continuing on to impacting Mr. Peterson's residential property.

Photo: R. Peterson, January 1987

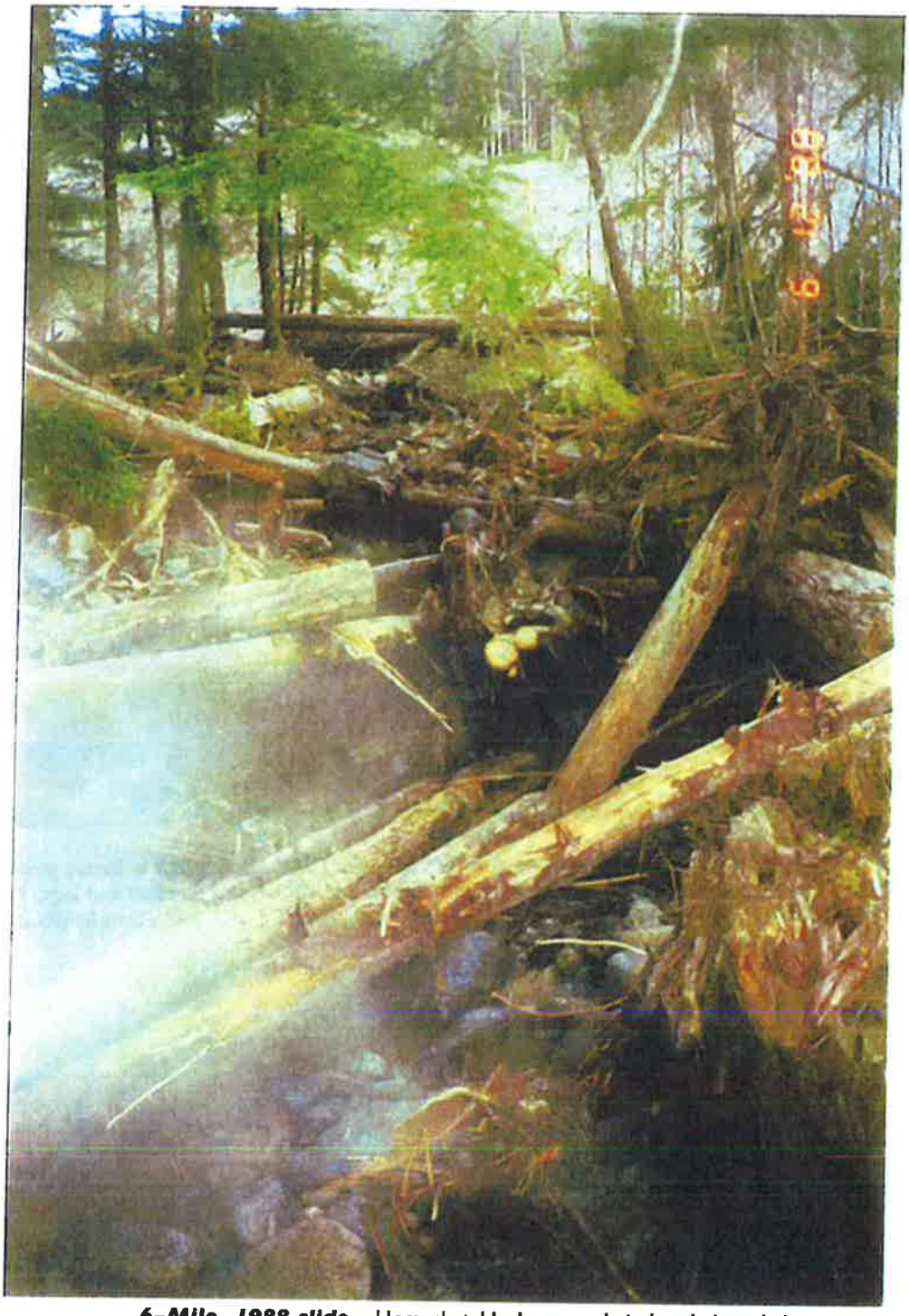
October 14, 1986

6 Mile Mitkof Highway - Taain Creek



6.2-Mile, re-vegetating channel, 1986 and 1988 slide apex – Trust property. Looking upslope at re-vegetated debris avalanche site (approximate 1400 foot elevation), sparse re-growth due to high winds and volumes runoff, organic material refilling channel. Ground surrounding remaining hemlock at right of left channel was spongy and wobbly. Photo: Ed Wood, 21 February 2006

6.2-Mile, re-vegetating channel, 1986 and 1988 slide path – Trust property. Looking downslope, right of center, the channel is refilling with cobble and silt, organic material and logs. Photo center and on left bank is pioneer vegetation, predominantly Devil's Club. Photo: Ed Wood, 21 February 2006



6-Mile, 1988 slide. Unmarketable harvested timber helter-skelter amidst boulders, cobbles and volumes of runoff that coursed downslope for over five hours during the 29 November 1988 slide at 6-Mile, jumping the banks of *Taain Creek*, impacting Bud Peterson's residential property at 6-Mile Mitkof Highway *(State Highway #7)*. Looking upslope through standing trees, beyond the clearcut at photo center, is all Trust property.

Photo: Alaska Department of Transportation, 6 December 1988

November 29/30, 1988 6 Mile Mitkof Highway
Taain Creek

6-Mile, 1988 slide - Taain Creek cleanup and bank reconstruction. The 30 November 1988 slide that originated on Trust land at 1400 foot elevation coursed downslope with organic debris, and unmarketable harvested logs from a private property owner's clearcut timber harvest. The combination of the upslope organic debris, the unmarketable logs, and the runoff jumped the banks of *Taain Creek* impacting Bud Peterson's residential property at 6-Mile and onto Mitkof Highway, eventually spilling out into the *Wrangell Narrows*. During early Spring of 1990, the logging company contracted to have the unmarketable logs, boulders and organic debris removed from the lower portion of *Taain Creek*. The volume of debris in total required the rebuilding of the creek banks to an approximate 5-foot height.

Photo: Alaska Department of Transportation, 29 March 1990

November 30, 1988

6 Mile Mitkof Highway

Taain Creek

petersburg pilot
PETERSBURG, ALASKA
Vol. XIII, No. 48
December 1, 1988
20 Pages
75¢

Telephone and electrical lines and Mitkof Highway itself was cut by a mudslide early Wednesday morning after more than eight inches of rain fell on Petersburg. Although students living south of the slide area, near the 6.5 mile highway mark, got the day off when school officials decided not to send buses through the mire, city and state frontend loaders opened the route to traffic before 9 a.m. Wednesday.

Landslide closes highway

by Bob Tkacz

A landslide which closed Mitkof Highway and disrupted utility services early Wednesday morning forced drastic and dramatic action when city emergency medical technicians received a report of a possible heart attack at a residence south of the slide area.

Vern Hashagen, 69, was reported to be in stable condition in the Petersburg General Hospital intensive care unit after EMTs, private citizens and state and city road crews teamed up to transport him across a 100-foot-wide mess of mud, trees and utility wires described by one emergency worker as having "the consistency of chocolate pudding." A diagnosis of Hashagen's specific malady was pending completion of medical tests, Director of Nursing Joy Janssen said.

The storm which poured 8.40 inches of rain on Petersburg during the 48 hours ending Wednesday caused the slide shortly before 3 a.m. that day. As the hillside area near the 6.5 mile point of Mitkof Highway disintegrated, a large tree which fell with the tons of mud and rock tore down the city's 24.9 kilovolt line from the Crystal Lake power plant and a GTE phone line.

Petersburg Police Department dispatchers said the power outage began at 2:50 a.m. Just 22 minutes later they received the call for help from Hashagen's home at 6.5 mile.

"At the time we were dispatched nobody in town, including the police, knew the slide existed," said firefighter Doug Cronlund who was a member of the ambulance crew. As EMTs were enroute police received their first report of the mudslide, he added.

The ambulance was stopped cold, and wet, at the slide. EMT Mike Scriven, aware that friends Don and Joanne Richter, who live south of the slide area, own a station wagon, contacted the couple and asked for their help.

Three EMTs with medical gear forced their way through the sodden mass. "They were up to their waists in the soup," Cronlund related.

They were met by the Richters who took them to Hashagen and returned everyone to the blocked highway.

During the same period, Dept. of Transportation employee Bob Jones arrived with a frontend loader to start opening some passage for the emergency workers. Petersburg Municipal Power & Light employees also began the work of restoring power. "They were there just about as fast as we were," Cronlunde said.

With the problems the EMTs had crossing the mud mass they knew that transporting Hashagen, a man more than six feet tall, through the mess would be difficult and dangerously time consuming. While Hashagen was being brought to the slide area a dozen firefighters were summoned and formed a human chain through the muck to pass the stretcher-bound man to the waiting ambulance, Cronlund said.

"It was pitch black. It was howl-

Continued on Page 8

Attachment 4 - *Page 1 of 2*

(*See* Photo 1 – 30 November 1988 slide apex originated on Trust property at 1400 foot elevation.)

Landsl closes

Continued from Page 1

ing. Wires were hanging all the place. We wondered if more mud was coming down was interesting," Cro understated.

He credited the Richfield emergency service crews utility workers with quick thi and action which resolved threatening dilema.

"It just required the coopera of a group of people. It wo well," Cronlund declared.

With daylight the work of opening the road began in earn A city and a state frontend had one lane clear enough vehicles to splash through ankle-deep mud by about 8:3 The diesels shoved a score tered trees, some two fe diameter, over the hillside to drain the water which still ca ed down the new gully.

Mountain View Manor we observers said 5.1 inches of fell in the 24 hours which Wednesday afternoon, follo 3.9 inches of wet in the day be that.

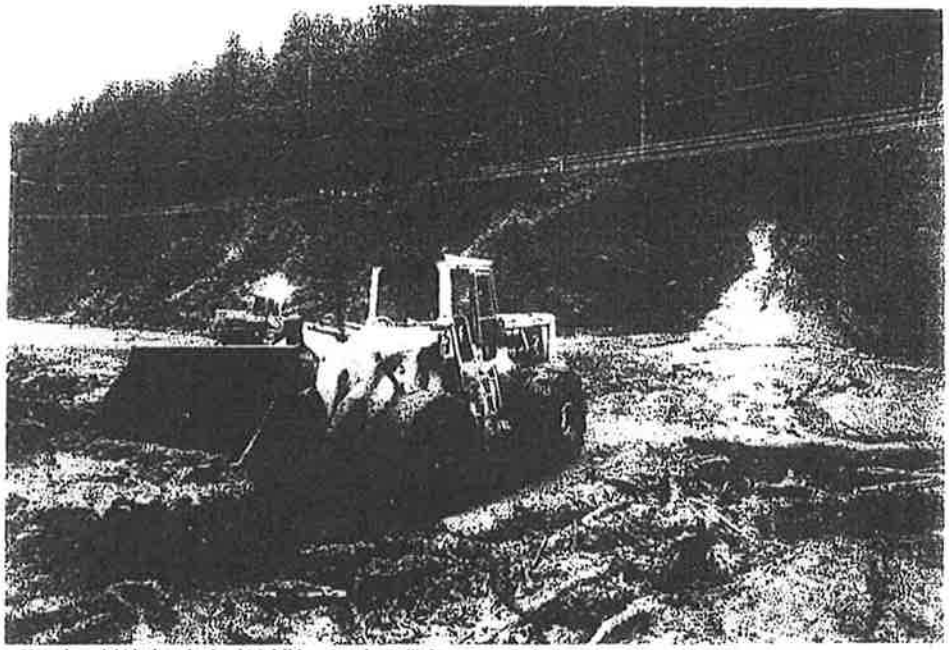
The power outage which t off the downtown area lasted 30 minutes, but utility service the Petersburg subdi southward was not restore about 8:30 a.m., Pil Superintendent Dennis Lew

Telephone customers were worst-effected by Mother Na muscle flexing. GTE ma Brad Shepherd said, Wedne evening, that about 50 custo remained without service night. The communication pany lost about 1,000 feet of and was experiencing pro renewing the old cable so th line could be installed.

Shepherd had his crew sch ed to return to work at first Thursday. He said he expe have full service restored midday.

LANDSLIDE - November 30, 1988
6.5 Mile Mitkof Highway

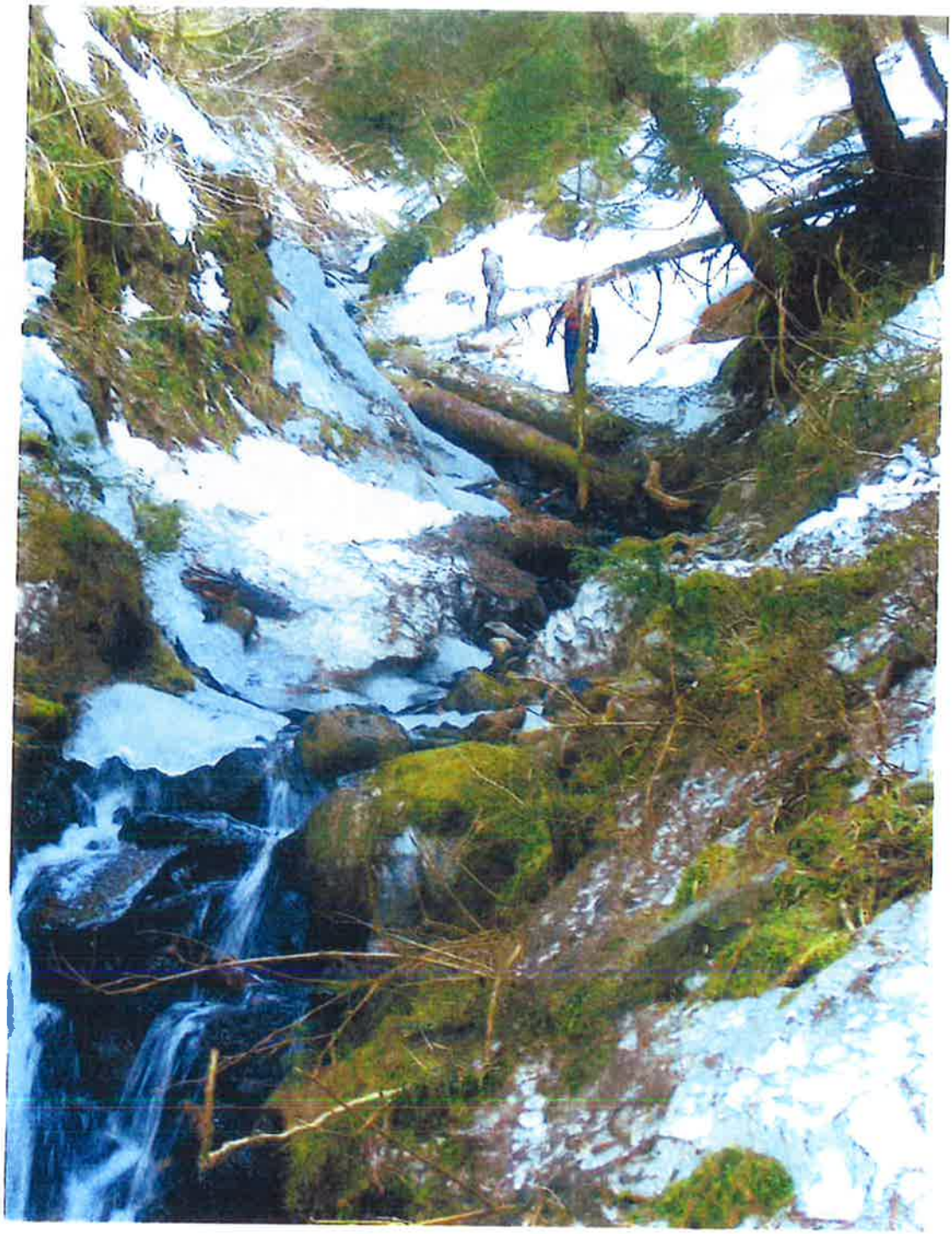
Page 9, Pilot, December 1, 1988



More than eight inches of rain which fell from Monday to Wednesday helped create a new creek near the 6.5 mile mark of Mitkof Highway and resulted in the dramatic rescue of an apparent heart attack victim at a home south of the slide which closed the highway early that morning. City and state Department of Transportation frontend loaders spent Wednesday reopening the roadway and rain kept falling. (Pilotphoto by Bob Tkacz)

Attachment 4 - *Page 2 of 2*

(See Photo 1 – 30 November 1988 slide apex originated on Trust property at 1400 foot elevation.)



. ***12 January 2009 Slide Apex – Trust property.*** Ed Wood and Dave Holmes, above photo center, round bend towards slide apex, approximate 1400 foot elevation. Avalanche released ice, cobbles, boulders and organic debris downslope. The flow's highest level is visible on the snowpack (silt and vegetation) with some areas having over a 15-foot high debris flow.

Photo: Suzanne West , 22 January 2009

January 12, 2009

6 Mile Mile of Highway
Taain Creek

12 January 2009 Slide Apex – Trust property. Dave Holmes' is visible at photo upper left,, as he round the bend to slide apex, approximate 1400 foot elevation. Note thickness of ice-snowpack on bank with visible high flow mark (silt and organic material on snowpack) - in some places over 15 feet high.

Photo: Suzanne West, 22 January 2009

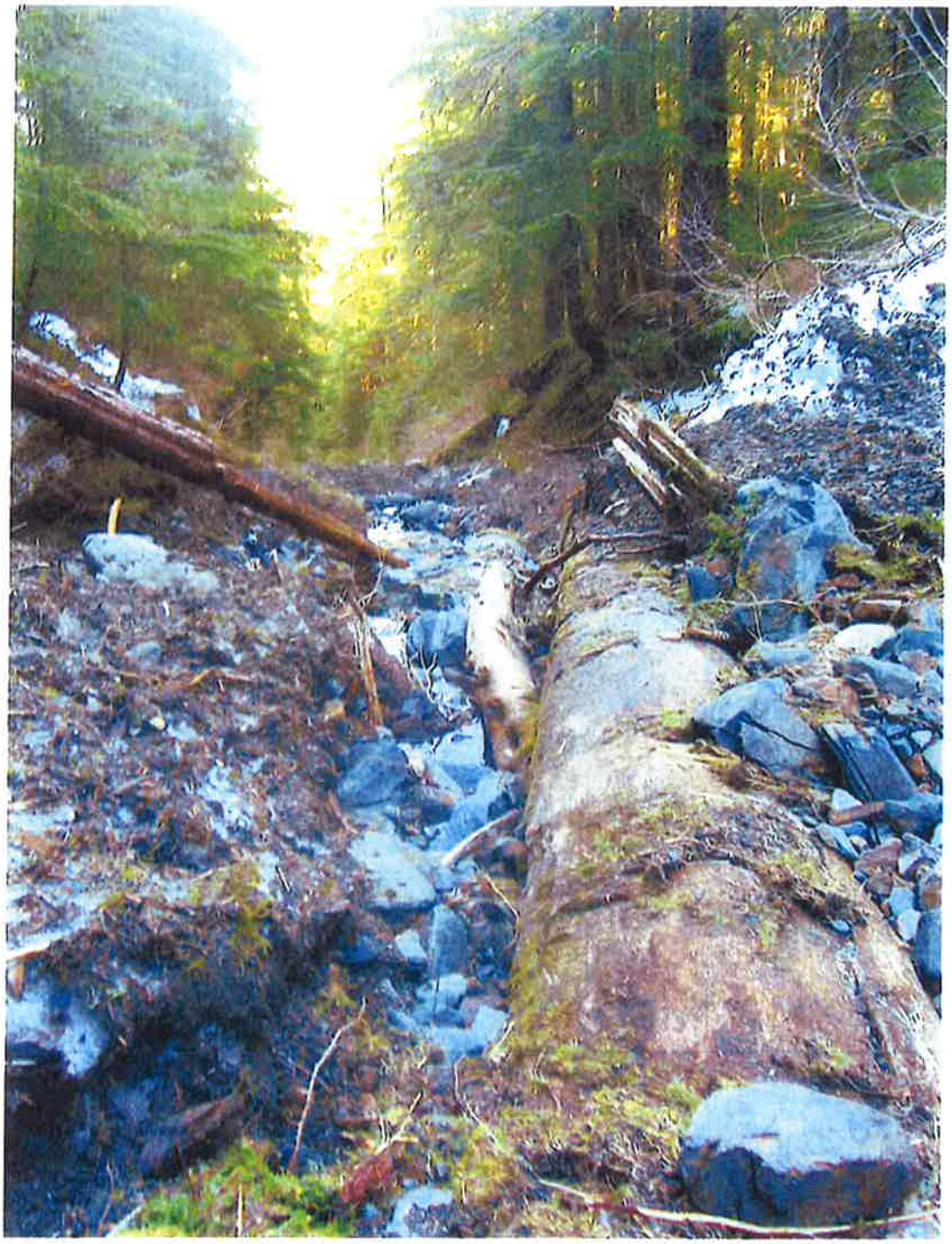
January 12, 2009

6 Mile Mitkof Highway
Taain Creek

12 January 2009 debris field – Trust property. Channel is packed with remnants of the avalanche flow - organic material including logs and limbs, boulders, cobbles, silt, and large chunks of ice overlain on a deep snowpack, connected by various layers of thick ice. Note runoff stream at photo center left. This channel is choked to the cliff edge in Photo 15.

Photo: Suzanne West, 22 January 2009

January 12, 2009
6 Mile Mottkof Highway
Taku Creek



12 January 2009 Slide – Trust property. Ice scoured banks releasing volumes of silt and organic debris and logs, cobbles and boulders, all coming to rest on this deep snowpack at the edge of a sheer 300' dropoff (photo center). Visible high flow mark of over 15-feet high that proceeds downslope through this narrow opening. Photo: Suzanne West , 22 January 2009

January 12, 2009 6 Mile Mitkof Highway
Taain Creek

Taain Creek. The 12 January 2009 event deposited volumes of silt and organic debris on snowbank near the "OK Corral" logjam, transported downslope by a slide that originated at approximate 1400-foot elevation in an avalanche chute on Trust property. Like this slide, the 1986 and 1988 slides also transported silt and other organic debris down *Taain Creek*, overflowed the bank, impacting Bud Peterson's residential property and Mitkof Highway, caused a power outage and blocked through traffic.

Photo: Suzanne West, 22 January 2009

January 12, 2009
6 Mile Mitkof Highway
Taain Creek

Taain Creek. This logjam on *Taain Creek*, above Bud Peterson's residence at 6-Mile Mitkof Highway, was the largest of several blockages located within a previously logged parcel on private land. The 12 January 2009 slide originated in an avalanche chute at approximate 1400-foot elevation on Trust property. The logjam contains old logging debris from a 1988 timber harvest on private property. Related KFSK news story at: https://www.coastalaska.org/kfsk/modules/local_news/index.php?op=sideBlock&ID=307

Photo: Ed Wood, 22 January 2009

January 12, 2009
6 Mile Mitkof Hwy
Taain Creek

Taain Creek. The 12 January 2009 event originated at approximate 1400-foot elevation in an avalanche chute on Trust property. Ed Wood with arm raised to indicate high flow level (visible silt on snow) of *Taain Creek* during the event with Bud Peterson, Aaron/Katrina Miller, and Dave/Kelly Peterson residential properties, and Mitkof Highway *(State Highway #7)* downslope. Photo: Suzanne West, 22 January 2009

January 12, 2009
6 Mile Mitkof Highway
Taain Creek

Taain Creek terminus – culvert runout to Wrangell Narrows. The 12 January 2009 event originated at approximate 1400-foot elevation an avalanche chute on Trust property and coursed through the *Taain* valley, crossing a private property clearcut in 1988, and then forced into the meandering *Taain Creek*. Some of the debris remained upslope at various debris sites The left culvert is half full with cobbles and small boulders while the right culvert is completely obstructed. Both were fed a continuous supply or organic debris and runoff for hours, eventually emptying into the *Wrangell Narrows*. The Mitkof Highway *(State Highway #7)* guardrail is visible at the top of the snow line. Bud Peterson's home is to the right of this photo on the uphill side while Dave/Kelly Peterson's home is on the downhill side of Mitkof Highway. Aaron/Katrina Miller's home and warehouse are just across the highway to the left.. Kelly and Aaron both contributed to the related KFSK news story https://www.coastalaska.org/kfsk/modules/local_news/index.php?op=sideBlock&ID=307

Photo: Suzanne West, 22 January 2009

January 12, 2009
6 Mile Mitkof Highway
Taain Creek

6.2-Mile, *12 January 2009 Slide – Trust property.* The force of the slide originating at 1400 foot elevation propelled this huge log (Suzanne West at far end of log) downslope on its journey leading to Mitkof Highway (*State Highway #7*). Note height of exposed bank scoured by slide debris.

Photo: Ed Wood, 22 January 2009

January 12, 2009
6 Mile Mitkof Highway

TYLER RENTAL

October 3, 2016

The Honorable Lisa Murkowski
709 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Murkowski,

I am in support of the **Alaska Mental Health Trust Land Exchange** Legislation. The Alaska Mental Health Trust and the Trust Land Office have been working toward a land exchange for more than 10 years with extensive public participation while defining the exchange parcels. *I urge to you pass legislation allowing the Trust to fulfill its financial responsibility of supporting our most vulnerable populations in Alaska.*

Given that Alaska is facing the worst fiscal crisis in history, legislation is the best option to complete the exchange in a timely fashion. In just the last two years the Trust has provided 59 grants to organizations in SE, totaling more than $3 million. Another 323 Trust beneficiaries in SE have been awarded mini grants from the Trust totaling over $482,000. We need to ensure that the Trust can continue to provide revenue for comprehensive, integrated mental health services in Alaska today and into the future.

For nearly a decade the Alaska Mental Health Trust has been seeking to exchange 17,341 acres of Trust lands near downtown Ketchikan, Juneau, Petersburg, Wrangell, Sitka, and Myers Chuck in exchange for up to 20,580 acres of US Forest Service timber lands of equal value in the Ketchikan Gateway Borough and on Prince of Wales Island.

The Alaska Mental Health Trust Land Exchange bill is critical to maintain the current timber industry in SE Alaska. It provides the Trust the ability to offer sufficient timber supply until other lands owners can place enough timber on the market during the transition to young growth harvest. Trust timber sales will provide required timber for the last medium size sawmill on Prince of Wales. This impacts 150 employees at the mill, along with others who work in the timber industry in the community. My company, Tyler Rental, Inc. is included is the list of other companies that will be affected by reduction in timber supply. Tyler Rental rents and sells all types of equipment to customers on Prince of Wales Island and throughout Southeast Alaska in support of the timber, mining, energy, tourism, and fishing industries.

The exchange is of great benefit because it:

- Sustains the timber industry in Southeast Alaska by providing more timber lands that could be managed on a sustained yield basis
- Ensures jobs stay in the Southeast communities by protecting the timber and tourism industries
- Protects popular trails, viewsheds, and iconic recreational sites along the Inside Passage
- Ensures watersheds are protected so that Southeast residents receive clean water

Ketchikan, AK
5216 Borch Street
PO Box 8158
Ketchikan, AK 99901
Office: 907-225-6069
Fax: 907-225-6118

Craig, AK
400 Port Bagial Blvd
PO Box 1172
Craig, AK 99921
Office: 907-826-2924
Fax: 907-826-2956

Juneau, AK
5295 Glacier Hwy
Juneau, AK 99801
Office: 907-780-2210
Fax: 907-780-2213

Chehalis, WA
153 Hamilton Rd North
Chehalis, WA 98532
Office: 360-748-8109
Fax: 360-748-8113

Without legislation we are putting our communities at risk.
• If the Trust cannot generate revenue in a timely fashion, we jeopardize our mental health services.

I want to do what is right for the Southeast community and economy, including the timber industry, and for all of the people that benefit from the Trust. It's time to let the Alaska Mental Health Trust continue its critical work for those who experiencing mental illness, developmental disabilities, chronic alcoholism, and Alzheimer's disease and related dementia.

Sincerely,

Randy Johnson / TC

Randy Johnson, President
Tyler Rental, Inc.
P.O. Box 8158
Ketchikan, AK 99901

Founded 1975

Executive Director
Marleanna Hall

2016-2017
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John Sturgeon
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Jan Trigg
Doug Vincent-Lang
Doug Ward

Ex-Officio Members
U.S. Senator Lisa Murkowski
U.S. Senator Dan Sullivan
Congressman Don Young
Governor Bill Walker

RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

September 22, 2016

The Honorable Lisa Murkowski, Chairman
U.S. Senate Energy and Natural Resources Committee
304 Dirksen Senate Building
Washington, D.C. 20510

Re: Senate Bill 3203, Title V – Forestry, Section 502, the Alaska Mental Health Trust land exchange

Dear Senator Murkowski:

As a follow-up to written testimony on S. 3203, the Resource Development Council for Alaska, Inc. (RDC) is writing to provide additional comments urging the Senate to pass the Alaska Mental Health Trust land exchange.

RDC is an Alaska-based non-profit business association comprised of individuals and companies from Alaska's oil and gas, mining, forest products, fisheries and tourism industries. RDC's membership also includes Alaska Native corporations, local communities, organized labor and industry-support firms. RDC's purpose is to encourage a strong, diversified private sector in Alaska and expand the state's economic base through the responsible development of our natural resources.

In 1956, Congress passed the Alaska Mental Health Enabling Act, granting an entitlement of one million acres of federal land to the Territory of Alaska to generate revenues for the benefit of Alaskans with mental illness and other disorders. The Alaska Mental Health Trust Board has a fiduciary responsibility to maximize long-term revenue from Trust land and manage its lands prudently to support its programs and services on behalf of its clients.

For nearly a decade, the Trust has been seeking to exchange with the U.S. Forest Service 17,341 acres of forested Trust lands near Ketchikan, Juneau, Petersburg, Wrangell, and Sitka in exchange for Forest Service lands of equal value in the Ketchikan Gateway Borough and on Prince of Wales Island. From the perspective of Trust beneficiaries, the highest and best use of the 17,341 of Trust lands may be to harvest high-value timber lands and develop other lands for residential, commercial, or industrial purposes.

The exchange of the 17,341 acres of Trust lands for up to 20,580 acres of Forest Service lands would minimize or avoid potential impacts to nearby communities while helping to sustain what remains of the timber industry in Southeast Alaska by providing more timber lands that could be managed on a sustained yield basis.

Delays in the Forest Service timber sale planning efforts have caused serious concerns that there will not be enough timber available to support the timber industry in Southeast Alaska to allow it to transition to young-growth timber unless the State of Alaska and the Trust can provide bridge timber sales in the interim.

121 West Fireweed Lane, Suite 250, Anchorage, Alaska 99503
907-276-0700 • resources@akrdc.org • akrdc.org

The proposed legislation would provide Congressional authorization and direction for the exchange, which should expedite completion of the transfer so that timber lands could be transferred to the Trust within a year.

Further, the proposed Alaska Mental Health Trust land exchange is fair and responsible. It requires the exchange to be of equal value and directs environmental reviews to protect all species, cultural and historic resources, wetlands, and floodplains.

The Trust has worked with the affected municipal governments, communities, local environmental groups, the Tongass Futures Roundtable, the Nature Conservancy, and others to select lands with the least environmental impacts and to design the exchange to mitigate impacts to wildlife. The proposed exchange is clearly in the interest of Trust beneficiaries, local communities, and the Southeast Alaska economy.

RDC appreciates your support of the Alaska Mental Health Trust land exchange and strongly urges its timely enactment.

Sincerely,

Carl Portman
Deputy Director

CITY AND BOROUGH OF WRANGELL, ALASKA

RESOLUTION NO. 09-16-1352

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, IN SUPPORT OF THE ALASKA MENTAL HEALTH LAND EXCHANGE ACT OF 2016 BUT ASKING FOR RECONSIDERATION OF CERTAIN PARCELS WITHIN WRANGELL'S BOROUGH BOUNDARY

RECITALS:

WHEREAS, in 1956, Congress passed the Alaska Mental Health Enabling Act, granting an entitlement of one million acres of federal land to the Territory of Alaska to generate revenues for the benefit of Alaskans with mental illness, developmental disabilities, chronic alcoholism, Alzheimer's disease, and dementia; and

WHEREAS, the Alaska Mental Health Trust Board has a fiduciary responsibility to: (1) maximize long-term revenue from Trust Land; (2) encourage a diversity of revenue-producing uses of Trust Land; (3) manage Trust Land prudently, efficiently, and with accountability to the Trust and its beneficiaries; and (4) protect and enhance the long-term productivity of Trust Land; and

WHEREAS, for nearly a decade, the Alaska Mental Health Trust has been seeking to exchange with the US Forest Service 17,341 acres of forested and undeveloped Trust lands within community boundaries of Ketchikan, Juneau, Petersburg, Wrangell, Sitka, and Myers Chuck, in exchange for US Forest Service timber lands of equal value in the Ketchikan Gateway Borough and on Prince of Wales Island; and

WHEREAS, the City and Borough of Wrangell contains approximately 2600 acres of land owned by the Alaska Mental Health Trust on Wrangell Island (within the Service Area, Wrangell Island East and Thoms Place) and in Meyers Chuck; and

WHEREAS, the City and Borough of Wrangell has a responsibility to its citizens to 1) be a catalyst for economic development opportunities; 2) provide public services to improve and enhance citizen welfare; 3) manage valuable resources for the public's benefit; and 4) plan for the long term sustainability and health of the community.

WHEREAS, from the perspective of Trust beneficiaries, the highest and best use of the 17,341 acres of Trust lands is to harvest high-value timber lands and develop other Trust lands for residential, commercial, or industrial purposes; and

WHEREAS, the exchange of the 17,341 acres of Trust lands for up to 20,580 acres of US Forest Service lands of equal value would avoid many of the concerns of communities regarding the potential adverse impacts on tourism, recreation, wildlife management, watershed protection, and public safety, and would also help sustain what remains of the timber industry in Southeast Alaska by providing more timber lands that could be managed on a sustained yield basis; and

WHEREAS, the City and Borough of Wrangell supports trading most of the land that is proposed for the trade with the USFS within its Borough Boundaries, except for approximately 115 acres of community developable parcels north of Pats Lake and Pats Creek which have already been partially harvested by Alaska Mental Health Trust Lands; and

WHEREAS, on June 30, 2015 the US Forest Service and the Trust completed an "Agreement to Initiate" an administrative land exchange which requires preparation of an Environmental Impact Statement that could take years to complete; and

WHEREAS, delays in the US Forest Service timber sale planning efforts have caused serious concerns that there will not be enough timber available to support what remains of the timber industry in Southeast Alaska to allow it to transition to young-growth timber unless the State of Alaska and Mental Health Trust can provide bridge timber sales in the interim; and

WHEREAS, The Alaska Mental Health Trust Land Exchange Act of 2016, sponsored by U.S. Senator Lisa Murkowski and co-sponsored by U.S. Senator Dan Sullivan, would provide Congressional authorization and direction for the exchange, which should expedite completion of the transfer so that timber lands could be transferred to the Trust within 12 months; and

WHEREAS, the Alaska Mental Health Trust Land Exchange Act of 2016 requires: (1) the land exchange to be of equal value, based on appraisal; (2) environmental reviews to protect all species, cultural, and historic resources, wetlands, and floodplains; (3) that tribal consultations be conducted; and (4) that the trust cover all expenses incurred by the US Forest Service in completing the exchange; and

NOW, THEREFORE, IN CONSIDERATION OF THE ABOVE FACTS, IT IS RESOLVED BY THE CITY AND BOROUGH OF WRANGELL, ALASKA as follows:

The City and Borough of Wrangell supports passage of S. 3006, the Alaska Mental Health Trust Land Exchange of 2016, but asks for further consultation and reconsideration of 115 acres located within the borough boundaries of the City and Borough of Wrangell north of Pats Lake and Pats Creek.

ADOPTED: September 27, 2016

David L. Jack, Mayor

ATTEST: _____
Kim Lane, Borough Clerk

City & Borough of Wrangell
Alaska

02-23-16P12:08 RCVD

THE STATE of ALASKA
GOVERNOR BILL WALKER

Department of Natural Resources
DIVISION/OF FORESTRY
550 W. 7th Avenue
Anchorage, AK 99501
Main: 907.269-8463
Fax: 907 269-8931

January 25, 2016

Governor Bill Walker
PO Box 110001
Juneau, AK 99811-0001

Dear Governor Walker,

The Alaska Board of Forestry is pleased to convey its continued support for a land exchange proposal between the Alaska Mental Health Trust (Trust) and the U.S. Forest Service (USFS) in Southeast Alaska. The parties propose a value-for-value administrative land exchange of Trust lands around communities for USFS lands that are suitable for sustainable commercial forest management activities. The Trust and USFS have signed an Agreement to Initiate the exchange, and the proposal will soon enter National Environmental Policy Act (NEPA) review.

The Board is a forum for discussion and resolution of forest practices and forest management issues in Alaska among diverse constituencies (AS 41.17.047). Board members include representatives of timber, fishing, and mining industries, Native corporations, professional foresters and fish and wildlife biologists, and environmental and recreational organizations. We have a long history of working to support the sustainable use of timber in Southeast Alaska, and ensuring that timber use protects fish habitat and other resources that are important to local communities.

The exchange involves about 18,000 acres of Trust land that primarily support old growth timber around Juneau, Wrangell, Petersburg, Sitka, Meyers Chuck, and Ketchikan. The Trust's fiduciary responsibility to protect and enhance Trust assets in perpetuity for Trust beneficiaries conflicts with local values regarding land use around these communities. The highest and best use of these lands for revenue production is commercial forestry. However, the local communities consider these areas crucial areas for viewsheds, watersheds, tourism, and public recreation. These lands also include areas with landslide hazards that concern local residents. If the Trust retains these lands, it must develop them to meet its fiduciary duty and generate long-term revenue to continue to improve mental health services in Alaska. The Tongass National Forest has a broader mission and a larger land base that put it in a better position to address the local concerns.

On the federal side, this equal value exchange would include roughly 21,000 acres of Tongass National Forest old growth and young growth near Ketchikan and on Prince of Wales Island. The exchange would facilitate the USFS commitment to transition to harvesting only young growth on the Tongass. There are not yet sufficient young growth stands to make this transition successful – the change will require interim harvests of some old growth to sustain the

harvesting, transportation, and milling infrastructure until sufficient old growth is available. The exchange will enable the Trust to offer timely interim old growth timber sales to support a successful transition. USDA Secretary Thomas Vilsack has stated that the exchange would help achieve the USFS goals for a rapid transition to young growth management while providing needed support to the timber industry, and promised prompt consideration by the agency.
In short, the proposed exchange creates a solution that benefits communities, the state, the US Forest Service, and the Trust. The affected communities, the timber industry, and the USFS support this exchange.

We recognize the broad regional support for this proposal, and its benefits to the timber industry, local communities, and mental health beneficiaries. We want to reiterate our endorsement of this proposal, and ask you to make this exchange a priority for your administration. In particular, the state land exchange process under AS 38.50 has tight time frames for public hearings, appraisals, and legislative approval. Your support will be essential to ensure that these time frames are met.

We appreciate your support of the timber industry and communities of Southeast Alaska.

Sincerely,

John "Chris" Maisch, State Forester
Chair, Alaska Board of Forestry

Cc: Senator Lisa Murkowski
Senator Dan Sullivan
Congressman Don Young
Senator Cathy Giessel, Chair, Senate Resources Committee
Senator Bert Stedman
Darwin Peterson, GO Legislative Director
John Morrison, Executive Director, Alaska Mental Health Trust Land Office
Mark Myers, DNR Commissioner
Ed Fogels, DNR Deputy Commissioner
Courtney Sanborn, DNR Legislative Liaison
Beth Pendleton, USFS Region 10 Forester
Earl Stewart, Tongass Forest Supervisor
James King, Region 10 Director of Recreation, Lands, and Minerals

Alaska Board of Forestry

- Ron Wolfe, Alaska Native Corporations
- Eric Nichols, Forest Industry Trade Association
- Chris Stark, Environmental Organization
- Erin McLarnon, Recreation Organization
- Mark Vinsel, Commercial Fisherman's Organization
- Denise Herzog, Mining Organization
- Matt Cronin, Non-governmental Professional Fish/Wildlife Biologist

LISA MURKOWSKI
ALASKA

COMMITTEES:
ENERGY AND NATURAL RESOURCES
RANKING MEMBER
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KETCHIKAN, AK 99901-6059
(907) 225-6880

851 EAST WESTPOINT DRIVE, SUITE 307
WASILLA, AK 99654-7142
(907) 376-7665

July 25, 2013

The Honorable Thomas Vilsack
Secretary, U.S. Department of Agriculture
1400 Independence Avenue, SW
Washington, DC 20250

Dear Mr. Secretary:

I am writing to see if the Department could expedite a land exchange in Southeast Alaska that could significantly aid the Department's plans for a transition to harvesting of young-growth timber in the Tongass National Forest of Southeast Alaska.

The Alaska Mental Health Trust for several years has proposed a land exchange – formally initiated on September 4, 2012 -- where the Trust would exchange some 18,000 acres of scenic old-growth timber near urban areas/ports in Alaska for approximately 21,000 acres of predominately second-growth timber that could then be used to support a young-growth industry in the region – the total acreage being dependent on an equal value/appraisal process. This would appear to be exactly in keeping with your July 2 memorandum seeking to accelerate a transition to young-growth timber harvesting in the Tongass. The lands that would be exchanged were selected after years of negotiation and discussion among the Forest Service, the Mental Health Trust, environmental, conservation, fishery groups and local governments and are currently believed to be nearly totally acceptable to most all parties – a truly amazing feat for any land exchange in the nation's largest national forest.

The exchange, however, appears to be high centered because the exchange has reached the stage where the Forest Service needs to complete an Agreement to Initiate (ATI) the exchange, a requirement of the Forest Service guidelines for a federal land exchange. While the Mental Health Trust has committed to funding the Forest Service's costs of completing the exchange through a cost-share agreement, the Forest Service under its rules apparently can't complete a cost-share agreement to cover the administrative costs of processing land exchanges until an ATI is actually executed. This governmental "catch 22,"given your Department's tight budget for FY 13 and lack of funding for staffing to handle the preparation of the ATI, is preventing work from even advancing on the exchange that is important to both the region's tourism and timber industries.

Given that it takes on average three years after an ATI is executed to complete the more than a dozen environmental studies and reports needed to allow for an actual land conveyance to be approved, I am asking to see if you could add the exchange as an element of your recently announced transition plan/memorandum for the Tongass National Forest and then use transition funds for the agency staffing necessary to complete the ATI. That is then money that then could

be repaid by the Trust to the Forest Service as part of its financial commitment to completing the components of the feasibility analysis for the land exchange.

Even if a pending Sealaska land conveyance bill is approved by Congress permitting the harvest of young-growth trees within the first decade without regard to Cumulative Mean Annual Incremental (CMAI) harvest growth standards, a developing second-growth industry is going to need more young-growth timber to be available to fund the mill conversion costs of such a new transition. Getting the lands proposed in this swap into the state-sponsored Trust and out from under federal control could be a key factor in a financially viable young-growth timber transition taking place in the region and for the preservation of old-growth sawmills currently operating in the region.

I hope you will authorize the resources that the Forest Service will need to permit the Agreement to Initiate the Alaska Mental Health Trust land exchange to be finalized quickly, so that the formal public review process required before such an exchange, can start on an expedited basis. Without the exchange, which will prevent old-growth timber overlooking major cruiseship attractions at Juneau, Ketchikan, Petersburg and Wrangell from being harvested, the region could face negative impacts to its tourism economy, while the Forest Service's own young-growth transition plan could be negatively impacted. And the land exchange will generate vital income to the Trust, which is a perpetual trust managed for the benefit of Alaskans with mental illness, developmental disabilities, chronic alcoholism and other substance-related disorders, Alzheimer's disease and related dementia, and traumatic brain injury – a Trust established by the federal government as part of the Alaska Statehood Act in 1959.

I thank you for your attention to this matter.

Sincerely,

Lisa Murkowski,
United States Senator

CC: Thomas Tidwell, Chief U.S. Forest Service
Forrest Coles, U.S. Forest Service Region 10
Beth Pendleton, U.S. Forest Service Region 10

USDA

United States Department of Agriculture

Office of the Secretary
Washington, D.C. 20250

NOV 1 9 2013

The Honorable Lisa Murkowski
United States Senate
709 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Murkowski:

Thank you for your letter of July 25, 2013, regarding the proposed land exchange between the Alaska Mental Health Trust Land Office (Trust) and the Tongass National Forest. I apologize for the delayed response.

I appreciate your suggestions. As stated in my July 2, 2013, Memorandum 1044-009, *Addressing Sustainable Forestry in Southeast Alaska*, the transition of the Tongass timber program will be done in a way that preserves a viable timber industry so businesses can re-tool to process young growth timber efficiently.

The proposed *Trust Land Exchange*, which was developed in collaboration with a variety of stakeholders and supported by the Tongass Futures Roundtable, would convey to the Department of Agriculture's Forest Service approximately 18,000 acres of Trust land adjacent to the communities of Juneau, Petersburg, Wrangell, Sitka, and Ketchikan, Alaska. Due to their proximity to the communities, it would be difficult for most of these lands to be developed by the Trust in keeping with the Trust's mission. The 21,000 acres of National Forest System lands that would be conveyed to the Trust under the proposed exchange include approximately two-thirds old growth and one-third young growth timber, and are in areas more suitable for development.

I agree that the proposed land exchange could well serve the objectives outlined in my Memorandum:

1. To seek opportunities to supply sufficient old growth "bridge timber" while the industry re-tools for processing young growth. The opportunity to use the exchanged lands could help in providing part of the bridge to second growth.

2. Scenarios that effectuate a more rapid transition by prioritizing and developing additional young growth and restoration projects that could be completed over the next 5 years.

3. To intensify work with Rural Development to pursue opportunities to facilitate investments in re-tooling, and to develop by December 31, 2013, in collaboration with Rural Development and other stakeholders, a plan for providing financial assistance to re-tool timber processing equipment in Southeast Alaska to assist the industry to efficiently handle young growth timber.

4. To pursue partnerships with foundations, non-profits, corporations, and others to advance a second growth industry, undertake restoration projects, and otherwise speed the transition. This will include developing new markets for products developed by industry.

Again, thank you for writing. An equal value land exchange between the Trust and the Forest Service will be properly and promptly considered. It will also help to strengthen and diversify local economies throughout Southeast Alaska.

Sincerely,

Thomas Vilsack
Secretary

UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20250

July 2, 2013

SECRETARY'S MEMORANDUM 1044-009
Addressing Sustainable Forestry in Southeast Alaska

1. PURPOSE AND BACKGROUND

Alaska's Tongass National Forest is a national treasure. At 17 million acres, the Tongass includes vast old growth temperate rainforests that are increasingly rare globally. The Tongass is also a place that has sustained the people and communities of Southeast Alaska for generations. Whether through providing food and other subsistence uses to the rural communities in the region, supporting cultural practices and identity, drawing people to the region for world-class recreation and fishing, or supporting wood products and other forest-based industries, the Tongass is vital to the economic and cultural well-being of the region. The Forest is also important to the climate; while the Tongass comprises about 2 percent of the Nation's forests, according to one scientific study it contains the equivalent of 8 percent of the carbon sequestered in the forests of the conterminous United States. The Department of Agriculture is committed to maintaining Southeast Alaska's exceptional natural resources in perpetuity. USDA is equally committed to doing its part to ensure that the communities within and adjacent to the Tongass National Forest are economically vibrant. These two goals must go hand in hand.

To conserve the Tongass National Forest under the principles of the Multiple-Use Sustained-Yield Act of 1960, Tongass Timber Reform Act and other relevant statutes, we must speed the transition away from old-growth timber harvesting and towards a forest industry that utilizes second growth – or young growth – forests. Moreover, we must do this in a way that preserves a viable timber industry that provides jobs and opportunities for residents of Southeast Alaska.

This Memorandum affirms that this transition to a more ecologically, socially, and economically sustainable forest management is a high priority for USDA, the Forest Service, and the Tongass National Forest. USDA's goal is to effectuate this transition over the next 10 to 15 years, so that at the end of this period the vast majority of timber sold by the Tongass will be young growth. This timeframe will conserve old growth forests while allowing the forest industry time to adapt. To achieve this goal, several steps must be taken as described in the Actions section of this Memorandum.

Over the past three years, USDA has increased investments in alternative economic development opportunities for communities across the region in the recreation, tourism, fishing and renewable energy sectors, while initiating a transition away from a historical reliance on old growth timber harvests. To accomplish the transition to a timber program based primarily on young growth, it is important to retain the expertise and infrastructure of the existing industry so businesses can quickly re-tool. These businesses are fundamental to both the young growth and restoration components of the future timber program, and to the economic vitality of the region. Such an approach requires a reliable supply of economically viable timber, with the old growth component decreasing over time while the young growth component increases.

Updated forest inventories have improved our understanding of the age, location, and amount of young growth across the Tongass, and helped clarify the challenges in establishing an economically viable young growth program due to the relatively young age of the available stands, market conditions, and other factors. Additional research will be necessary to develop effective ways to meet these challenges. Achieving the transition in 10 to 15 years also calls for enactment of a statutory provision, to exempt a limited amount of young growth on the Tongass from current requirements that generally restrict harvesting young growth timber until it reaches maximum growth rates. Administrative mechanisms to accomplish such an adjustment are time consuming and would divert scarce resources from achieving the goals of the transition. Compared to private lands, the Culmination of Mean Annual Increment (CMAI) requirements could delay development of an economically viable young growth program for decades. USDA will continue to work with Congress on such a provision.

To ensure a smooth transition, the Forest Service will continue to offer a supply of old growth timber while increasing the supply of young growth to provide industry in Alaska the opportunity to develop new markets, learn new skills, and acquire new equipment. The continuation of limited sales of old growth timber is essential to maintain the existing industry until young growth can efficiently be processed. The Forest Service will also continue the Tongass National Forest's micro-sale program and the old growth small sale program that targets niche markets, while developing a new integrated program of work focused on young growth, ecological restoration, and forest stewardship that protects and restores the Forest's extraordinary fish and wildlife habitat. This strategy will maintain and restore the Forest's clean water, abundant fish, healthy populations of wildlife, and scenic beauty while sustaining deep-rooted community and cultural ties to the land and providing jobs in the woods.

Through an all lands, all hands approach USDA will utilize all of its expertise, tools and resources such as economic assistance, workforce training, capacity building, and improved

delivery of services to help strengthen and diversify local economies. Working with Rural Development and the Farm Service Agency; other Federal agencies as appropriate; State, local, and Tribal entities; non-governmental organizations; and local communities will be essential to success. Collaborative development of a transition strategy increases collective ownership of the approach; collaborative implementation with our many partners offers opportunities to leverage funding available from the Forest Service.

2. ACTIONS

The objective of this Secretarial Memorandum is to ensure that USDA, the Chief of the Forest Service, the Alaska Region of the Forest Service, and the Tongass National Forest work together to catalyze a transition from a timber sale program based on old growth to one based on young growth. Pursuant to this Memorandum, the Secretary asks the Forest Service to:

a. Seek opportunities to supply sufficient old growth "bridge timber" while the industry re-tools for processing young growth. The first step is the Big Thorne timber sale. This project along with other planned timber sales would supply timber to existing mills for several years and allow the Forest Service to reallocate staff to young growth projects.

b. As soon as possible, allocate staff and financial resources to planning young growth projects, ramping down old growth sales and increasing investments in young growth.

c. Continue to work with Congress to exempt a limited amount of young growth on the Tongass from current requirements that generally restrict harvesting young growth timber until it has reached maximum growth rates, or CMAI. Providing flexibility with regard to CMAI is essential to permit the development of economically viable young growth projects within the timeframe set as a goal for the transition.

d. Develop by July 30, 2013, scenarios that effectuate a more rapid transition by prioritizing and developing additional young growth and restoration projects that could be completed over the next 5 years. Examine scenarios that assume adoption of the statutory provision noted above that provides Forest Service greater flexibility in harvesting young growth timber.

e. Strongly consider whether to pursue an amendment to the Tongass Forest Plan. Such an amendment would evaluate which lands will be available for timber harvest, especially young growth timber stands, which lands should be excluded, and additional opportunities to promote and speed transition to young growth management. A determination of whether to initiate an amendment should be completed by September 30, 2013. If an amendment in pursued, identify an efficient timeline for completion that supports the timeframe for transition outlined in this Memorandum.

f. Continue support for research on how best to manage young growth, develop markets for it, and help industry re-tool to process it. As results become available, apply them as

needed to improve young growth management.

g. Intensify work with Rural Development to pursue opportunities to facilitate investments in re-tooling. Develop by December 31, 2013, in collaboration with Rural Development and other stakeholders, a plan for providing financial assistance to re-tool timber processing equipment in Southeast Alaska to assist the industry to efficiently handle young growth timber.

h. Pursue partnerships with foundations, non-profits, corporations, and others to advance a second growth industry, undertake restoration projects, and otherwise speed the transition.

I will remain engaged in this effort to ensure the Tongass National Forest transitions effectively to a timber program based primarily on young growth. It is vital that the Forest Service continue to seek input from and work with stakeholders in the region towards this transition. In this regard, I will approve establishment of an advisory committee under the Federal Advisory Committee Act to provide advice to the Forest Service on how to expedite the transition to young growth management.

3. MISCELLANEOUS

a. Effective Date. July 1, 2013

b. This Memorandum does not create any right or benefit, substantive or procedural enforceable by law or equity. This Memorandum creates no private right of action.

June 27, 2016

Trust
Land Office

2600 Cordova Street, Suite 100
Anchorage, AK 99503
Tel 907.269.8658
www.mhtrustland.org

U.S. Senate Energy Committee on
Energy & Natural Resources
Testimony on S-3006

Honorable Committee Members through the Chair:

The Alaska Mental Health Trust Land Office (TLO) supports Senate Bill S.3006 - Alaska Mental Health Exchange Act of 2016, introduced by Alaska Senator Murkowski. This bill will serve to better align land ownership patterns with the inherent missions of both the USDA Forest Service (USFS) and the Alaska Mental Health Trust (Trust). The proposed exchange (Trust Land Exchange) has identified about 18,000 acres of Trust lands and approximately 21,000 acres of USFS lands located within the Tongass National Forest. The exchange positively protects interests of value to the communities, supports the economy, and helps preserve Southeast timber industry during transition to young growth, while providing revenue for Alaskan Mental Health services in Alaska.

During Alaska's transition to a state, Congress passed the Alaska Mental Health Enabling Act of 1956. This act transferred the responsibility for providing mental health services from the federal government to the territory of Alaska and ultimately the state of Alaska, by creating the Alaska Mental Health Trust (Trust). The Trust is a state corporation that administers the Alaska Mental Health Trust, a perpetual trust managed for the benefit of people with mental illness, developmental disabilities, chronic alcoholism and other substance related disorders, Alzheimer's disease and related dementia, and traumatic brain injury. The Trust operates like a private foundation, using its resources to ensure that Alaska has a comprehensive integrated mental health program. The Trust annually budgets approximately $26 million to support services and programs for Trust beneficiaries. Timber sales have accounted for about a third of the TLO's income since the reconstitution of the Trust in 1994.

Senate Bill S.3006 will accelerate the Trust Land Exchange at this critical juncture of time while transitioning from old growth to young growth harvest in Southeast Alaska. The parties developed an Agreement to Initiate (ATI) under the USFS requirements for a federal exchange. This exchange has been the culmination of years of collaborative work and input from a variety of stakeholders within the communities of Southeast Alaska, environmental organizations, and state and federal agencies. This equal value land exchange incorporates Trust lands surrounding six communities; Juneau, Sitka, Petersburg, Wrangell, Myers Chuck, and Ketchikan and designated timber lands in the Tongass National Forest. This will help preserve the current subsistence, watershed ecosystem services, old growth timber, recreational value, and visual integrity of lands surrounding the communities. This legislation will provide these described outcomes while providing essential revenue for Alaskan Mental Health services.

On July 2, 2013, Secretary of Agriculture Vilsack issued Memo 1044-009; the memo outlined the strategy that the Tongass National Forest is to implement over the next 10 to 15 years. The TLO believes that the proposed Trust Land Exchange is an integral part of this transition plan. The TLO has collaboratively worked with the Forest Service, landowners and stakeholders in many venues over the past decade to reach the point where the USFS and the TLO signed a land exchange ATI on June 30, 2015. These included the Tongass Futures Roundtable (TFR), the Tongass Advisory Committee (TAC) and the Tongass Landowners group. All these groups recognize the importance of diversifying timberland ownership which will reduce the reliance on federal timber supply.

The TFR was composed of a wide cross section of stakeholder groups concerned about future management of the Tongass National Forest. This working group recognized the need to maintain the current characteristics of land now in Trust ownership and the importance of the Trust to preserve its corpus and mission. The TLO, USFS, and the TFR participated in a process to identify federal and Trust lands to be included in this proposed exchange. The TAC primary objective was to reduce the amount of old growth timber harvest on the Tongass and accelerate the transition to young growth harvest as outlined in Secretary Vilsack's Memo. The ATI met these objectives of both of these groups.

Since the ATI signing, the TLO and the Forest Service have worked toward initiating the National Environmental Policy Act (NEPA) process over the past year with the TLO bearing all costs of the exchange. Although the NEPA process has not commenced, it is becoming increasingly apparent to all parties that the projected 5+ year process to complete the exchange after beginning the NEPA process will not be in time to provide "bridge timber" to assist the existing timber industry in the proposed Tongass Transition plan.

Secretary Vilsack's memo states: "*The objective of this Secretarial Memorandum is to ensure that USDA, the Chief of the Forest Service, the Alaska Region of the Forest Service, and the Tongass National Forest work together to catalyze a transition from a timber sale program based on old growth to one based on young growth.*" The memo also says, "*USDA is equally committed to doing its part to ensure that the communities within and adjacent to the Tongass National Forest are economically vibrant. These two goals must go hand in hand... Moreover, we must do this in a way that preserves a viable timber industry that provides jobs and opportunities for residents of Southeast Alaska.*"

The interrelations of the stated objectives of the Secretary's Memorandum and the proposed land exchange are evident. Secretary Vilsack recognized the potential benefit of the land exchange in a letter to The Honorable Secretary Murkowski dated November 19, 2013. In this letter the Secretary stated: "*I agree that the proposed land exchange could well serve the objectives outlined in my memorandum:*

1. *To seek opportunities to supply sufficient old growth "bridge timber" while the industry re-tools for processing young growth. The opportunity to use the exchanged lands could help in providing part of the bridge to second growth.*"

The following Action Objectives of the Secretary's Memo can be enhanced through the proposed exchange:

a. *Seek opportunities to supply sufficient old growth "bridge timber" while the industry re-tools for processing young growth.*

   The TLO on behalf of the Alaska Mental Health Trust (AMHT) is proposing to utilize the conveyed land to establish a timber base which will be part of the required fiber to the current industry in southeast Alaska. The Exchange will provide a long term supply of wood to the current operators.

d. *Develop by July 30, 2013, scenarios that effectuate a more rapid transition by prioritizing and developing additional young growth and restoration projects that could be completed over the next 5 years.*

   The Exchange project should be included within the scenarios as a means to "retain the expertise and infrastructure of the existing industry" while developing "opportunities for communities across the region in the recreation, tourism, fishing and renewable energy sectors."

h. *Pursue partnerships with foundations, non-profits, corporations, and others to advance a second growth industry, undertake restoration projects, and otherwise speed the transition.*

The AMHT is a state corporation that provides benefit services to Alaskans who are mental health beneficiaries. The Trust Land Exchange creates the kind of partnership envisioned by the Secretary's transition plan because it will work with current industry and communities to develop markets, products, and help diversify the timber owner land base. This partnership was recognized through the collaborative process of the Tongass Futures Roundtable, the USFS and the TLO, when they endorsed the proposed land exchange. Implementing the Trust Land Exchange will protect the remaining old grow timber surrounding SE Communities, provide fiber to the existing forest product operators, and provide long-term contracts to advance the second growth industry.

To benefit from the integration of the land exchange into the transition requires the exchange to happen quickly. The TLO supports implementing the exchange as rapidly as possible, which requires this legislation. The TLO will put all available resources to working with the USFS, Bureau of Land Management, and Southeast Alaskan communities to provide a sustainable and healthy economy, as well as a healthy and social environment, while fulfilling its fiduciary responsibility to the Trust.

Sincerely,

John Morrison
Executive Director
Trust Land Office

cc: Governor Walker
Senator Murkowski
Senator Sullivan
Representative Young
Regional Forester Pendleton
Tongass Forest Supervisor Stewart
AK DNR Acting Commissioner Marty Rutherford

Attachments: Secretary Vilsack Memo 1044-009
Senator Murkowski Letter to Secretary Vilsack
Secretary Vilsack letter to Senator Murkowski

September 21, 2016

Trust
Land Office

2600 Cordova Street, Suite 100
Anchorage, AK 99503
Tel 907.269.8658
www.mhtrustland.org

U.S. Senate Committee on Energy & Natural Resources
Testimony on S. 3203

Honorable Committee Members through the Chair:

The Alaska Mental Health Trust Land Office (TLO) supports the Alaska Mental Health Exchange Act of 2016, introduced by Alaska Senator Murkowski whether it be in the format of S.3006 or S. 3203. This bill will serve to better align land ownership patterns with the inherent missions of both the USDA Forest Service (USFS) and the Alaska Mental Health Trust (Trust). The proposed exchange (Trust Land Exchange) has identified about 17,341 acres of Trust lands and approximately 20,580 acres of USFS lands located within the Tongass National Forest. The exchange positively protects interests of value to the communities, supports the economy, and helps preserve Southeast timber industry during transition to young growth, while providing revenue for Alaskan Mental Health services in Alaska.

During Alaska's transition to a state, Congress passed the Alaska Mental Health Enabling Act of 1956. This act transferred the responsibility for providing mental health services from the federal government to the territory of Alaska and ultimately the state of Alaska, by creating the Alaska Mental Health Trust (Trust). The Trust is a state corporation that administers the Alaska Mental Health Trust, a perpetual trust managed for the benefit of people with mental illness, developmental disabilities, chronic alcoholism and other substance related disorders, Alzheimer's disease and related dementia, and traumatic brain injury. The Trust operates like a private foundation, using its resources to ensure that Alaska has a comprehensive integrated mental health program. The Trust annually budgets approximately $20 million to support services and programs for Trust beneficiaries. Timber sales have accounted for about a third of the TLO's income since the reconstitution of the Trust in 1994.

Alaska Mental Health Exchange Act of 2016 will accelerate the Trust Land Exchange at this critical juncture of time while transitioning from old growth to young growth harvest in Southeast Alaska. The parties developed an Agreement to Initiate (ATI) under the USFS requirements for a federal exchange. This exchange has been the culmination of years of collaborative work and input from a variety of stakeholders within the communities of Southeast Alaska, environmental organizations, and state and federal agencies. This equal value land exchange incorporates Trust lands surrounding six communities; Juneau, Sitka, Petersburg, Wrangell, Myers Chuck, and Ketchikan and designated timber lands in the Tongass National Forest. This will help preserve the current subsistence, watershed ecosystem services, old growth timber, recreational value, and visual integrity of lands surrounding the communities. This legislation will provide these described outcomes while providing essential revenue for Alaskan Mental Health services.

On July 2, 2013, Secretary of Agriculture Vilsack issued Memo 1044-009; the memo outlined the strategy that the Tongass National Forest is to implement over the next 10 to 15 years. The TLO believes that the proposed Trust Land Exchange is an integral part of this transition plan. The TLO has collaboratively worked with the Forest Service, landowners and stakeholders in many venues over the past decade to reach the point where the USFS and the TLO signed a land exchange ATI on June 30, 2015. These included the Tongass Futures Roundtable (TFR), the Tongass Advisory Committee (TAC) and the Tongass Landowners group. All these groups recognize the importance of diversifying timberland ownership which will reduce the reliance on federal timber supply.

The TFR was composed of a wide cross section of stakeholder groups concerned about future management of the Tongass National Forest. This working group recognized the need to maintain the current characteristics of land now in Trust ownership and the importance of the Trust to preserve its corpus and mission. The TLO, USFS, and the TFR participated in a process to identify federal and Trust lands to be included in this proposed exchange. The TAC primary objective was to reduce the amount of old growth timber harvest on the Tongass and accelerate the transition to young growth harvest as outlined in Secretary Vilsack's Memo. The ATI met these objectives of both of these groups.

Since the ATI signing, the TLO and the Forest Service have worked toward initiating the National Environmental Policy Act (NEPA) process over the past year with the TLO bearing all costs of the exchange. Although the NEPA process has not commenced, after the USFS provided its best estimate of the scope of work and timeframes to complete the NEPA process, it was apparent to many that the projected 5+ year process to complete the exchange after beginning the NEPA process will not be in time to provide "bridge timber" to assist the existing timber industry in the proposed Tongass Transition plan.

Secretary Vilsack's memo states: "*The objective of this Secretarial Memorandum is to ensure that USDA, the Chief of the Forest Service, the Alaska Region of the Forest Service, and the Tongass National Forest work together to catalyze a transition from a timber sale program based on old growth to one based on young growth.*" The memo also says, "*USDA is equally committed to doing its part to ensure that the communities within and adjacent to the Tongass National Forest are economically vibrant. These two goals must go hand in hand... Moreover, we must do this in a way that preserves a viable timber industry that provides jobs and opportunities for residents of Southeast Alaska.*"

The interrelations of the stated objectives of the Secretary's Memorandum and the proposed land exchange are evident. Secretary Vilsack recognized the potential benefit of the land exchange in a letter to The Honorable Secretary Murkowski dated November 19, 2013. In this letter the Secretary stated: "*I agree that the proposed land exchange could well serve the objectives outlined in my memorandum:*

1. *To seek opportunities to supply sufficient old growth "bridge timber" while the industry re-tools for processing young growth. The opportunity to use the exchanged lands could help in providing part of the bridge to second growth.*"

The following Action Objectives of the Secretary's Memo can be enhanced through the proposed exchange:

a. *Seek opportunities to supply sufficient old growth "bridge timber" while the industry re-tools for processing young growth.*

   The TLO on behalf of the Alaska Mental Health Trust (AMHT) is proposing to utilize the conveyed land to establish a timber base which will be part of the required fiber to the current industry in southeast Alaska. The Exchange will provide a long term supply of wood to the current operators.

d. *Develop by July 30, 2013, scenarios that effectuate a more rapid transition by prioritizing and developing additional young growth and restoration projects that could be completed over the next 5 years.*

   The Exchange project should be included within the scenarios as a means to "retain the expertise and infrastructure of the existing industry" while developing "opportunities for communities across the region in the recreation, tourism, fishing and renewable energy sectors."

h. *Pursue partnerships with foundations, non-profits, corporations, and others to advance a second growth industry, undertake restoration projects, and otherwise speed the transition.*

The AMHT is a state corporation that provides benefit services to Alaskans who are mental health beneficiaries. The Trust Land Exchange creates the kind of partnership envisioned by the Secretary's transition plan because it will work with current industry and communities to develop markets, products, and help diversify the timber owner land base. This partnership was recognized through the collaborative process of the Tongass Futures Roundtable, the USFS and the TLO, when they endorsed the proposed land exchange. Implementing the Trust Land Exchange will protect the remaining old grow timber surrounding SE Communities, provide fiber to the existing forest product operators, and provide long-term contracts to advance the second growth industry.

Therefore, to benefit from the integration of the land exchange into the transition requires the exchange to happen quickly. The TLO supports implementing the exchange as rapidly as possible, which requires this legislation. Since the legislation has been introduced, the TLO has worked cooperatively with the USFS to modify the boundaries of the proposed land exchange to appropriately address key management, conservation, and environmental issues. We look forward to further close coordination with the USFS and this committee toward enactment of this exchange legislation. The TLO will put all available resources to working with the USFS, Bureau of Land Management, and Southeast Alaskan communities to provide a sustainable and healthy economy, as well as a healthy and social environment, while fulfilling its fiduciary responsibility to the Trust.

Sincerely,

John S Morrison

John Morrison
Executive Director
Trust Land Office

cc: Governor Walker
Senator Murkowski
Senator Sullivan
Representative Young
Regional Forester Pendleton
Tongass Forest Supervisor Stewart
AK DNR Commissioner Andy Mack

Attachments: Secretary Vilsack Memo 1044-009
Senator Murkowski Letter to Secretary Vilsack
Secretary Vilsack letter to Senator Murkowski