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FOR IMMEDIATE RELEASE

Alaska Mental Health Trust Authority to Log Timber if Land Exchange Legislation Does Not Pass

ANCHORAGE, Alaska (August 24, 2016)—The Alaska Mental Health Trust Authority today approved the sale of timber on two parcels near Ketchikan and Petersburg. The sale will move forward if Congress does not pass legislation this session requiring the US Forest Service to exchange land with equal timber values for these and other Trust land.

The action of trustees follows 10 years of efforts to complete an administrative land exchange with the Forest Service. The conditional sale was approved because the potential loss of a viable timber industry in Southeast Alaska threatens to render these parcels valueless to the Trust if they are not marketed soon.

Facing a costly uphill battle on the land exchange and an imminent closure of the timber industry in Southeast Alaska, the Alaska Mental Health Trust Authority board of trustees concurred with the advancement of two negotiated timber sales on Trust land near Ketchikan and Petersburg. The Trust Land Office will move forward with these sales after January 15, 2017, if legislation has not passed at that point.

The two potential sites are part of a land exchange the Trust is currently pursuing through legislation, Senate bill 3006, also known as the Alaska Mental Health Trust Land Exchange Act of 2016. The board of trustees stated on the record that while they still support this legislation and are hopeful that Congress will pass the bill this fall, they must be prepared if the bill is unsuccessful.

Introduced by Sen. Lisa Murkowski in May 2016, S3006 directs the Department of Agriculture to move forward with a land exchange with the Trust. The land

outlined in the exchange is detailed in an Agreement to Initiate signed by both the Trust Land Office and United States Forest Service on June 30, 2015, and is a result of a 10-year process that had significant stakeholder input. The exchange includes approximately 18,000 acres of Trust land near Wrangell, Ketchikan, Sitka, Petersburg, and Juneau for approximately 21,000 acres of Forest Service land on Prince of Wales Island and near Shelter Cove.

“The board did not make this decision lightly. We understand the concerns of area communities, but our overriding responsibility is to Trust beneficiaries throughout the state. The Trust must use our land and resources to meet beneficiary needs. We cannot allow our land to lose value or sit idly while our only opportunity to gain value from our land is lost. Our preference is to get S3006 passed to approve a land exchange that would accommodate the broader community and environmental interests we have learned about during our 10 years of developing a proposed exchange. But, if that isn't possible we have protect the value of assets to fulfill our duty to Trust beneficiaries for the long-term,” said Russ Webb, chairman of the board. “We have been pursuing an administrative exchange for 10 years. That process has proven not to be viable - it could take another 10 years and would cost the Trust more than these two parcels will produce even if it fails. Meanwhile, the timber industry has declared it is nearing its end in Southeast. If there is no timber industry there will be no market for our timber and our land will have no value to beneficiaries. The revenue produced from these two timber sales has the potential to be more than \$5 million and will have a direct benefit on our beneficiaries for years to come. Trustees concluded we have no viable options if legislation requiring an exchange does not pass. We are obligated to move forward with the best decision to protect our assets and produce revenue for our beneficiaries while we still can.”

The Alaska Mental Health Trust Authority, through revenue earned from its land, natural resources and cash assets supports programs for Alaskans with mental illnesses, developmental disabilities, Alzheimer's disease and related dementias, traumatic brain injuries, and substance abuse disorders. Timber is a major component of the Trust Land Office (the entity that manages the Trust's non-cash assets) portfolio and has provided more than \$43 million in revenue to the Trust over the last 20 years. The Trust, on average, grants approximately \$20 million annually to various nonprofits, state agencies, projects and activities that promote long-term systems change, including capacity building, demonstration projects, funding partnerships, and other activities that will improve the lives and circumstances of Trust beneficiaries.