

# ALASKA STATE LEGISLATURE

## SESSION

State Capitol, Rm. 30  
Juneau, Alaska 99801-1182  
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(877) 463-3873 Toll Free  
Sen.Bert.Stedman@akleg.gov



## INTERIM

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Ketchikan, AK 99901-6442  
Phone (907) 225-8088  
Fax (907) 225-0713  
[www.BertStedman.com](http://www.BertStedman.com)

## SENATOR BERT K. STEDMAN

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### CSSB 88 (RES)

### Support

#### District R

Angoon • Coffman Cove • Craig • Edna Bay • Elfin Cove • Hollis • Hoonah • Hydaburg • Hyder • Kake • Kasaan  
Ketchikan • Klawock • Klukwan • Kupreanof • Metlakatla • Meyers Chuck • Naukati • Pelican • Petersburg  
Point Baker • Port Alexander • Port Protection • Saxman • Sitka • Tenakee Springs • Thorne Bay • Whale Pass • Wrangell

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**2016-2017**

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# RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

March 15, 2017

Senator Cathy Giessel  
Alaska State Capitol

Via email

Re: SB 88, *Authorizes land exchange between the Alaska Mental Health Trust Authority and the U.S. Forest Service*

Dear Senator Giessel:

The Resource Development Council for Alaska, Inc. (RDC) is writing to support SB 88, which authorizes a land exchange between the Alaska Mental Health Trust Authority (the Trust) and the U.S. Forest Service. The exchange is vital to the survival of Southeast Alaska's last remaining mid-size sawmill and would serve as a bridge until 2020 when additional federal timber comes online.

RDC is a statewide business association comprised of individuals and companies from Alaska's oil and gas, mining, forest products, tourism and fisheries industries. RDC's membership 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.

The Forest Service manages more than 90 percent of the commercial timber base in Southeast Alaska, but it has fallen well short of its target for supplying timber to the industry. The State has provided some timber to the industry, but with only two percent of the commercial base in the region, it alone cannot supply the timber required to keep the last surviving sawmill in operation.

The proposed land exchange has widespread community support in Southeast Alaska. The exchange would allow the Alaska Mental Health Trust Authority to avoid harvesting timber on land adjacent to both Ketchikan and Petersburg that local communities would like preserved. By exchanging Trust lands for lands of equal value from the Forest Service, the Trust will gain land that can be harvested, which in turn would provide revenue to support important mental health programs for Alaskans.

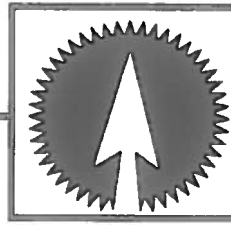
The proposed exchange is a win-win for Alaska as it will increase revenue for mental health programs, help sustain our struggling timber industry, save jobs, and preserve land adjacent to local communities. RDC urges passage of SB 88 this session.

Sincerely,

Carl Portman  
Deputy Director

# Alaska Forest Association

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111 Stedman Street  
Ketchikan, AK 99901  
Phone: 907-225-6114  
Fax: 907-225-5920

March 14, 2017

Senator Cathy Giessel  
120 4<sup>th</sup> St. Room 3  
Juneau, AK 99801  
[senator.cathy.giessel@akleg.gov](mailto:senator.cathy.giessel@akleg.gov)

Dear Senator,

The Alaska Forest Association supports the land exchange between the Alaska Mental Health Trust and the US Forest Service. It is vital to our timber industry that the State enact SB 88 this legislative session.

The Alaska Forest Association (AFA) is a non-profit business association that was formed in 1957 to represent the interests of the timber industry in Alaska. The AFA currently manages a pension program, a group health insurance program, a scholarship program for the timber industry and also sponsors the Sustainable Forestry Initiative program for Alaska.

The Forest Service manages more than 90% of the commercial timberland in Southeast Alaska and that federal agency has failed to provide sufficient timber to keep our manufacturing facilities operating. We have lost two pulp mills and several large sawmill over the last 20+ years and we have only a single mid-size sawmill remaining. Now that last sawmill is at risk of closure because the Forest Service has mismanaged its timber sale program again and has provided a timber sale schedule that indicates there will be very little federal timber available to our last sawmill until at least 2020. The State Division of Forestry has continued to supply timber for our industry, but the State manages only 2% of the commercial timberland in the region. The State alone cannot supply our last surviving sawmill.

If the Alaska Mental Health Trust exchange is completed this legislative session, our last mid-size sawmill should be able to utilize timber from that exchange to keep the mill operating until 2020 when the Forest Service projects it will again be able to supply timber.

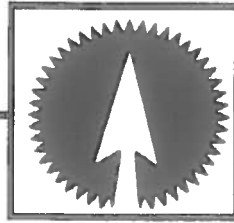
This value-for-value exchange has a lot of support within the region because in addition to helping preserve our remaining timber manufacturing jobs, the exchange will enable the Alaska Mental Health Trust to avoid harvesting land adjacent to Ketchikan and Petersburg that the local communities want preserved.

Sincerely,

Owen Graham  
Executive Director  
Alaska Forest Association

Copy: Senator Bert Stedman, Randy Ruaro, Vasilios Gialopsos  
David Scott, Carl Portman, Paul Slenkamp

# Alaska Forest Association



111 Stedman Street  
Ketchikan, AK 99901  
Phone: 907-225-6114  
Fax: 907-225-5920

March 28, 2017

Senator Cathy Giessel  
State Capitol Room 427  
Juneau, AK 99801  
[Senator.Cathy.Giessel@akleg.gov](mailto:Senator.Cathy.Giessel@akleg.gov)

Dear Senator Cathy Giessel,

The Alaska Forest Association supports SB-88 which enables the exchange of Mental Health Trust lands with Forest Service lands because this value-for-value exchange will allow the Trust to continue selling timber to the local timber industry while avoiding harvesting multiple parcels of land that are adjacent to local communities. In addition, the timing of the exchange is critical. The Forest Service timber sale schedule has been severely delayed by reckless actions of the past federal administration. These delays are now being addressed, but the agency projects it will take about three years to restore its timber sale program. The Mental Health Trust land exchange provides an opportunity to bridge this gap in the federal timber sale schedule.

We note an opposition letter from the Southeast Alaska Conservation Council. That letter alleges that the exchange will result in the "loss of increasingly important old-growth forest habitat". SEACC suggests instead that the Trust sell its land to taxpayer-funded conservation institutions like wetland mitigation, land and water conservation funds and carbon credit schemes. The alleged harm to habitat is a falsehood. We have been harvesting timber in Alaska for more than sixty years and fish and wildlife populations are doing fine, particularly in the most heavily harvested watersheds. Further, selling land or locking it up in conservation easements is not a sustainable use of the land; that strategy creates no wealth, doesn't help the local economy and is generally a burden on the American taxpayer.

About ten years ago the Forest Service proposed to purchase some of these Mental Health Trust lands in order to prevent development of the lands. The Alaska Forest Association objected to that sale for much the same reason; the land would have been taken out of the region's timberland base. We urged the Mental Health Trust to seek an exchange instead and we are grateful that the Trust is still willing to do so.

The federal government has monopoly power over the timber supply in Southeast Alaska and is currently managing nearly all of its 17-million acre forest for non-timber harvest purposes. We intend to restore a reasonable federal timber sale program from a small portion of the national forest. Enabling this land exchange by enacting SB-88 will give us a little time to accomplish that task.

Sincerely,

Owen Graham  
Executive Director  
Alaska Forest Association

CC: Senator Bert Stedman  
Senator John Coghill  
Representative Dan Ortiz  
Paul Slenkamp, Mental Health Trust



THE STATE  
of **ALASKA**  
GOVERNOR BILL WALKER

Department of Natural Resources

DIVISION OF FORESTRY

550 W. 7<sup>th</sup> Avenue  
Anchorage, AK 99501  
Phone: 907 269-8463  
Fax: 907 269-9211

March 31, 2017

Senator Cathy Giessel, chair  
Senator John Coghill, vice-chair  
State Capitol  
Senate Resources Committee

Dear Senator Giessel and Senator Coghill,

The DNR Division of Forestry is pleased to convey its continued support for a land exchange between the Alaska Mental Health Trust (Trust) and the U.S. Forest Service (USFS) in Southeast Alaska, as proposed in SB88. 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 exchange involves Trust land that primarily supports old growth timber around Juneau, Wrangell, Petersburg, Sitka, Meyers Chuck, and Ketchikan. On the federal side, the exchange includes Tongass National Forest old growth and young growth near Ketchikan and on Prince of Wales Island.

The proposed exchange has multiple benefits for Alaska. It will:

- Support local communities in their efforts to protect and manage their watersheds and view sheds, reduce hazards from landslides associated with development activities, and promote tourism and public recreation.
- Contribute to the Trust's mission to manage Trust assets in perpetuity for Trust beneficiaries.
- Strengthen the Southeast Alaska timber industry – the industry has been sorely hampered by lack of supply from the Tongass National Forest. The timber industry provides high-quality jobs and economic diversity that are essential to support of small communities and school districts in Southeast.
- Help facilitate the USFS transition to harvesting only young growth on the Tongass. There are not yet enough young growth stands to make this transition successful; harvests of some old growth are necessary 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.

In short, the proposed exchange creates a solution that benefits communities, the state, the US Forest Service, and the Trust.

We also note that the Board of Forestry has repeatedly endorsed the proposed exchange. The Board members include representatives of timber, fishing, and mining industries; Native

corporations; professional foresters and fish and wildlife biologists; and environmental and recreational organizations. This diverse group has worked to address issues of timber supply, reduction of landslide hazards, and protection of water quality and fish habitat and is on record in support of the exchange.

The Division of Forestry endorses SB88. We appreciate your support of the timber industry and communities of Southeast Alaska and mental health beneficiaries across the state.

Sincerely,



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

Cc: Senator Lisa Murkowski  
Senator Dan Sullivan  
Congressman Don Young  
Senator Bert Stedman  
Darwin Peterson, GO Legislative Director  
John Morrison, Executive Director, Alaska Mental Health Trust Land Office  
Wyn Menefee, Deputy Director, Alaska Mental Health Trust Land Office  
Andrew T. Mack, DNR Commissioner  
Ed Fogels, DNR Deputy Commissioner  
Ed King, DNR Legislative Liaison  
Beth Pendleton, USFS Region 10 Forester  
Earl Stewart, Tongass Forest Supervisor

Alaska Board of Forestry

- ♦ Keith Coulter, Alaska Native Corporations
- ♦ Denise Herzog, Mining Organization
- ♦ Erin McLarnon, Recreation Organization
- ♦ Eric Nichols, Forest Industry Trade Association
- ♦ Will Putman, Non-governmental Professional Forester
- ♦ Chris Stark, Environmental Organization
- ♦ Mark Vinsel, Commercial Fisherman's Organization
- ♦ Bill Morris, Non-governmental Professional Fish/Wildlife Biologist

## **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

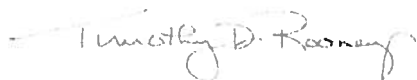
**WHEREAS**, the Alaska Mental Health Trust is proposing a value for value land exchange with the U.S. Forest Service The Trust, Forest Service and other parties have identified approximately 2,000 acres of timber lands in the Tongass National Forest (TNF) near Naukati, and Hollis on Prince of Wales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

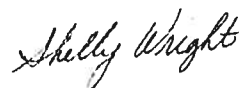
**ADOPTED BY THE SOUTHEAST CONFERENCE BOARD OF DIRECTORS ON March 18, 2013 and sunsets on March 18, 2014**

Witness:



Tim Rooney  
President

Attest:



Shelly Wright  
Executive Director



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](mailto:Chuck_Kleeshulte@energy.senate.gov)  
**Subject:** Support of S.3006  
**Date:** Monday, September 19, 2016 10:00:46 PM

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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



## 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.

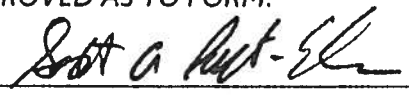
ADOPTED this 15<sup>th</sup> day of August, 2016.

  
\_\_\_\_\_  
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 9<sup>th</sup> 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



3745 Community Park Loop, Suite 200  
Anchorage, AK 99508  
907-269-7960  
[www.mhtrust.org](http://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.

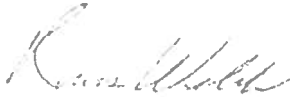
The State of Alaska is facing the worst fiscal crisis in its history. Cuts to state programs threaten to reduce vital services for Trust beneficiaries. There is a critical need for the Trust to generate income to assist in meeting beneficiary needs. While the Trust provides over \$20 million annually 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,

A handwritten signature in dark ink, appearing to read "Russ Webb", written in a cursive style.

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,

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 Michael*

Mary Jane Michael  
2421 Wellington Court  
Anchorage, Alaska 99517

*Hope you are  
doing well. Miss  
to have the boys  
back in Anchorage  
But I miss the  
Harrison adventures!  
Best, Mary Jane*



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







Trust

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) landslides 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](http://www.petersburgak.gov)

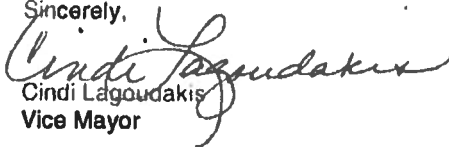
by logging in this zone" (from Taain Creek and northward) "is **moderately high**", and "the risk or danger to structures and residents along the Mitkof Highway corridor from debris torrents initiated by logging in this zone" (from Taain Creek and southward) "is **extremely high**". These conclusions 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  
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"

**Borough Administration**  
PO Box 329, Petersburg, AK 99833 – Phone (907) 772-4425 Fax (907) 772-3759  
[www.petersburgak.gov](http://www.petersburgak.gov)

**Land Manager**

USFS

USFS - Natural Land Cover

State of Alaska

**Mental Health Lands Trust**

University of Alaska

ANCSA Corporation

Private/Local Government

USFS Documented Landslides (point)

(polygon)

## Analysis Road

Other Forest Roads

50% - 67% Slope

67%+ Slope

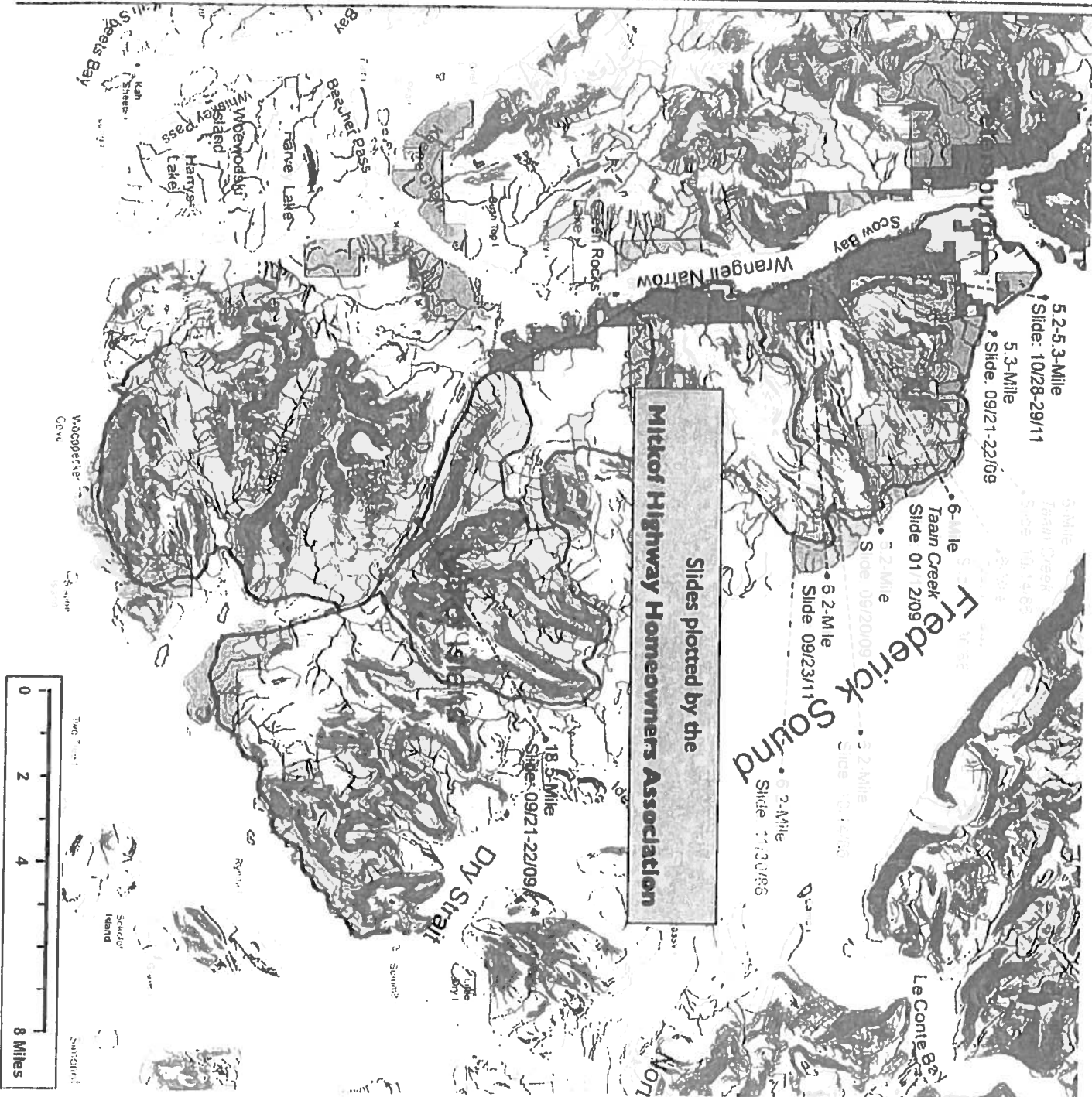
Areas with public roads that are within a ½-mile downhill from slopes >50% that have forests that are open to commercial harvesting

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 Forest's Southeast Area and Tongass National Forest Roads Inventories. Roads selected for exposure to public safety were those with a TNF Management Directive of 3 (suitable for passenger cars) or higher, with additional roads identified by the Landslides STAC.

Slopes - Calculated using the 20 meter Digital Elevation Model developed by NASA Shuttle Radar Topography Mission (SRTM). 2500





**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



Telephone and electrical lines and Mitkof Highway itself was cut by a landslide early Wednesday morning after more than eight inches of rain fell on Petersburg. Although residents 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 muck, city and state officials leaders 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 ser-

vices 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 Jansson said.

The storm which poured 8.40 inches of rain on Petersburg during the 48 hours ending Wednesday caused the slide shortly before 7 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 7:50 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 front-end 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," Cronlund 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 muck 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.)

Continued from Page

Continued from Page 1  
ing. We were jumping all  
the place. We transferred  
more mail was coming be-  
was interesting." Pres  
understated.

He credited the fire emergency service crew with the quick action which rendered the threatening situation.

"It just required the cooperation of a group of people. It was well," Cronlund declared.

Full daylight the work of  
unloading the road began.  
A city and a state made to  
land one time, for every  
vehicle to splash through  
ankle-deep mud to clear the  
The local hoods  
terred trees, one two  
diameter, were the billboards  
drunk in the water now  
drain down the now muddy

Mountain View Master  
classroom and 5.1 inches of  
fell in the 24 hours which  
Wednesday afternoon, fell  
3.2 inches of wet in the do b  
that.

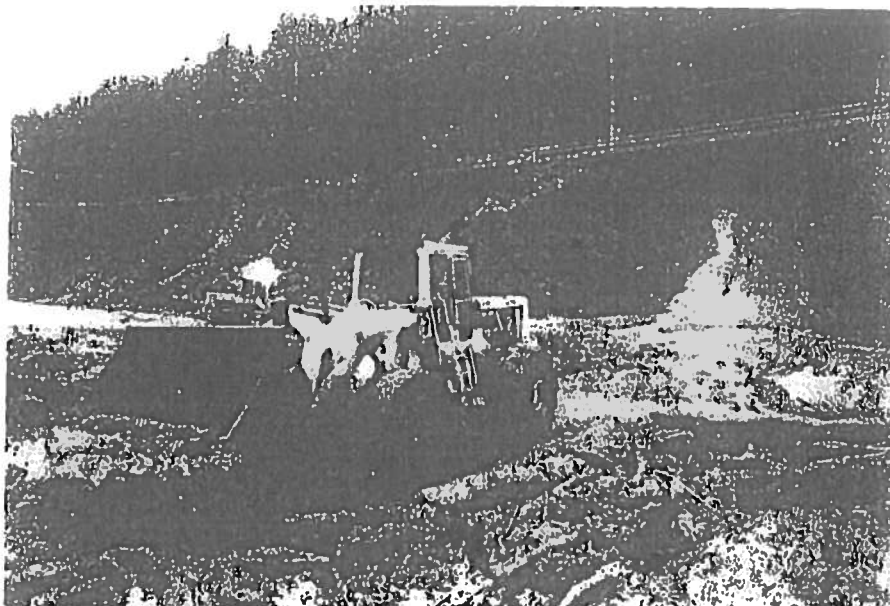
The passenger was off the train about 10 minutes, but did not see the Port Authority bus southward with no motor about 8:30 a.m. FBI Superintendent in Donald Lewis

Telephone can only be a second-effected by Mother Nuns. Flexible GTE is the third. The perfect one. We're serious. Not a word of our commitment without evidence. The company that's many had about the field and time experience, for the best of the old and the new can be included.

Shepherd said he expected to return to work on Thursday. He said he expected to have full service restored Friday.

LANDSLIDE - November 30, 1988

Page 9, PDot, December 1, 1968



More than eight inches of rain which fell from Monday to Wednesday helped create a new creek near the 6 mile mark of Milkus Highway and resulted in the death of a person and a heart attack victim at a home south of the slide which closed the highway.

early (but morning. City and state Department of Transportation  
frontend leaders spent Wednesday reopening the roadway and rain  
kept falling. (P) (photo by Rob Tkacz)

**Attachment 4 - Page 2 of 2**

(See Photo I - 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 Mithof 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 Mt of 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 Motkof Highway  
Taavi 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  
Toain 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](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 #17) downslope. Photo: Suzanne West, 22 January 2009

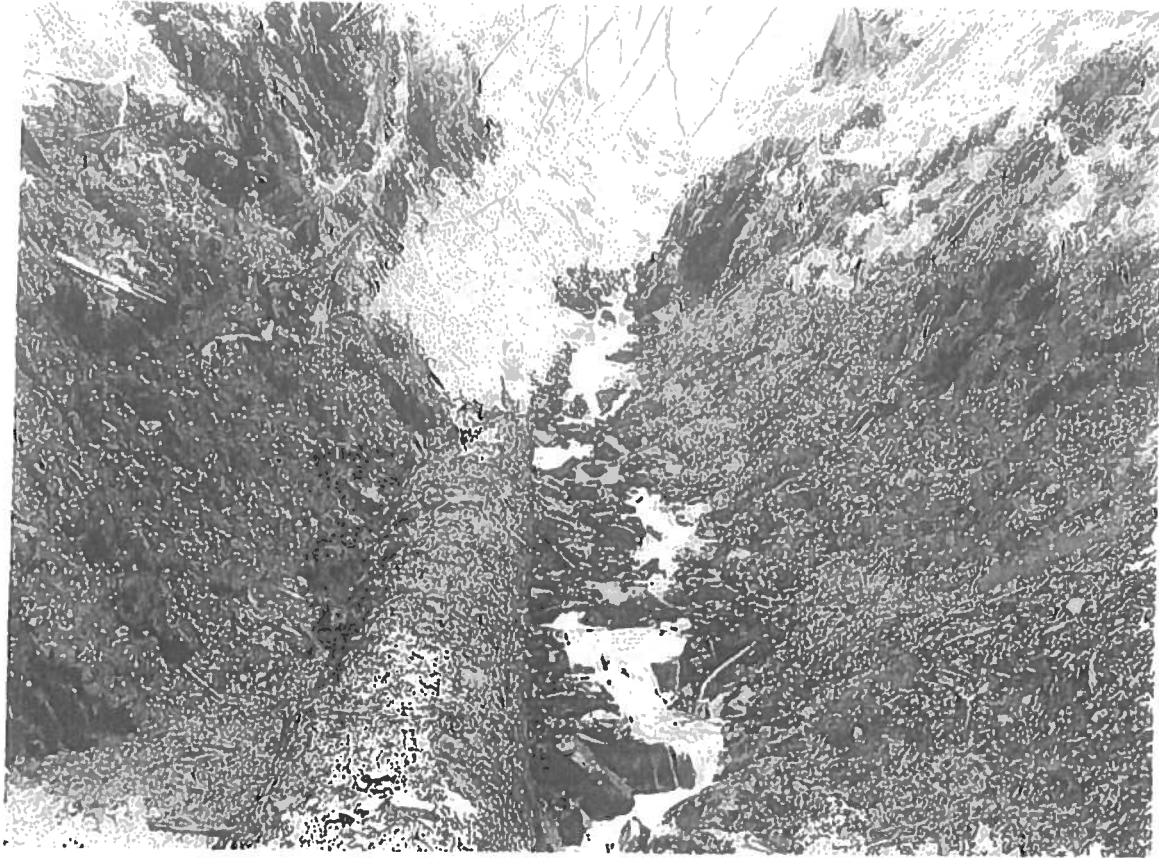
January 12, 2009  
6 Mile Mitkof Highway  
Taain Creek



**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 of 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](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 in 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,

A handwritten signature in cursive script that reads "Randy Johnson / TC".

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

Founded 1975

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Marleanna Hall

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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@akrdoc.org • akrdoc.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,

A handwritten signature in dark ink, appearing to read 'Carl Portman', is positioned above the typed name.

**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

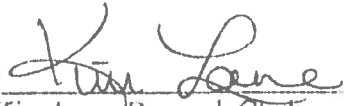
**NOW, THEREFORE, IN CONSIDERATION OF THE ABOVE FACTS, IT IS RESOLVED BY THE CITY AND BOROUGH OF WRANGELL, ALASKA** as follows:

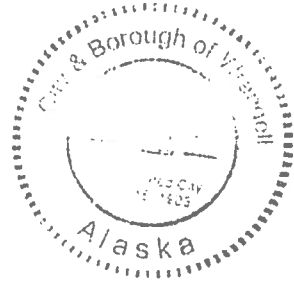
The City and Borough of Wrangell supports passage of S. 3006, the Alaska Mental Health Trust Land Exchange of 2016, but asks for further consultation and reconsideration of 115 acres located within the borough boundaries of the City and Borough of Wrangell north of Pats Lake and Pats Creek.

**ADOPTED:** September 27, 2016



David L. Jack, Mayor

ATTEST:   
Kim Lane, Borough Clerk







THE STATE  
**of ALASKA**  
GOVERNOR BILL WALKER

Department of Natural Resources

DIVISION/OF FORESTRY

550 W. 7<sup>th</sup> 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.

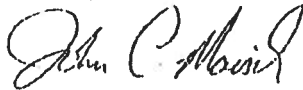
On the federal side, this equal value exchange would include roughly 21,000 acres of Tongass National Forest old growth and young growth near Ketchikan and on Prince of Wales Island. The exchange would facilitate the USFS commitment to transition to harvesting only young growth on the Tongass. There 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

COMMUNITIES

ALASKA'S COMMUNITIES  
AND ENVIRONMENT

COMMUNITIES

ALASKA'S COMMUNITIES  
AND ENVIRONMENT

COMMUNITIES

## United States Senate

WASHINGTON, D.C. 20540-5000

205-481-2000

202-224-2000

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





United States Department of Agriculture

Office of the Secretary  
Washington, D.C. 20250

NOV 19 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.

The Honorable Lisa Murkowski

Page 2

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 is 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



Alaska  
Land Office

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

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Anchorage, AK 99503  
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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 growth 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



Alaska  
Land Office

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

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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.*

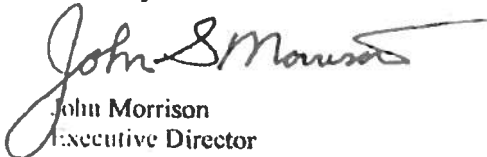
- d. Develop by July 30, 2013, scenarios that effectuate a more rapid transition by prioritizing and developing additional young growth and restoration projects that could be completed over the next 5 years.*

*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 growth 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 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



**– Senate Bill 88 –**  
Submitted Testimony to Senate Resources Committee  
3 April 2017

by  
Charles E. “Ed” Wood  
Mitkof Highway Homeowners Association  
Petersburg, Alaska 99833

1. Chair and members of the Senate Resources Committee,
2. My name is Charles Wood, and I am speaking in favor of Senate Bill 88 as a spokesman and co-founder of the Mitkof Highway Homeowners Association.
3. The MHHA is a group of 95 Petersburg homeowners living below and commuting along State Highway 7, the Mitkof Highway, which lies at the foot of the Trust’s demonstrably steep, unstable, hillside parcels.
4. The soils across the majority of the Trust’s parcels of concern to our group have been shown by the U.S. Forest Service orthophotographic mapping as landslide hazard soils. The majority of these parcels exceed the Forest Service standards pertaining to logging.
5. The Mitkof Highway corridor below the Trust parcels in question here in Petersburg, have been analyzed and mapped by the Division of Forestry’s Landslide Science & Technical Committee as a landslide hazard zone. The State Division of Forestry has no criteria in its Best Management Practices specific to logging steep unstable slopes within inhabited landslide hazard areas, yet if the Trust were to ever log these slopes, it would do so under the guidance of Alaska’s Forest Resources & Practices Act.
6. The sole focus of the MHHA over the past 11 years has been entirely on public safety. Never once have we mentioned view-shed or community backdrop, local recreational opportunities, wildlife corridor, or tourism, though each of these issues present reasonable arguments in favor of the land exchange.

7. Nor have we offered commentary on the Trust lands next to other communities, or of the Forest Service lands involved with the exchange.
8. Logging the slopes above our homes runs the risk of accelerated landslide activity. Our group believes that the Division of Forestry's Best Management Practices guidelines providing insufficient safeguards to protect our homes and property from unwise timber harvest. Conversely, we do expect that management of our hillside by the U.S. Forest Service will entail other criteria which will ensure that public safety will not be impacted by logging.
9. The Mitkof Highway Homeowners Association asks you to support SB 88.
10. Respectfully,  
Charles E. "Ed", Co-Founder  
Mitkof Highway Homeowners Association  
P.O. Box 383  
Petersburg, AK 99833-0383  
907-772-3480  
fvtalon@icloud.com



**- Senate Bill 88 -**  
Submitted Testimony to Senate Resources Committee  
3 April 2017

by  
Suzanne Wood on behalf of the Mitkof Highway Homeowners Association  
Petersburg, Alaska 99833

1. Chair Giessel and members of the Senate Resources Committee,
2. My name is Suzanne Wood. I am a co-founder and am representing the Mitkof Highway Homeowners Association (MHHA), a group of 95 local residents and homeowners, located in Petersburg on Mitkof Island in Southeast Alaska. My written comments pertain to Senate Bill 88.
3. The MHHA has actively supported the concept of a land exchange for the Alaska Mental Health Trust's Mitkof Highway hillside parcels since December 2005, understanding the risks to public safety from unwise timber harvest on already identified landslide prone slopes above inhabited areas, specifically the approximate contested 2600 acres above 3-Mile to 7-Mile Mitkof Highway (State Highway #7).
4. Following the Trust's 12 December 2005 public announcement to log their Petersburg steep and unstable hillside parcels, members of the MHHA met with the Petersburg District Ranger Patty Grantham, and Deputy Ranger Chris Savage on 31 December 2005, requesting the U.S. Forest Service's help in progressing a Forest Service-Trust land exchange for the Trust's Petersburg properties.
5. The MHHA embarked on a campaign to engage the Alaska delegation's support. In her 16 March 2006 letter to the MHHA (see Attachment 1), Senator Lisa Murkowski wrote,

*In the event that the Trust elects to pursue a transaction with the Forest Service, I will be pleased to work with all interested parties to formulate a mutually acceptable proposal and to facilitate its consummation.*

6. Tongass Forest Supervisor Forrest Cole informed the MHHA in May 2006 that he and the Trust's senior resource manager had identified several parcels around Ketchikan for exchange of the Trust's Petersburg hillside parcels. The Trust, however, went on to change their strategy from exchanging solely their Petersburg parcels to expanding the scope of the land exchange to include community holdings in Juneau, Ketchikan, Meyers Chuck, Sitka, and Wrangell, finalized in 4 September 2012.

7. The MHHA's attorneys, Dillon & Findley, P.C.,

- [following the death of Tom Findley, Kristen Miller, Esq., continues to represent the MHHA, joining Simpson, Tillinghast, Sorensen & Sheehan, PC in 2013]

successfully delayed the Trust's negotiated timber sale's spring 2006 start date, engaging the Trust to agree to participate in an assessment of the risks of logging their Mitkof Highway hillside parcels.

8. The MHHA's attorneys contracted with renowned landslide expert Douglas N. Swanston, Ph.D., CPG., who was familiar with the Petersburg Mitkof Highway hillside. During his tenure, in the 1970s, with the Forest Service, Dr. Swanston had conducted transects cross-slope above 3-Mile to 7-Mile Mitkof Highway.

- Dr. Swanston's risk analysis, *Assessment of Landslide Risk to the Urban Corridor Along Mitkof Highway from Planned Logging of Mental Health Trust Lands*, dated 6 June 2006, "A review of the Alaska Mental Health Trust parcels currently being considered for logging in the Petersburg area indicate a major stability hazard to the urban corridor from Scow Bay to the Twin Creeks valley [3-Mile to 7-Mile above Mitkof Highway], if logging of the parcels above and adjacent to Mitkof Highway is to occur. Field work was performed by Dunn Environmental Services."
- Please see Attachment 5 - U.S. Forest Service orthophotographic map. In response to the MHHA's 21 September 2006 *Freedom of Information Act* request to the U.S. Forest Service, then Petersburg District Ranger Patty Grantham wrote the MHHA:
  - *The specific reference materials providing the basis for landslide hazard soils, and "the procedure GIS followed to attribute this designation on the*

[orthophotographic] map provided to you in an earlier FOIA request [30 December 2005], included the following reports:

- Patricia Krosse, *Preliminary Soil Resource Inventory Report, Stikine Area, Tongass National Forest* (April 1993);
- Douglas N. Swanston, *Overview of Controlling Stability Characteristics of Steep Terrain in Southeast Alaska with Discussion of Needed Standardization for Mass Movement Hazard Indexing on the Tongass National Forest* (14 December 1995); and
- Douglas N. Swanston, *Assessments of Wildlife Viability, Old-growth Timber Volume Estimates, Forested Wetlands and Slope Stability* (March 1997).

9. The Trust contracted with Craig Erdman, employed by GeoEngineers, Inc., Washington State, for their risk report. Upon examination of Mr. Erdman's résumé, the MHHA found the State of California Board for Geologists and Geophysicists' *Enforcement Action* against Mr. Erdman (see Attachment 2 (1) *Enforcement Action*, and (2) Attachment 3 - MHHA letter dated 28 June 2007, from Charles E. Wood to Trust executive director Marty Rutherford; and (3) Attachment 4 - Dr. Swanston's *Critique of: "Geotechnical Forestry Practices Evaluation Petersburg Slope Stability Assessment Petersburg, Alaska File Number 5342-004-00"*)

10. Both the Forest Service and Alaska's Division of Forestry independently and scientifically mapped

- A. See Attachment 5 U.S. Forest Service orthophotographic map detailing landslide hazard soils (specifically, the muted purple extending continuously from Section 10 to Section 26 of the Trust's hillside parcels within the overlay of the Trust's Petersburg hillside timber sale aliquot parts. The MHHA plotted the location of existing homes, future homesites, etc. lying beneath the Trust hillside parcels; and
- B. See Attachment 6 Board of Forestry's Scoping Map / Public Safety & Landslide Hazards / Mitkof Island Area — Note: bright red blob (acreage) parallel to Scow Bay along the Wrangell Narrows; detailed are nine landslides identified with event dates and locations. The MHHA plotted the landslides for the Board of Forestry's Landslide Science & Technical Committee.

the Trust's hillside parcels, identifying them as containing landslide hazard soils cross-slope, above 3-Mile to 7-Mile above Mitkof Highway. There have been nine (9) natural landslides crossing and closing Mitkof Highway to through traffic and emergency vehicles, damaging homeowner properties and structures, disrupting residential electrical power and communication services. These landslides occurred from October 1986 through to October 2012

- (1) and (2) 14 October 1986 (two separate threshold events, one mile apart); and
- (3) and (4) 30 November 1988 (two separate threshold events, one mile apart);

with five (5) additional slides occurring *following* the Trust's 12 December 2005 (MHT 9100411 - Negotiated Timber Sale [7 December 2005]) and subsequent 26 October 2016 (MHT 9100855 - P-1 Timber Sale [11 August 2016]) public announcements and Best Interest Decisions to log their steep hillside slopes above Mitkof Highway (State Highway #7), our homes and property, and the Tyee hydroelectric utility transmission corridor:

- (5) 12 January 2009;
- (6) 20 September 2009;
- (7) 21-22 September 2009;
- (8) 23 September 2011; and
- (9) 28 October 2011

11. The MHHA testified before the House Resources Committee on 31 March 2012. House Bill 91 (see Attachment 7, House Bill 91, 27th Legislature), a citizen's initiative to amend the Alaska Forest Practices Act (FRPA) to include public safety as it relates to timber harvest on steep and unstable slide prone slopes above inhabited areas across Alaska, like here in Petersburg. The State Forester attached a fiscal note to the bill so it did not progress out of committee. Additionally, the Board of Forestry, after 4-1/2 years of discussion on *public safety*, twice voted by unanimous consent to pass off to Alaska communities through local zoning ordinances the State's obligation and authority to

manage timber harvests within Alaska's inhabited landslide hazard areas, thereby failing to address *public safety*. The Trust resource manager, in attendance at all BOF board meetings where the *public safety* issue was discussed, said that such redirection of authority to communities and their subsequent execution of these ordinances would be considered a *taking*, stating further that communities might be held financially accountable to the Trust for lost monetization opportunities from Trust timbered assets, despite the public safety risks.

12. The MHHA's 28 February 2012 letter to Chris Maisch, State Forester & Director/Alaska Division of Forestry; Dan Sullivan, Commissioner/Department of Natural Resources; and Governor Sean Parnell (see Attachment 8) relating to the rationale for amending Alaska's Forest Resources & Practices Act to include public safety in logging practices within Alaska's inhabited forested areas. Representative Berta Gardner had asked Mr. Maisch on 31 March 2012 on the status of the State's reply to the MHHA. Mr. Maisch advised the letter was awaiting signature. To date, though we cannot speak for now Senator Berta Gardner, the MHHA who authored the letter never received a response.

13. The MHHA has focussed solely on the issue of public safety and the apparent risks of Trust timber harvest on their steep and unstable slopes above the Mitkof Highway corridor. However, these large timbered stands of Tongass rain forest old growth above 3-Mile to 7-Mile Mitkof Highway have, since issuance of Federal land and homesite patents in the early 1900s, provided a wide range of recreational opportunities including hiking, hunting, skiing, horseback riding, and more recently snowboarding and snowmobiling. These hillside parcels are included in Alaska's designated Scenic Byways.

14. The MHHA continues to support the exchange of the Trust's Petersburg hillside parcels above 3-Mile to 7-Mile Mitkof Highway. We have a high degree of confidence in the Forest Service taking ownership of these parcels. Their Petersburg District Ranger advised the MHHA on 31 January 2005 that the Forest Service could never log this area

as their land management standards and guidelines prohibit such activity and recognize the liabilities associated with timber harvest to downslope neighboring landowners/homeowners, including Mitkof Highway/State Highway #7, and the multi-million dollar Tyee hydroelectric utility transmission corridor. This land exchange would also eliminate the potential for risks of accelerated soil mass movement following Trust timber harvest, especially on slopes that have proven repeatedly to be demonstrably unstable in their natural state. A land exchange would eliminate associated risks to the Trust corpus from injury, death, or property damage following timber harvest.

15. The MHHA's efforts to stop the Trust's various Best Interest Decision monetization efforts for their steep and unstable Mitkof Highway hillside parcels

- [MHT 9100411 - Negotiated Timber Sale](#) [7 December 2005];
- [MHT 9100528 - Competitive Land Sale](#) [1 May 2007]; and
- [MHT 9100855 - P-1 Timber Sale](#) [11 August 2016]

whether for timber harvest, or an outright land sale to a timber broker, now span 11 years and three months, with our expenses exceeding \$130,000. The MHHA has had to navigate a continuing change in Trust Land Office leadership and monetization policy, including:

Wendy Woolf, <i>Acting Executive Director</i>	12/2005 - 2/2007
Marty Rutherford, <i>Executive Director</i>	2/2007 - 8/2007
Wendy Woolf, <i>Acting Executive Director</i>	8/2007 - 8/2007
Harry Noah, <i>Executive Director</i>	8/2007 - 8/2009
Marcie Menefee, <i>Acting Executive Director</i>	8/2009 - 8/2010
Greg Jones, <i>Executive Director</i>	8/2010 - 8/2013
Marcie Menefee, <i>Executive Director</i>	9/2013 - 5/2015
John Morrison, <i>Acting Executive Director</i>	5/2015 - 10/2015
John Morrison, <i>Executive Director</i>	11/2015 -

16. Petersburg's public radio station, KFSK, interviewed the Trust Land Office's current executive director, JohnMr. Morrison, following the Trust's public outreach meeting on 22 March 2017 where

"Some of those residents questioned the officials about how they could even consider logging there, given the risk of landslides.

"I understand," Morrison responded. "I wouldn't want to live at the bottom of a slide area or have something affect the area above my house. I certainly wouldn't want to do something that endangered people below our house, or below land that we owned. So we certainly are taking those things into consideration. And as I said, we are committing significant resources to moving this exchange forward including coming down for meetings like this and working with a number of interested parties."

17. The MHHA supports Senate Bill 88 authorizing a land exchange of Trust parcels which states as one of its purposes, *that of preserving land adjacent to communities*, including Petersburg—that being the Trust's timbered lands above our homes and property, specifically 3-Mile to 7-Mile Mitkof Highway (State Highway #7), and the Tyee hydroelectric utility corridor.

18. Thank you for this opportunity to provide written testimony, and supporting attachments.

19. Respectfully,  
Suzanne Wood, Co-Founder  
Mitkof Highway Homeowners Association  
P.O. Box 383  
Petersburg, AK 99833-0383  
907-772-3480  
[fvta1on@icloud.com](mailto:fvta1on@icloud.com)

LISA MURKOWSKI  
ALASKA  
MAJORITY DEPUTY WHIP

COMMITTEES:  
ENERGY AND NATURAL RESOURCES  
CHAIRMAN, SUBCOMMITTEE ON  
WATER AND POWER  
FOREIGN RELATIONS  
CHAIRMAN, SUBCOMMITTEE ON  
EAST ASIAN AND PACIFIC AFFAIRS  
-----  
ENVIRONMENT AND PUBLIC WORKS  
INDIAN AFFAIRS

Mr. Charles Wood  
Co- Founder  
Mikof Highway Homeowners Association  
Post Office Box 383  
Petersburg, Alaska 99833-0383

Dear Charles:

Thank you for contacting me about logging on lands owned by the Alaska Mental Health Trust land in the Petersburg area. I appreciate knowing your concerns.

The Alaska Mental Health Trust Authority operates under the auspices of the State of Alaska and its activities are not subject to Congressional oversight. The federal government is not in a position to consider an acquisition of the Trust's lands in the area you are concerned about – either through purchase or exchange – unless the Trust initiates these discussions. As of this date, the Trust has not contacted this office to express its interest in pursuing such a transaction.

In the event that the Trust elects to pursue a transaction with the Forest Service, I will be pleased to work with all interested parties to formulate a mutually acceptable proposal and to facilitate its consummation.

Again, thank you for contacting me.

Sincerely,



Lisa Murkowski  
United States Senator

## **Attachment 1**

510 L STREET, SUITE 552  
ANCHORAGE, AK 99501-1955  
(907) 271-3735

101 12TH AVENUE, BOX 7  
FAIRBANKS, AK 99701-6278  
(907) 456-0233

P.O. BOX 21647  
JUNEAU, AK 99802-1647  
(907) 588-7400

110 TRADING BAY ROAD, SUITE 105  
KENAI, AK 99611-7716  
(907) 283-5808

540 WATER STREET, SUITE 101  
KETCHIKAN, AK 99901-6378  
(907) 225-6880

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

P.O. BOX 1030  
311 WILLOW STREET, BUILDING 3  
RETHFI, AK 99558-1030  
(907) 543-1639





**BOARD FOR GEOLOGISTS AND GEOPHYSICISTS**  
2535 CAPITOL OAKS DRIVE, SUITE 300A, SACRAMENTO, CA 95833-2926  
TELEPHONE: (916) 263-2113  
FAX: (916) 263-2099  
E-mail: [geology@dca.ca.gov](mailto:geology@dca.ca.gov)  
Website: [www.geology.ca.gov](http://www.geology.ca.gov)



## Enforcement Action

**Craig Erdman**  
**Registered Geologist No. 6453**  
**Certified Engineering Geologist No. 2026**

The Board for Geologists and Geophysicists (Board) issued a citation and fine of \$2,500.00 to Mr. Craig Erdman, Registered Geologist No. 6453, Certified Engineering Geologist No. 2026 for violations of Business and Professions Code sections 7860(b) and section 7860(c) (negligence and incompetence in professional practice) and for violation of section 3065(a)(2) of Title 16, California Code of Regulations (CCR) (i.e., negligence and incompetence in professional practice).

Mr. Craig Erdman signed reports entitled "Engineering Geologist Evaluation", dated May 15, 2001 and "Response to 1<sup>st</sup> Review Comments Pertaining Geologic Conditions, Dump Gulch Timber Harvesting Plan", dated June 6, 2001, both of which were submitted to the California Department of Conservation, Division of Mines and Geology (now called the California Geological Survey or CGS). The aforementioned reports signed and certified by Mr. Craig F. Erdman as "R.G. 6453, C.E.G. 2026, Senior Geologist", demonstrate that Mr. Craig Erdman was in responsible charge of the professional geologic and engineering geologic site assessment work completed for the Dump Gulch Timber Harvesting Plan (THP 1-01-177 MEN).

Geologic work completed by Mr. Craig Erdman and documented in the above referenced reports incorrectly characterized slope conditions and failed to recognize landslide hazards present at the THP 1-01-177 MEN site and therefore departed from the standard of practice of a Registered Geologist or Certified Engineering Geologist conducting work under similar circumstances<sup>1</sup>.

In accordance with section 125.9(d) of the Business and Professions Code which specifies that payment of the fine does not constitute admission of the violation charged and represents satisfactory resolution of the matter, Craig Erdman agreed to pay the fine and the case was closed on January 15, 2004.

<sup>1</sup> The standard of practice of a Registered Geologist or Certified Engineering Geologist working under similar circumstances as described hereinabove, requires that a reasonable professional submit an organized site assessment of geologic conditions that *factually* represents geologic datum in order that reasonable opinions, conclusions and recommendations are substantiated and logically presented in a technically defensible manner.

# MITKOF HIGHWAY HOMEOWNERS ASSOCIATION

P.O. Box 383 • Petersburg, AK 99833 • 907-772-3480

## Attachment 3

28 June 2007

### CERTIFIED MAIL/RETURN RECEIPT REQUESTED

Marty K. Rutherford, Deputy Commissioner  
Department of Natural Resources  
550 West 7th Avenue, Suite 1400  
Anchorage, AK 99501

Hi Marty,

Having had the opportunity to meet with you here in Petersburg last September, I am writing to you now as a courtesy, and out of respect for your past position as Executive Director of the Trust Land Office ("TLO").

Under the advisement of our attorneys, Tom Findley (who as you know passed away on October 22, 2006) and Kristen Pettersen, we of the Mitkof Highway Homeowners Association ("MHHA") have refrained from publicly presenting the following information in the past out of respect for the subject geologist's privacy. However, in the wake of the TLO's most recent Best Interest Decision, we have come to realize that the TLO's Acting Executive Director Wendy Woolf has persisted in placing great weight on this particular geologist's opinions and turning a *blind eye* to the conclusions of Dr. Douglas N. Swanston in her decision-making regarding their Mitkof Highway corridor parcel. We do not know the degree to which you remain involved in TLO matters but I trust that, based upon our past communications, if you are not now aware of the following information you would want to be made aware of it.

The MHHA is willing to provide the entire *Enforcement Action*<sup>1</sup> documentation<sup>2,3,4</sup> upon request. Part of the *Enforcement Action* reads:

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<sup>1</sup> Enforcement Action; BOARD FOR GEOLOGISTS AND GEOPHYSICISTS, Sacramento, CA.

<sup>2</sup> MINUTES OF THE MEETING OF THE BOARD FOR GEOLOGISTS and GEOPHYSICISTS, April 23, 2004, Sacramento, CA; #16. Enforcement Report.

<sup>3</sup> CITATION ORDER (Negligence and Incompetence), BOARD FOR GEOLOGISTS AND GEOPHYSICIST, Sacramento, CA, November 17, 2003.

<sup>4</sup> Board Internal Technical Report, BOARD FOR GEOLOGISTS AND GEOPHYSICIST, transmitted September 6, 2006.

*"Geologic work completed by [geologist's name] and documented in the above referenced reports incorrectly characterized slope conditions and failed to recognize landslide hazards present at the THP 1-01-177 MEN site and therefore departed from the standard of practice of a Registered Geologist or Certified Engineering Geologist conducting work under similar circumstances<sup>5</sup>*

This is the same geologist that came to Petersburg on September 5, 2006 with you, Doug Campbell, and Clare Doig, and represented the report, *Geotechnical Forest Practices Evaluation/Petersburg Slope Stability Assessment/Petersburg, Alaska / July 13, 2006 for Alaska Mental Health Trust Land Office*", which he was contracted to do for the TLO, to the Mayor and City Council of Petersburg.

The circumstances are eerily similar: Two reports, each downplaying the effects of logging on steep, unstable, landslide-prone hillsides above a highway (*California Highway #1*, and *Alaska State Highway #7*), and the potential for increased risks to public safety by accelerated debris flow. Both clients, Campbell Timberland Management, Inc.<sup>6</sup>, and the TLO<sup>7</sup>, directly benefited by this geologist's illicit use of his geological and engineering degrees.

As in California, but now concerning the TLO's Petersburg Mitkof Highway hillside parcel, this geologist incorrectly assessed many hillside slope inclines and downplayed their steepness while exaggerating the number of benches and their effect on mitigating soil mass movement<sup>8</sup>. This was ascertained by Art Dunn of Dunn Environmental Services<sup>9</sup>.

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<sup>5</sup> The standard of practice of a Registered Geologist or Certified Engineering Geologist working under similar circumstances as described hereinabove, requires that a reasonable professional submit an organized site assessment of geologic conditions that *factually* represents geologic datum in order that reasonable opinions, conclusions and recommendations are substantiated and logically presented in a technically defensible manner. State of California, State and Consumer Services Agency; Board of Geologists and Geophysicists; Sacramento, CA.

<sup>6</sup> *Engineering Geologic Evaluation, Dump Gulch Timber Harvest Plan, T23N, R17W*, sections 9, 10, 15, and 16 MDB&M, Mendocino County, California (15 May 2001).

<sup>7</sup> *GeoTechnical Forest Practices Evaluation/Petersburg Slope Stability Assessment/Petersburg, AK/July 13, 2006 for Alaska Mental Health Trust Land Office by GeoEngineers, File No. 5242-004-00* by Craig F. Erdman and Galan W. McInelly (5 September 2006).

<sup>8</sup> Critique of: *Geotechnical Forestry Practices Evaluation Petersburg Slope Stability Assessment Petersburg, Alaska* File Number 5342-004-00 by Dr. Douglas N. Swanston, p. 2 (30 August 2006).

<sup>9</sup> *APPENDIX A, Report on Field Investigations, Mitkof Hwy. Area, Petersburg, AK* for Dillon and Findley, PC; Dunn Environmental Services; Juneau, AK, by Art Dunn (22 May 2006).

Among the myriad other technical errors identified by myself<sup>10,11</sup> and others<sup>12,13,14</sup>, this geologist also identified *Taain Creek* as an *alluvial fan*<sup>15</sup>. Dr. Swanston identified *Taain Creek* as a *debris cone*. It is my belief that any honest and competent geologist would agree with Dr. Swanston's description.

Though I am not a geologist, I believe the deltas of the *Susitna* and *Knik Rivers* that are near the city of Anchorage, for example, more clearly define an alluvial fan than does *Taain Creek*. *Taain Creek* does not slow, begin to meander and deposit alluvium (silt/sand) anywhere along its course, all the way to the minus tide line in *Wrangell Narrows*. There are no mud flats at the terminus of *Taain Creek*. The streambed itself consists of pebbles, cobbles, and boulders with little sand and no mud<sup>16,17,18,19,20</sup>. It remains a clear, swiftly flowing mountain stream all the way to its confluence with the *Wrangell Narrows* and salt water<sup>21,22,23</sup>.

It is our contention that this geologist willfully and maliciously used his degree in geology and engineering as a weapon against the local residents of Petersburg, as well as those

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<sup>10</sup> *GeoEngineers Risk Assessment – July 13, 2006 / Alaska Mental Health Trust Negotiated Timber Sale • Petersburg, AK – CRITIQUE: SUMMARY OF INCORRECT STATEMENTS* by Charles E. Wood, revised July 21, 2006.

<sup>11</sup> *GeoEngineers Risk Assessment – July 13, 2006 / Alaska Mental Health Trust Negotiated Timber Sale • Petersburg, AK – CRITIQUE: QUESTIONABLE STATEMENTS AND ASSUMPTIONS* by Charles E. Wood, revised July 21, 2006.

<sup>12</sup> *Critique of GeoEngineers' Report* by Michele J.W. Pfundt, J.D. (5 September 2006).

<sup>13</sup> *A Critique of Alaska Mental Health's Landslide Analysis* by Larry Mayo, Petersburg, AK (6 November 2006).

<sup>14</sup> Video: Petersburg City Council Meeting – September 5, 2006, by Avian Ascent.

<sup>15</sup> There are at least four other local streams within a 5-mile radius from *Taain Creek* that do meet the description of an alluvial fan and include *Petersburg Creek*, *Scoggs Creek*, *Twin Creek* and *Falls Creek*.

<sup>16</sup> Aerial photograph: 2006.0208ew heli 6 118 (8 February 2006).

<sup>17</sup> Photograph: 1986.1014rp taain 5.8 23 (14 October 1986).

<sup>18</sup> Video: AMHT Timber Sale (Draft 5/06), by Avian Ascent.

<sup>19</sup> Photograph: 1986.1014rp taain 5.8 24 (14 October 1986).

<sup>20</sup> Photograph: 1986.1014rp taain 5.8 25 (14 October 1986).

<sup>21</sup> JPEG 1798-215, USDA-F; 12 610021, 1998 Aerial Photos, #051227 1129, U.S. Forest Service, Petersburg Ranger District.

<sup>22</sup> Ortho Photographic map, U.S. Forest Service, Petersburg Ranger District.

<sup>23</sup> Map: Petersburg Area; TLO land estate; Forest & Land Management, Inc. (30 April 2003).

transiting the Mitkof Highway corridor (*State Highway #7*)<sup>24</sup>, as it appears he did along *California Highway #1*.

The TLO, the AMHTA, as well as the general public were poorly served by this man, and the stain of his hire by the TLO has caused a major distrust of that agency by members of the MHHA that has not alleviated since your departure as Executive Director.

You stated at the September 5, 2006 Petersburg City Council meeting that you had never met him prior to your coming to Petersburg. You said that the TLO had looked for and had hired the "*best advice, best firm*"<sup>25</sup>, that the TLO could find. We believe you were being truthful.

**However, we (MHHA) consider the negligence by the TLO in the hire of this geologist as a betrayal of the public trust.**

This betrayal has cost members of the MHHA over \$95,000 to date, and is still climbing. Because of TLO actions, litigation is no longer an abstract idea for the future, but instead has become a looming and impending probability.

For private citizens (MHHA) to have to defend themselves against government agencies such as the TLO and the Alaska Mental Health Trust Authority ("AMHTA") when those agencies have continued to use a flawed risk analysis<sup>26</sup> with seriously flawed conclusions<sup>27</sup> written by a geologist of his character, is morally wrong, unethical, and probably illegal. The legality issue will, of course, have to be determined by a court of law.

For myself, I am continually amazed by the absolute thoughtfulness of those Alaskans who wrote with such clarity in Article I, Section 1 of the "Alaska Constitution":

*"This constitution is dedicated to the principles that all persons have a natural right to life, liberty, the pursuit of happiness, and the enjoyment of the rewards of their own industry; that all persons are equal and entitled to equal rights, opportunities, and protection under the law; and that all persons have corresponding obligations to the people and to the State."*

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<sup>24</sup> State of Alaska, Department of Natural Resources, Division of Geological and Geophysical Surveys; Alaska Report Investigations 83-17, GEOLOGIC HAZARDS IN SOUTHEASTERN ALASKA: AN OVERVIEW by R.A. Combellick and W.E. Long, pp. 7-9 (July 1983).

<sup>25</sup> *KFSK Public Radio*, audio recording for Petersburg City Council Meeting (5 September 2006).

<sup>26</sup> *Geotechnical Forest Practices Evaluation / Petersburg Slope Stability Assessment / Petersburg, Alaska for Alaska Mental Health Trust Land Office* by Craig F. Erdman and Galan W. McNelly (13 July 2006).

<sup>27</sup> *GeoEngineers' Consultation Services / Peer Review of Swanston Report / Petersburg Timber Sale / Petersburg, Alaska / File No. 5242-004-01* by Craig F. Erdman and Galan W. McNelly (5 September 2006).

My understanding of these words is that every person has equal constitutional rights while others have additional rights by statute (Trust beneficiaries). Though I am not a legal or constitutional scholar, I believe constitutional rights take precedence. Government agencies such as the TLO or AMHTA cannot manage Trust property **solely in the best interest of Trust beneficiaries** if by doing so, they infringe upon the constitutional rights of others. In this case, TLO logging or the selling of this parcel to a developer will increase the risks<sup>28</sup> to lives and property as well as to those transiting along State Highway #7 (Mitkof Highway). Should the State Attorney General be defending the TLO or AMHTA *against* the State Constitution if they violate the rights of others protected by the Constitution?

I do not claim to know the particulars of the litigation that we are facing, but it does seem to me that the actions of the TLO and AMHTA with regard to their Petersburg Mitkof Highway hillside parcel have placed the Trust corpus<sup>29</sup> in the most perilous position since its inception.

By writing this letter to you, I am in no way attempting to cause embarrassment to you. I intend to try to keep its dissemination to an appropriate audience. I do intend to see that Dr. Swanston receives a copy. Dr. Swanston and his risk analysis<sup>30</sup> were insulted and maligned by the TLO's contracted geologist. Dr. Swanston's professional critique<sup>31</sup> of this geologist's contracted report refrained from any public or personal display of this geologist's capabilities and focused solely upon the scientific content. I believe Dr. Swanston may realize a certain degree of vindication to see this geologist and his report finally beginning to get the exposure they deserve.

Society depends upon accuracy and truthfulness, competence and integrity by professional geologists and engineers. Their schooling and training set a high standard that is expected to guide and enable these professionals in their duties, but cannot truly affect a person's ethics, or character.

As one of this geologist's peers stated in discussion, *"At best, geologic features that should have been identified in the field were missed. This demonstrates incompetence and*

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<sup>28</sup> The MHHA has accumulated an extensive library of historical and scientific evidence that the TLO plans to log or sell this parcel to a developer will increase the threat to *public safety* due to increased soil mass wasting. It will also be argued that as a public agency, neither the TLO nor the AMHTA can pass those risks that they now know are real on to a private entity with the intention of development (e.g., logging).

<sup>29</sup> "Protect The Trust corpus", 2006 Annual Report – You KNOW us . . .; General Background, The Trust/The Alaska Mental Health Trust Authority, p. 10.

<sup>30</sup> *Assessment of Landslide Risk to the Urban Corridor Along Mitkof Highway from Planned Logging of Mental Health Trust Lands* by Douglas N. Swanston, Ph.D., CPG (June 2006).

<sup>31</sup> *Critique of: "Geotechnical Forestry Practices Evaluation Petersburg Slope Stability Assessment Petersburg, Alaska File Number 5342-004-00* by Dr. Douglas N. Swanston (30 August 2006).

*negligence on the part of the consulting CEG [Certified Engineering Geologist]. The results are misleading and dangerous to public safety.*"<sup>32</sup>

*"At worst, geologic information observed in the field was withheld from evaluation and/or ignored. This is fraudulent, misleading to the employer (logging company), and demonstrates a blatant disregard to public safety."*<sup>33</sup>

Ignoring the findings of this geologist's peers in California, or attempting to downplay their significance, will only further widen the breach of the public trust that has already occurred.

The MHHA, City of Petersburg, Governor Sarah Palin, Senator Lisa Murkowski, Tongass National Forest Supervisor Forrest Cole, and SEACC Executive Director Russell Heath have offered to assist in a land exchange. There has been enough time (18 months) and money (\$95,000 by the homeowners and an unknown amount by the TLO) expended on this project with inherent risks and liabilities that will never go away. The solution is in hand. The TLO and the AMHTA are continuing to force the MHHA into litigation where the Trust corpus will, in all likelihood, face a constitutional crisis, and an uncertain future.

#### MITKOF HIGHWAY HOMEOWNERS ASSOCIATION

/s/ Charles E. Wood

Charles E. "Ed" Wood, Co-Founder

cc: Douglas N. Swanston, Ph.D., CPG  
Kristen Pettersen, Esq., Dillon & Findley

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<sup>32</sup> David L. Longstreth, CEG 2068, Department of Conservation/Division of Mines and Geology/State of California; Memorandum to Thomas E. Spittler, SEG, Department of Conservation/Division of Mines and Geology; ISSUE: Misleading geologic evaluation of Timber Harvesting Plan 1-01-177 MEN; pg. 2 (3 July 2001).

<sup>33</sup> David L. Longstreth, CEG 2068, Department of Conservation/Division of Mines and Geology/State of California; Memorandum to Thomas E. Spittler, SEG, Department of Conservation/Division of Mines and Geology; ISSUE: Misleading geologic evaluation of Timber Harvesting Plan 1-01-177 MEN; pg. 3, (3 July 2001).

August 30, 2006

**Attachment 4**

**Critique of: "Geotechnical Forestry Practices Evaluation Petersburg Slope Stability  
Assessment Petersburg, Alaska File Number 5342-004-00"**

**By  
Dr. Douglas N. Swanston**

**General Review Comments**

This report provides an adequate discussion of the geologic setting and a reasonable assessment of geomorphic features and conditions relevant to the unstable nature of the slopes adjacent to Mitkof Highway from Scow Bay to the Twin Creeks valley. The report conclusions on the overall instability of these slopes and the location of hazardous sites and potential transport corridors are essentially the same as those developed in the report: "Assessment of Landslide Risk to the Urban Corridor along Mitkof Highway from Planned Logging on Mental Health Trust Lands" and strongly support the designation of these slopes as "high risk" for initiation and acceleration of landslide processes capable of reaching and crossing Mitkof Highway.

Unfortunately, the focus of the report is primarily on logging and ways to limit the destabilizing effects of timber removal on the upper slopes rather than the real danger of downslope debris flow and debris torrent impacts on life and property along the Mitkof Highway corridor resulting from logging disturbance. The general concerns of the City of Petersburg and residents along the Highway were noted but minimal analysis and assessment of effects of proposed logging on public safety and water supply were provided. The authors have failed to recognize or address the importance of the climatic and terrain conditions that prevail throughout much of southeast Alaska and particularly in the area of concern (shallow cohesionless soils, steep gradients, strong winds, high rainfall, rapid snowmelt), as they influence the magnitude and frequency of these dominant slope erosion processes above Mitkof Highway. There is a wealth of information on controlling variables and the adverse impacts of logging on slope stability in southeast Alaska and along the North Pacific Coast in professional journals and in USFS Alaska Region and research publications.

There is undue emphasis on effectiveness of helicopter yarding and limited tree removal on maintenance of stability at these steep slope sites. While helicopter yarding and selective harvest are less damaging than clear cutting and high-lead cable yarding, there is still a high probability of significant disturbance and damage to sensitive slope conditions. The inherent stability of colluvial and residual soils on steep glaciated slopes in coastal Alaska is determined by, and controlled by, the angle of internal friction of the soil. Overburden soils on slopes at or above their angle of internal friction (approx.  $34^{\circ}$  to  $36^{\circ}$ ), are in a state of incipient failure and are maintained in place largely by external variables such as: 1) the anchoring and reinforcing effects of tree roots in underlying bedrock and compact till, 2) the tying together of lateral roots from tree to tree across the slope, 3) the buttressing effect of massive lateral and sinker roots



developed on the downslope and leeward side of trees to resist overturning due to wind forces and the pull of gravity and 4) by the surface roughness and minor benching in the underlying bedrock. Such forested slopes are in delicate equilibrium with the various natural forces acting on them and are highly susceptible to any disturbance likely to upset that equilibrium such as earthquake, windthrow, high intensity-long duration storms, rapid snowmelt and logging. Trees protected by surrounding trees do not develop significant buttress roots to resist wind loading and when exposed by even limited tree removal are highly susceptible to wind throw and its associated disturbance and destruction of the anchoring and reinforcing root network. The effects of even limited timber harvest on slopes above the angle of internal friction or in "sensitive" areas of concentrated subsurface drainage (such as seepage zones on the open slope and broad shallow liner depressions or "swales" leading to established drainages) are highly likely to result in development of debris avalanches and debris flows. Without adequate training and experience, it is unlikely that the logging contractor can consistently recognize and avoid such "sensitive" areas. Because of the natural variability in local gradient and subsurface drainage, even the most experienced geologist or "geotechnical professional" would be hard pressed to identify and recognize all of the critical sites necessary to guarantee that no landslides or subsequent debris torrents will occur as the result of the planned logging disturbance.

There is undue emphasis on the presence of bedrock benches to reduce the potential for landslides to extend downslope. I agree that small debris avalanches (i.e. less than about 100 cubic yards) with low water content and traveling short distances (i.e. 100 feet or less) are likely to deposit at or just below an intervening bedrock bench. If the failure volume is great enough (i.e. 200 cubic yards or more), the material is saturated and the runout is great enough (i.e. more than about 200 feet) then the momentum of the mass will carry it over the bench at the point of impact or divert it, with substantial momentum remaining, into linear gullies and depressions downslope. Also, as the report notes, these benches do not extend into confined channels where damaging debris flows and debris torrents are transported to the highway.

The report has seriously underestimated the significance of the numerous active and dormant debris flow and debris torrent channels that reach the highway. Large portions of the slopes above Mitkof Highway are either actively unstable or are in a delicate state of equilibrium balance between forces acting to cause a landslide and forces acting to resist a landslide. Slope gradients are steep, soils are coarse grained and shallow and there are numerous swales and zones of seepage where ground water is concentrated, particularly during high-intensity storms and rapid snowmelt. In addition, the slopes are dissected by a number of steep-gradient, incised gullies that extend to the highway and whose drainage areas encompass most of the unstable slope portions. During high-intensity, long-duration storms and/or rapid snowmelt which frequently occur in this area, the entire drainage area of each of these gullies, and not just the "headwater areas" as defined in this report, are source areas for landslide debris which can either: 1) pass through the channel system immediately as debris flows or debris torrents, or 2) lodge temporarily in the gulley forming a debris dam that can accumulate additional material over time ultimately failing and producing an even larger and more destructive debris torrent.

The report provides minimal analysis of downslope effects, no constructive suggestions on reducing these effects and only limited recommendations to avoid the adverse impacts of logging on the steep slopes above Mitkof Highway. Application of certain Alaska State Forestry Best Management Practice BMPs and several additional suggestions are made by the authors. These are minimal recommendations and are entirely inadequate to seriously limit landslide activity. Most are designed to reduce channel disturbance and limit impact to streams. Of the State Forestry Practices Act BMPs recommended, only the fifth one addresses unstable terrain in a minimal way. Of the additional BMPs recommended, only the first item addresses unstable ground and recommends a 30 foot leave-strip of timber around sensitive areas. This is a questionable recommendation since it opens up the leave-strip to extensive disturbance by windthrow.

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 debris torrent channels reaching the highway and the clear and demonstrated danger to the utility corridor and residents along the highway.

In the last section of the report, the authors make the following statement that defines one of the principal reasons for not logging above the highway and essentially summarizes the concerns of MHHA members and the City of Petersburg: *"However, all management activities on slopes involve risk, only part of which can be mitigated through qualified geologic, engineering and forestry practices. Favorable performance of slopes in the near term does not imply a certainty of long-term performance, especially under conditions of adverse weather or seismic activity"*.

**The GeoEngineers report clearly does not guarantee that disturbance by helicopter logging or any other logging method can or will prevent accelerated landslide activity and associated damage and potential loss of life along Mitkof Highway.**



This map is the property of  
**MITKOF  
HIGHWAY  
HOMEOWNERS  
ASSOCIATION**



**Legend**

- Landfilling Program Study  
 Douglas Hill  
 Fennell Truck Material  
 Storage  
 Study's end










### MHHA Legend

- [illegible]

# **SCOPING MAP Public Safety & Landslide Hazards Mitkof Island Area**

## **Land Manager**

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



-  USFS Documented Landslide (point)
-  USFS Documented Landslide (polygon)

-  Analysis Road

-  Other Forest Roads

-  50% - 67% Slope

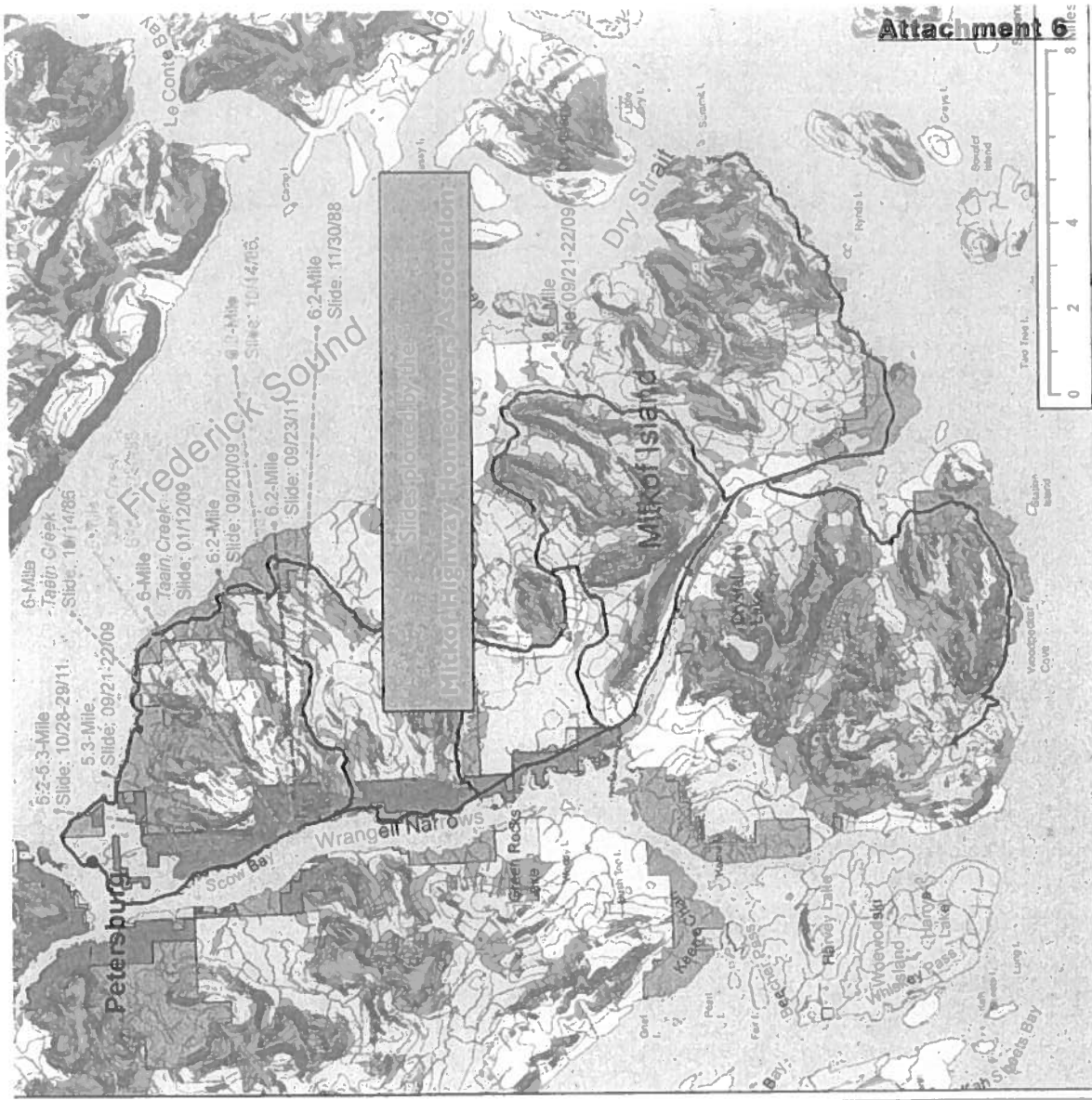
-  67%+ Slope

-  Roads with public roads that are within a 1/4-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 1/4-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 USFS Protected Area Database for Alaska (2006).

Roads - Assembled from the Alaska Division of Forests, Game, and Fish (2006). Roads selected for public safety were those with a 116' Management Objective of 3 (suitable for passenger cars) or higher, with additional roads identified by the Landslides ST &C.

Slopes - Calculated using the 20 meter Digital Elevation Model derived from the 1:25,000 Scale National Topographic Map (SP 14), 2003.



**Attachment 7**

WORK DRAFT

WORK DRAFT

WORK DRAFT

27-LS0352.M  
Bullock  
2/16/11

**CS FOR HOUSE BILL NO. 91( )**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTY-SEVENTH LEGISLATURE - FIRST SESSION**

BY

Offered:  
Referred:

Sponsor(s): REPRESENTATIVE PEGGY WILSON

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to the regulatory and administrative standards for managing forest  
2 resources."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 \* Section 1. AS 41.17.060(b) is amended to read:

5 (b) With respect to state, municipal, and private forest land, the following  
6 standards apply:

7 (1) to the maximum extent possible, all applicable data and  
8 information of applicable disciplines shall be updated and used in making decisions  
9 relative to the management of forest resources;

10 (2) environmentally sensitive areas shall be recognized in the  
11 development of regulations and best management practices that are designed to  
12 implement nonpoint source pollution control measures authorized under this chapter;

13 (3) administration of forest land shall consider marketing conditions  
14 and other economic constraints affecting the forest landowner, timber owner, or the

operator;

(4) to the fullest extent practicable, harvested forest land shall be reforested, naturally or artificially, so as to result in a sustained yield of merchantable timber from that land; if artificial planting is required, silviculturally acceptable seedlings must first be available for planting at an economically fair price in the state; [AND]

(5) significant adverse effects of soil erosion and mass wasting on water quality and fish habitat shall be prevented or minimized;

(6) threats to public safety within one-half mile of a public road or adjacent to an area of human habitation shall be prevented or minimized;

(7) timber harvest and logging operations in or near an area of human habitation shall be subject to appropriate safety standards to protect human life and property on slopes of greater than 45 percent grade or 24 degree slope angle; when establishing appropriate safety standards, the commissioner and the board shall consider factors affecting slope stability and risks to public safety, including

(A) soil types, particularly those with low or minimal cohesion, coarse textures and high permeabilities underlain by relatively impervious substrata that inhibit or stop vertical water movement through shallow overburden;

(B) ground disturbance and logging debris accumulations that may cause local slumping or formation of debris dams in existing gullies and shallow drainage channels;

(C) destruction or reduction of stabilizing root systems;

(D) increased potential for uprooting and overthrowing trees by wind because of increased wind exposure resulting from timber harvest or logging operations;

(E) the likelihood of higher groundwater levels and soil saturation from rainfall and snowmelt on slopes due to canopy removal and the uprooting and overthrowing of trees because of increased wind exposure;

- 1 (F) the presence of active and dormant debris flow and  
2 debris torrent channels within a proposed harvest area; and  
3 (G) the need for or the benefit from a site-specific risk  
4 analysis; and  
5 (8) the state forester shall give public notice to affected property  
6 owners and local governing bodies of potential hazards of timber harvest and  
7 logging operations that are subject to safety standards under (7) of this  
8 subsection.

# MITKOF HIGHWAY HOMEOWNERS ASSOCIATION

P.O. Box 383 • Petersburg, AK 99833 • 907-772-3480

## Attachment 8

28 February 2012

Chris Maisch, State Forester & Director  
Alaska Division of Forestry  
Department of Natural Resources  
550 West 7th Avenue, Suite 1450  
Anchorage, AK 99501-3566

CERTIFIED MAIL/RETURN RECEIPT

7007 0710 0000 2449 8304

Dan Sullivan, Commissioner  
Department of Natural Resources  
550 West 7th Avenue, Suite 1400  
Anchorage, AK 99501

CERTIFIED MAIL/RETURN RECEIPT

7007 0710 0000 2449 8311

Governor Sean Parnell  
State Capitol Building  
P.O. Box 110001  
Juneau, AK 99811-0001

CERTIFIED MAIL/RETURN RECEIPT

7007 0710 0000 2449 8243

Dear Chris, Commissioner Sullivan, and Governor Parnell,

I will be out of town during the 20-21 March 2012 Board of Forestry (Board) meeting. In lieu of my planned participation, by teleconference, I have a number of questions including: "Do you, Chris, Commissioner Sullivan, and Governor Parnell plan to support or oppose House Bill 91, sponsored by Representative Peggy Wilson?"

We believe that HB 91 is reasonable, logical, and necessary to protect human life and property in Alaska's inhabited forested landslide hazard areas. The Department of Natural Resources (DNR) has the ability to adopt regulations on this issue but elected to see the Board process through. Now that the Board has completed its "advisory process", we ask for your support of HB 91.

HB 91 is intended to give the Division of Forestry (DOF) the statutory authority to address *public safety* issues pertaining to logging on unstable slopes within Alaska's inhabited forested areas. HB 91 is intended to prevent or reduce landslide activity by mandating "strict safety standards to protect human life and property", and includes certain criteria for



consideration before timber harvest. Because both the DOF and the Board have chosen not to adopt a *public safety* statute, but in essence allowed others to do so, HB 91 is citizen-generated legislation. The intent of HB 91 is to be “consistent with the public interest”, and “for the maximum benefit of its people”, as mandated by the Alaska Constitution. HB 91 also conforms with the Governor’s newly proposed DNR mission statement, except that HB 91 does away with any implied “benefit” and instead specifically identifies *public safety* as the highest priority, i.e., “benefit” in forestry related activity within Alaska’s inhabited landslide hazard areas. After all, doesn’t our Constitution<sup>34</sup> mandate that the State protect the common good, and ensure that we, as citizens, have the right to insist on this protection from the State when the State fails to act on our behalf?

The Board of Forestry’s 4 May 2011 “2010 Annual Report to the Governor” states on Page 6,

“It [Forest Resources and Practice Act (FRPA)] is not the best vehicle for addressing safety issues that affect property rights between neighboring private landowners.”

The issue of *public safety* and timber harvest on steep unstable slopes in inhabited areas in Alaska has nothing to do with “property rights”, rather it has everything to do with regulating timber harvest on State, municipal, and private property which falls under the purview of the FRPA. Our original 10 September 2007 “Proposed Alaska Forest Resources and Practices Act Amendment” was intended as a preventive measure and was a direct quote from one of the Department of Natural Resources’ (DNR) own documents<sup>35</sup>, which specifically states:

“Activities that increase susceptibility to slope failures (such as logging) should be prohibited or restricted if slope failures pose a danger to life or property.”

How that could be misconstrued by the Board in its letter to the Governor as being a dispute between “neighboring private landowners” is beyond belief when it clearly shows that the intent of our amendment was specifically directed at forestry operations on steep unstable slopes in inhabited areas, which should be controlled by the FRPA.

Can it be possible for the State to retain any semblance of credibility with its populace when the FRPA has soil erosion protections for fish habitat and water quality in AS 41.17.060(b) (5), and in turn has resisted any additional protections for humans through the lack of statutory authority, even though citizens have repeatedly asked for safeguards since 10 September 2007?

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<sup>34</sup> Article I, Section 2 - “All political power is inherent in the people. All government originates with the people, is founded upon their will only, and is instituted solely for the good of the people as a whole.”; The Constitution of Alaska - Fiftieth Anniversary Edition (June 2007).

<sup>35</sup> State of Alaska, Department of Natural Resources, Division of Geological and Geophysical Surveys; Alaska Report Investigations 83-17, GEOLOGIC HAZARDS IN SOUTHEASTERN ALASKA: AN OVERVIEW by R.A. Combellick and W.E. Long, pp. 7-9 (July 1983).

The “draft” Board meeting agenda for 20-21 March 2012 includes “HB 91-FRPA and Public Safety”. The Board has on at least two occasions nearly voted to recommend that Commissioner Sullivan formally oppose a *public safety* amendment to the FRPA, only to table the issue at the last minute. Additionally, on two other occasions, the Board, after 4-1/2 years of discussion of *public safety*, twice voted by unanimous consent to pass off to local zoning ordinances the State’s obligation and authority to manage timber harvests within Alaska’s inhabited landslide hazard areas. Is this unanimous consent recommendation by the Board supposed to relieve the State of its primary duty of protecting its people? Hasn’t the Board itself made further Board discussion of this issue irrelevant?

Governor Parnell recently proposed the adoption of a revised DNR mission statement:

“To responsibly develop Alaska’s resources by making them available for maximum use and benefit consistent with the public interest.”

and was quoted in the *Anchorage Daily News* stating, “It comes straight out of the Alaska Constitution. It is Article VIII, Section 1<sup>36</sup>, of the constitution.”<sup>37</sup>

Consider, then, that **the State with its constitutionally mandated policy** (Article VIII, Section 1), primarily through DNR, **encouraged settlement in landslide hazard areas within the boundaries of at least 12 communities or boroughs between Ketchikan and Cordova**<sup>38</sup>. This policy is ongoing today, and will result in urban expansion in these areas over time. Did the Federal and State governments not recognize these areas as being hazardous at the time of selling homesite parcels to unsuspecting citizens? The Board’s Landslide Science & Technical Committee (S&TC) has issued “Public Safety & Landslide Hazards - Scoping Maps”<sup>39</sup> which clearly identify inhabited landslide hazard areas<sup>40</sup>. Likewise, GIS-generated soils mapping has also confirmed landslide hazards soils throughout the region supporting the S&TC findings.

The second part of Article VIII, Section 1 continues

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<sup>36</sup> Article VIII, Section 1: “It is the policy of the State to encourage the settlement of its land and the development of its resources by making them available for maximum use consistent with the public interest”; The Constitution of the State of Alaska - Fiftieth Anniversary Edition (June 2007).

<sup>37</sup> “Parnell backs change in DNR mission statement”, Anchorage Daily News (4 February 2012).

<sup>38</sup> Alaska Board of Forestry, “FRPA Landslide Science & Technical Committee - Update on Scoping of Landslide Hazards in Potential Timber Harvest Areas”; Slide 7: Affected municipalities and communities - Hazard in boundary: City & Borough of Wrangell, Haines Borough, Ketchikan Gateway Borough, Cordova, City of Ketchikan, Petersburg, Craig, Coffman Cove, Thorne Bay, Kasaan, Hollis and Whale Pass (7 October 2009).

<sup>39</sup> Alaska Board of Forestry’s Landslide Science & Technical Committee Scoping Maps, v.4 (2007) to v.8 (2011).

<sup>40</sup> Alaska Board of Forestry’s Landslide Science & Technical Committee - “Scoping Map - Public Safety & Landslide Hazards - :Areas with public roads and residential or commercial buildings that are within a 1/2-mile downhill from slopes >50% that have forests that are open to commercial harvesting” v.7 (2010) to v.8 (2011).

"Statement of Policy: It is the policy of the state to encourage [the settlement of its land and] the development of its resources by making them available for maximum use consistent with the public interest."

Question: Doesn't the State violate this section of the Constitution (as well as the Governor's proposed mission statement for DNR) when it first encourages "settlement" at the base of unstable slopes in landslide hazard areas, then later intentionally cedes its authority to regulate potentially destabilizing timber harvests above these "settlements" to local zoning ordinances? Doesn't the State have an obligation to avoid harm to its citizens, and therefore, cannot develop the resource in the "maximum use consistent with the public interest" if, in so doing, it puts the public in harm's way? Without consideration of *public safety*, how is developing the resource "for the maximum benefit of its people", as laid out in Article VIII, Section 2<sup>41</sup>, possible?

For example, in Petersburg, DNR owned the unstable hillside parcels above our homes and Mitkof Highway, which were mapped in 1982 by the US Forest Service as "landslide hazard areas"<sup>42</sup>. Some DNR homesites in this area were even made available with a "Veterans Preference" that rewarded Alaska Veterans' service to country by selling them parcels in a landslide hazard area. DNR quitclaim deeded its unstable Mitkof Highway hillside parcels on 20 September 1996 to the Trust Land Office (TLO). The TLO's 7 December 2005 "Best Interest Decision MHT 9100411 Negotiated Timber Sale, Petersburg Area, Alaska" sited timber harvest as the "highest and best use" for these parcels. **DNR had to know, or should have known when it transferred these parcels that they were located in an inhabited and inherently unstable area with a history of landslides, and that they were intended to be logged even though the Division of Forestry (DOF) had no authority to address *public safety* in its forest practices.** It is logical to assume that similar land transfers or sales occurred in other affected communities.

Logging in identified inhabited landslide hazard areas, which most likely will further destabilize these areas if done without strict State regulations, is not "consistent with the public interest", nor is it somehow a "benefit". Neither is having the DOF standing by and "hoping"<sup>43</sup> for the best, while local zoning ordinances are enacted by people who may or may not possess the expertise which the public expects from State foresters and State soils experts.

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<sup>41</sup> Article VIII, Section 2: "The legislature shall provide for the utilization, development, and conservation of all natural resources belonging to the State, including land and waters, for the maximum benefit of its people."; The Constitution of Alaska - Fiftieth Anniversary Edition (June 2007).

<sup>42</sup> "Hazard Profiles - Landslide Hazard Areas" (1982). Source: "US Forest Service Unpublished Data (City of Petersburg, Comprehensive Plan & Coastal Management Program 1982)".

<sup>43</sup> Alaska Division of Forestry Minutes - 2011 November 29-30 DRAFT, Page 16: "Maisch commented that there is a risk for operating on a steep slope, and that is also a financial decision. Different landowners accept different levels of risk. We hope liability deters bad decisions."

To date, Chris, you are the only State Forester on the Pacific Coast north of the U.S.-Mexico border without the authority to address *public safety* within inhabited areas in your Forest Resources and Practices Act. While this may make Alaska unique, it also unnecessarily jeopardizes those who in good faith bought land and unknowingly settled in landslide hazard areas with the blessing of the State and Federal governments. Alaska's forestry related landslides would not be an issue had not the State made it a policy within its Constitution to encourage settlement in what later proved to be unstable areas. It is long past time for the State to adopt legislation on this issue, and insure that the "health and the welfare<sup>44,45</sup>" of Alaskans and their communities are protected. The simple fact that the DOF cannot address *public safety* by statute as a preventive measure as related to timber harvest on unstable slopes in inhabited areas has cost the Mitkof Highway Homeowners Association over six years out of our lives, and more than \$127,000.

Representative Wilson's 4 August 2008 letter to you, Chris, and the Forestry Board Members included:

"Other states have looked at this issue and taken steps to ensure safety both to the environment and to homeowners and their property. As a Legislator, and also personally, I deem public safety to be a top priority in Alaska. I am optimistic that the Division of Forestry is willing to move toward this goal and at the same time provide good management practices throughout the state."

Considering that this issue started in December 2005 with our telephone call to DOF in Ketchikan concerning timber harvest on unstable slopes above our homes, the question still remains whether the State will assume its responsibility to safeguard Alaska communities, or will it instead expect others to shoulder its burden through "local zoning ordinances"?

On a fiduciary note, wouldn't the amount of time that has elapsed since citizens asked for statutory provisions to the FRPA to safeguard their homes from timber harvest related landslide activity, substantially increase the State's liability if human life and property were harmed because DNR failed to adequately address *public safety*?

I know, many questions, but we believe our concerns are legitimate. While the S&TC found the inhabited landslide hazard areas in its scoping study to represent a small fraction of the

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<sup>44</sup> Article VII, Section 4: "The legislature shall provide for the promotion and protection of public health."; The Constitution of Alaska - Fiftieth Anniversary Edition (June 2007).

<sup>45</sup> Article VII, Section 5: "The legislature shall provide for public welfare."; The Constitution of Alaska - Fiftieth Anniversary Edition (June 2007).

timber base<sup>46</sup>, they are of huge importance to those of us who live and transit in them. In the final analyses, people can only build homes and raise families where land is made available to them for settlement.

There are many State and Federal regulations designed to prevent or reduce accidents or foreseeable harmful incidents. That is the intent of HB 91. Chris, if you, Commissioner Sullivan, and Governor Parnell decide to support Representative Wilson and HB 91, I can be reached at 907-772-3480 (home) or 907-518-0480 (cell).

#### MITKOF HIGHWAY HOMEOWNERS ASSOCIATION

/s/

Charles E. "Ed" Wood, Co-Founder

cc: Mayor Al Dwyer, Petersburg

Stephen Giesbrecht, Petersburg City Manager

Michael Geraghty, Attorney General

State Representative Peggy Wilson

State Senator Bert Stedman

Douglas N. Swanston, Ph.D., CPG

Larry Mayo, U.S. Geological Survey (Ret.)

Matt Lichtenstein/Joe Viechnicki, KFSK-FM Public Radio

Ron Loesch, Petersburg Pilot

Kristen Miller, Esq., Dillon & Findley, P.C

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<sup>46</sup> Piechart - "Harvest status of land in analysis area (29.4 MMac in SE Alaska from Yakutat south; does not include Cordova): (a) Open to harvest within 1/2-mi of public road and in hazard zone = 51.7 Mac (0.2%); (b) Hazard zones adjacent to populated areas = 7.6 Mac (0.03%)." Alaska Division of Forestry, Board of Forestry's Landslide Science & Technical Committee, "Update on Scoping of Landslide Hazards in Potential Timber Harvest Areas", p. 10 (7 October 2009).