

The Alaska Mental Health Trust Authority
Trust Land Office
BEST INTEREST DECISION AFFIRMED
Competitive Timber Sale – Shelter Cove - Ketchikan

MHT: 9101005
MH Parcel: CRM-7059

Action: Adopt the Best Interest Decision dated September 2, 2020 regarding the above referenced disposal as final, without modification. This decision document, combined with the Best Interest Decision dated September 2, 2020, constitutes the final decision on this matter, in accordance with 11 AAC 99.040.

Notice under 11 AAC 99.050. The Trust Land Office published the public notice of the decision to dispose through competitive timber sale of about one hundred million feet (100 mmbf) of old growth (not previously harvested) timber in the Anchorage Daily News and Ketchikan Daily News, on the State of Alaska’s online public notice website, and distributed the notice to the Ketchikan Gateway Borough, Sealaska Regional Corporation, Cape Fox Corporation, the Alaska Mental Health Trust Authority, and other interested public and private parties on September 7 and September 8, 2020.

Summary of Comments:

A total of one comment letter was received. The comments from Southeast Alaska Conservation Council (SEACC) did not support the proposed action. The comments suggest that this decision is not in the Trust’s interest for a variety of reasons, including that it allegedly violates 11 AAC 99.020, doesn’t maximize long term revenue, doesn’t consider the long term productivity of the land, doesn’t adequately consider alternative revenue sources, subsistence users or the health of Alaskans in SE communities, it inappropriately supports the timber industry, and it adversely affects critical wildlife and viewsheds.

The TLO has considered all their comments. In relation to this decision, many of SEACC’s comments do not concern factors that can override the interests of the Trust and its beneficiaries. Its other comments are unfounded and do not show that this decision violates 11 AAC 99.020 or that it is inconsistent with trust responsibilities accepted under the Alaska Mental Health Enabling Act. For example, the TLO has considered and determined that this timber sale will maximize long term revenue by placing 85% of the proceeds of an otherwise unproductive asset into the Mental Health Trust fund, which produces income perpetually through investments that can support beneficiary programs. In addition, current harvest still allows revenues from future sale of timber from regenerated stands or other alternative revenue generation projects in the future. The TLO has explored alternate viable revenue sources (other than timber harvest) from Trust assets including carbon projects, and it uses all available means to maximize revenue to Trust beneficiaries. That knowledge and expertise was applied in determining that the proposed timber sale is in the best interests of the Trust and its beneficiaries. The timber sale supports diversity of the entire trust revenue producing portfolio. The Trust depends on revenue generation from all its asset classes, of which forestry is one. While SEACC suggests that the decision improperly considers the health of the Southeast Alaska timber industry, it is apparent that the viability of that industry has a direct impact on the value of and return on the Trust’s timber assets in the area, and must be considered as a relevant factor when determining what actions are in the best interests of the Trust and its beneficiaries.

Trust Authority Consultation: The Alaska Mental Health Trust Authority was consulted on this matter on July 30, 2020 and the Resource Management Committee and the Full Board of Trustees on August 27, 2020.

Modifications: The one comment received does not substantively show that this action is not in the best interest of the Trust or that the Best Interest Decision dated September 2, 2020 should be substantively modified in any way to better serve the interest of the Trust and its beneficiaries. Therefore, the Executive Director has determined that no change shall be made to that document.

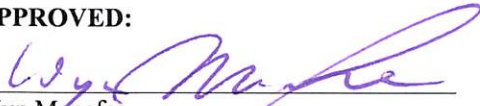
Final Decision of the Executive Director: Considering all of the above, the Executive Director of the Trust Land Office hereby adopts the Best Interest Decision dated September 2, 2020 as final.

Reconsideration: Persons who submitted timely written comments during the notice period that ended October 9, 2020, are eligible to request reconsideration of this final best interest decision under 11 AAC 99.060(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. This request must be accompanied by the fee established by the Executive Director under 11

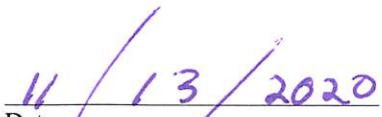
AAC 99.130, which has been set at \$500, to be eligible for reconsideration. Before filing an appeal to the Superior Court under AS 44.62.560, a person must be eligible to request and must actually request reconsideration within the time specified above.

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.

APPROVED:



Wyn Menefee
Executive Director



Date