

**ALASKA MENTAL HEALTH TRUST AUTHORITY  
TRUST LAND OFFICE**

**BEST INTEREST DECISION AFFIRMED  
Liberty Bell Block Competitive Lease Offering  
File No. 2013-35**

**Action:** Adopt the February 11, 2013 Best Interest Decision (the Decision) regarding the above referenced lease offering as final without modification. This document, combined with the February 11, 2013 Best Interest Decision, constitutes the final decision on this matter, in accordance with 11 AAC 99.040.

**Public Notice under 11 AAC 99.050:** The Trust Land Office (TLO) published the proposed decision to offer for competitive mineral leasing approximately 37,629 acres of subsurface estate in the vicinity of Healy, Alaska in the Fairbanks Daily News Miner and the Anchorage Daily News on February 13, 2013. The proposal was posted on the State of Alaska Online Public Notice Website on February 13, for a 30 day period. The Denali Borough and Doyon Native Corporation were also notified of the proposed lease offering. The public notice comment period ended on March 15, 2013.

**Public Comments:** Four commenters submitted written comments that were received before the comment deadline closed. Two of the commenters were parties interested in mining and participating in the lease sale. Two commenters questioned mitigation efforts or suggested mitigation efforts dealing with access and expressed unease with potential developments that would affect recreation; one discussed the state's land use designations for the area. One commenter recommended various mitigation efforts to deal with potential mining activities.

The State land status plats show a land classification of "Minerals" on surrounding state land. Although the approved Tanana Basin Area Plan shows a land use primary "designation" of "Minerals" and "Wild life Habitat" the land use classification that followed allows for only one "classification" and that classification is "Minerals". That being said, State land use plans and state land designations and classifications do not apply to Alaska Mental Health Trust land, per 11 AAC 99.090. Alaska mental health trust land is designated and classified as trust land, to be managed consistently with trust principles imposed on the state by the Alaska Mental Health Enabling Act of 1956 (see AS 38.05.801).

A number of the mitigation efforts suggested by the commenters are good and appropriate. However, at issue is the matter of timing. Good mitigation measures are most appropriate once the location of an operation and the nature of that operation has been defined. At this point in time, it is not known if there are any economic mineral resources on the Liberty Bell Block or, if present, how they would be developed – open pit or underground. Also, the nature and chemistry of the ore and development rock greatly influence mitigation measures. Thus, mitigation

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measures are best developed once a project has been scoped and defined; that is not practical at this time.

The suggested mitigation efforts regarding mining wastes, water quality, and habitat protection are really best addressed by permitting agencies such as the DNR/Division of Mining, Land, and Water, the Departments of Environmental Conservation, Transportation, and Fish & Game at such time as any mineral discoveries warrant actual production plans and public comment is sought. The Trust Land Office has no such permitting authority, since it is not a regulatory agency, and the expertise to impose the mining and environmental regulations and standards lies within those other agencies. The TLO has full faith in and relies on those agencies to fulfill their statutory and regulatory obligations, if in the event an actual mining project develops from this project.

Certain concerns expressed by the commentors are based upon reasoning more applicable to a leasing program that might occur on general state land, and for a project that has been “scoped and defined” rather than a leasing program on Trust land that does not identify a specific mineral extraction program. Any TLO decision pertaining to the use of Trust land that is based upon broad public interests would clearly violate The Trust management responsibilities as accepted by the Territory of Alaska under the 1956 Alaska Mental Health Enabling Act, as further clarified by the 1994 Alaska Mental Health Trust litigation settlement and the associated State of Alaska legislation. Regulation 11 AAC 99.020(b) requires Trust land to be managed “solely in the best interest of the Alaska Mental Health Trust and its beneficiaries.” To the extent that management “solely in the best interest of the Trust results in broader public purposes outcomes, such management is allowed.” However, if management for broader public purposes, such as recreational opportunities or view shed protection, beyond what is required by law, results in a cost to the Trust and its beneficiaries then the action is not allowed. The TLO’s responsibility and obligation to Trust is summed up in the need to maximize the benefits from a given asset to the beneficiaries,.

**Trust Authority Consultation:** The Alaska Mental Health Trust Authority was consulted on this matter on January 30, 2013.

**Final Decision:** Considering all of the above, the Executive Director of the Trust Land Office hereby determines that the competitive mineral lease offering as described in the February 11, 2013, Best Interest Decision is hereby adopted without modification.

**Reconsideration:** Persons who submitted timely written comments during the notice period that ended March 15, 2013, are eligible to request reconsideration of the final best interest decision under 11 AAC 90.660(b) within 20 calendar days after publication of the notice or receipt of the final decision, whichever is earlier. A request for reconsideration must be submitted in writing to the Executive Director. Before filing an appeal to the Superior Court under AS 44.62.560, a person must be eligible to request and must actually request reconsideration within the time specified above.

The Executive Director shall order or deny reconsideration within 20 calendar days after receiving the written request for reconsideration. If the Executive Director takes no action during the 20-day period following the request, the request is considered denied. Denial of a request for reconsideration is the final administrative decision for purposes of appeal to the superior court under AS 44.62.560.

In compliance with the Americans with Disabilities Act, the Alaska Mental Health Trust is prepared to accommodate individuals with disabilities.

**Approved:**



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Gregory L. Jones, Executive Director  
Alaska Mental Health Trust Land Office

March 22, 2013