Ms. MURKOWSKI, from the Committee on Energy and Natural Resources, submitted the following

R E P O R T

[To accompany S. 131]

[Including cost estimate of the Congressional Budget Office]

The Committee on Energy and Natural Resources, to which was referred the bill (S. 131) to provide for the exchange of certain National Forest System land and non-Federal land in the State of Alaska, and for other purposes, having considered the same, reports favorably thereon with an amendment in the nature of a substitute and recommends that the bill, as amended, do pass.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.
This Act may be cited as the “Alaska Mental Health Trust Land Exchange Act of 2017”.

SEC. 2. PURPOSE.
The purpose of this Act is to facilitate and expedite the exchange of land between the Alaska Mental Health Trust and the Secretary of Agriculture in accordance with this Act—

(1) to secure Federal ownership and protection of non-Federal land in the State of Alaska that has significant natural, scenic, watershed, recreational, wildlife, and other public values by—

(A) retaining the undeveloped natural character of the non-Federal land; and

(B) preserving recreational trails for hiking, biking, and skiing;

(2) to create jobs and provide economic opportunities for resource use in more remote areas of the State; and

(3) to facilitate the goals and objectives of the Alaska Mental Health Trust.

SEC. 3. DEFINITIONS.
In this Act:

69–010
(1) **ALASKA MENTAL HEALTH TRUST.**—The term “Alaska Mental Health Trust” means the Alaska Mental Health Trust Authority, an agency of the State.

(2) **FEDERAL LAND.**—The term “Federal land” means the following 7 parcels of National Forest System land, as generally depicted on maps 7 through 9, comprising a total of approximately 20,580 acres:

- **(A)** The parcel generally depicted as “Naukati Phase 1” on map 8, comprising approximately 2,400 acres.
- **(B)** The parcel generally depicted as “West Naukati” on map 8, comprising approximately 4,182 acres.
- **(C)** The parcel generally depicted as “North Naukati” on map 8, comprising approximately 1,311 acres.
- **(D)** The parcel generally depicted as “East Naukati/2016 Naukati addition” on map 8, comprising approximately 1,067 acres.
- **(E)** The parcel generally depicted as “Central Naukati” on map 8, comprising approximately 1,858 acres.
- **(F)** The parcel generally depicted as “Hollis” on map 9, comprising approximately 1,538 acres.
- **(G)** The parcel generally depicted as “Shelter Cove Area” on map 7, comprising approximately 8,224 acres.

(3) **MAP.**—The term “map” means the applicable map prepared by the Alaska Region of the Forest Service to accompany this Act—

- **(A)** numbered 1, 2, 3, 4, 5, 6, 7, 8, or 9 and dated March 3, 2017; or

(4) **NON-FEDERAL LAND.**—The term “non-Federal land” means the following 20 parcels of non-Federal land, as generally depicted on maps 1 through 6 and map 10, comprising a total of approximately 18,258 acres:

- **(A)** The parcel generally depicted as parcel K–1 on map 1, comprising approximately 1,878 acres.
- **(B)** The parcel generally depicted as parcel K–2 on map 1, comprising approximately 707 acres.
- **(C)** The parcel generally depicted as parcel K–3 on map 1, comprising approximately 901 acres, including the 12-acre conservation easement described in section 4(e)(1).
- **(D)** The parcel generally depicted as parcel K–4A on map 1, comprising approximately 3,180 acres.
- **(E)** The parcel generally depicted as parcel P–1A on map 2, comprising approximately 3,174 acres, including the administrative site described in section 5(c).
- **(F)** The parcel generally depicted as parcel P–1B on map 2, comprising approximately 144 acres.
- **(G)** The parcel generally depicted as parcel P–2B on map 2, comprising approximately 181 acres.
- **(H)** The parcel generally depicted as parcel P–3B on map 2, comprising approximately 92 acres.
- **(I)** The parcel generally depicted as parcel P–4 on map 2, comprising approximately 280 acres.
- **(J)** The parcel generally depicted as parcel W–1 on map 3, comprising approximately 204 acres.
- **(K)** The parcel generally depicted as parcel W–2 on map 3, comprising approximately 104 acres.
- **(L)** The parcel generally depicted as parcel W–3 on map 3, comprising approximately 63 acres.
- **(M)** The parcel generally depicted as parcel W–4 on map 3, comprising approximately 700 acres.
- **(N)** The parcel generally depicted as parcel S–2 on map 4, comprising approximately 284 acres.
- **(O)** The parcel generally depicted as parcel S–3 on map 4, comprising approximately 109 acres.
- **(P)** The parcel generally depicted as parcel S–4 on map 4, comprising approximately 26 acres.
- **(Q)** The parcel generally depicted as parcel MC–1 on map 5, comprising approximately 169 acres.
- **(R)** The parcel generally depicted as parcel J–1B on map 6, comprising approximately 2,261 acres.
- **(S)** The parcel generally depicted as parcel J–1A on map 6, comprising approximately 428 acres.
- **(T)** The parcel generally depicted as parcel NB–1 on map 10, comprising approximately 3,374 acres.

(5) **SECRETARY.**—The term “Secretary” means the Secretary of Agriculture.
(6) STATE.—The term "State" means the State of Alaska.

SEC. 4. LAND EXCHANGE.

(a) IN GENERAL.—If the Alaska Mental Health Trust offers to convey to the Secretary, in the 2 phases described in subsection (n), all right, title, and interest of the Alaska Mental Health Trust in and to the non-Federal land, the Secretary shall—

(1) accept the offer; and

(2) offer to exchange with the Alaska Mental Health Trust, in the 2 phases described in subsection (n), all right, title, and interest of the United States in and to the Federal land.

(b) CONDITION ON ACCEPTANCE.—Title to any non-Federal land conveyed by the Alaska Mental Health Trust to the Secretary under subsection (a) shall be in a form that is acceptable to the Secretary.

(c) VALID EXISTING RIGHTS.—The conveyances under subsection (a) shall be subject to any valid existing rights, reservations, rights-of-way, or other encumbrances of third parties in, to, or on the Federal land and the non-Federal land as of the date of enactment of this Act.

(d) RECIPROCAL ROAD EASEMENTS.—

(1) IN GENERAL.—The Secretary and the Alaska Mental Health Trust shall exchange at no cost reciprocal easements on existing roads as necessary to access the parcels each party acquires in the exchange.

(2) PUBLIC ACCESS.—The reciprocal easements exchanged under paragraph (1) shall provide for public access.

(3) COST SHARE AGREEMENT.—The Secretary and the Alaska Mental Health Trust may enter into a separate cost-share agreement to cover the cost of road maintenance with respect to the reciprocal easements exchanged under paragraph (1).

(e) K–3 PARCEL LANDFILL BUFFER.—

(1) IN GENERAL.—As a condition of the exchange under subsection (a), in conveying the parcel of non-Federal land described in section 3(4)(C) to the United States, the Alaska Mental Health Trust shall grant to the United States a 300-foot conservation easement abutting that parcel along the interface of the parcel and the City of Ketchikan landfill (as in existence on the date of enactment of this Act), as generally depicted on map 1.

(2) DEVELOPMENT AND OWNERSHIP.—The conservation easement described in paragraph (1) shall provide that the land covered by the easement remains undeveloped and in the ownership of the Alaska Mental Health Trust.

(3) EQUALIZATION.—The value of the conservation easement described in paragraph (1) shall be included in the value of the non-Federal land for purposes of equalizing the values of the Federal land and the non-Federal land under subsection (j).

(f) RESEARCH EASEMENTS.—

(1) IN GENERAL.—In order to allow time for the completion of research activities of the Forest Service that are ongoing as of the date of enactment of this Act, in conveying the Federal land to the Alaska Mental Health Trust under subsection (a), the Secretary shall reserve research easements for the following Forest Service study plots (as in existence on the date of enactment of this Act):

(A) The Sarkar research easement study plot on the parcel of Federal land described in section 3(2)(B), as generally depicted on map 8, to remain in effect for the 10-year period beginning on the date of enactment of this Act.

(B) The Naukati commercial thinning study plot on the parcel of Federal land described in section 3(2)(B), as generally depicted on map 8, to remain in effect for the 15-year period beginning on the date of enactment of this Act.

(C) The POW Yatuk study plot on the parcel of Federal land described in section 3(2)(A), as generally depicted on map 8, to remain in effect for the 10-year period beginning on the date of enactment of this Act.

(D) The POW Naukati study plot on the parcel of Federal land described in section 3(2)(D), as generally depicted on map 8, to remain in effect for the 10-year period beginning on the date of enactment of this Act.

(E) The Revilla George study plot on the parcel of Federal land described in section 3(2)(G), as generally depicted on map 8, to remain in effect for the 10-year period beginning on the date of enactment of this Act.

(2) PROHIBITED ACTIVITIES.—The Alaska Mental Health Trust shall not construct any new road or harvest timber on any study plot covered by a research easement described in paragraph (1) during the period described in subparagraph (A), (B), (C), (D), or (E) of that paragraph, as applicable.
(g) AREA OF KARST CONCERN.—

(1) IN GENERAL.—In conveying the parcels of Federal land described in subparagraphs (A) and (D) of section 3(2) to the Alaska Mental Health Trust under subsection (A), the Secretary shall reserve to the United States a conservation easement that shall protect the aquatic and riparian habitat within the area labeled “Conservation Easement”, as generally depicted on map 8.

(2) PROHIBITED ACTIVITIES.—The conservation easement described in paragraph (1) shall prohibit within the area covered by the conservation easement—

(A) new road construction and timber harvest within 100 feet of any anadromous water bodies (including underground water bodies); and

(B) commercial mineral extraction.

(h) COMPLIANCE WITH APPLICABLE LAW.—Prior to completing each phase of the land exchange described in subsection (N), the Secretary shall complete, for the land to be conveyed in the applicable phase, any necessary land surveys and required preexchange clearances, reviews, mitigation activities, and approvals relating to—

(1) threatened and endangered species;

(2) cultural and historic resources;

(3) wetland and floodplains; and

(4) hazardous materials.

(i) APPRAISALS.—

(1) IN GENERAL.—Not later than 90 days after the date of enactment of this Act—

(A) the Secretary and the Alaska Mental Health Trust shall select an appraiser to conduct appraisals of the Federal land and the non-Federal land; and

(B) the Secretary shall issue all appraisal instructions for those appraisals.

(2) REQUIREMENTS.—

(A) IN GENERAL.—All appraisals under paragraph (1) shall be conducted in accordance with nationally recognized appraisal standards, including—

(i) the Uniform Appraisal Standards for Federal Land Acquisitions; and

(ii) the Uniform Standards of Professional Appraisal Practice.

(B) FINAL APPRAISED VALUE.—

(i) IN GENERAL.—During the 3-year period beginning on the date on which the final appraised values of the Federal land and the non-Federal land for each phase of the exchange described in subsection (n) are approved by the Secretary, the Secretary shall not be required to re-appraise or update the final appraised values of the Federal land and the non-Federal land.

(ii) EXCHANGE AGREEMENT.—After the date on which an agreement to exchange the Federal land and non-Federal is entered into under this Act, no reappraisal or updates to the final appraised values of the Federal land and the non-Federal land approved by the Secretary shall be required.

(3) PUBLIC REVIEW.—Before completing each phase of the land exchange described in subsection (n), the Secretary shall make available for public review summaries of the appraisals of the Federal land and the non-Federal land for the applicable phase.

(j) EQUAL VALUE LAND EXCHANGE.—

(1) IN GENERAL.—The value of the Federal land and the non-Federal land to be exchanged under subsection (A) shall be—

(A) equal; or

(B) equalized in accordance with this subsection.

(2) SURPLUS OF FEDERAL LAND VALUE.—

(A) IN GENERAL.—If the final appraised value of the Federal land exceeds the final appraised value of the non-Federal land in phase 2 of the exchange (after applying any cash equalization credit or debit from phase 1 of the exchange under subsection (n)(2)), the Federal land shall be adjusted by removing 1 or more parcels, or 1 or more portions of parcels, as determined by the Alaska Mental Health Trust, with the concurrence of the Secretary, in accordance with subparagraph (B) until, to the maximum extent practicable, approximate equal value of the Federal land and non-Federal land is achieved.

(B) ORDER OF PRIORITY.—The parcels of Federal land shall be removed under subparagraph (A) in the reverse order in which the parcels are listed in section 3(2), beginning with subparagraph (G).

(3) SURPLUS OF NON-FEDERAL LAND VALUE.—
(A) IN GENERAL.—If the final appraised value of the non-Federal land exceeds the final appraised value of the Federal land in phase 2 of the exchange (after applying any cash equalization credit or debit from phase 1 of the exchange under subsection (n)(2)), the non-Federal land shall be adjusted by removing 1 or more parcels, or 1 or more portions of parcels, as determined by the Alaska Mental Health Trust, with the concurrence of the Secretary, in accordance with subparagraph (B) until, to the maximum extent practicable, approximate equal value of the Federal land and non-Federal land is achieved.

(B) ORDER OF PRIORITY.—The parcels of non-Federal land shall be removed under subparagraph (A) in the reverse order in which the parcels are listed in section 3(4), beginning with subparagraph (T).

(C) WAIVER OF CASH EQUALIZATION.—In order to expedite completion of the exchange, if the values of the Federal land and the non-Federal land cannot be equalized under this paragraph, the Alaska Mental Health Trust may, at its sole discretion, elect to waive any cash equalization payment that would otherwise be due from the United States under paragraph (4).

(4) REMAINING DIFFERENCE.—Any remaining difference in value after adjusting the Federal land or non-Federal land under paragraph (2)(A) or (3)(A), respectively, shall be equalized by—

(A) removal of a portion of a parcel of the Federal land or the non-Federal land, as applicable, as determined by the Alaska Mental Health Trust, with the concurrence of the Secretary;

(B) the payment of a cash equalization, as necessary, by the Secretary or the Alaska Mental Health Trust, as appropriate, in accordance with section 206(b) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1716(b)); or

(C) a combination of the methods described in subparagraphs (A) and (B), as determined by the Alaska Mental Health Trust, with the concurrence of the Secretary.

(k) COSTS.—As a condition of the land exchange under this Act, the Alaska Mental Health Trust shall agree to pay, without compensation, all costs that are associated with each phase of the exchange described in subsection (n), including—

(1) all costs to complete the land surveys, appraisals, and environmental reviews described in subsection (h) such that the exchange may be completed in accordance with the deadlines described in subsection (n); and

(2) on request of the Secretary, reimbursement of costs for agency staff, additional agency staff, or third-party contractors appropriate such that the exchange may be completed in accordance with the deadlines described in subsection (n).

(l) LAND SURVEYS, APPROVALS, USES.—

(1) SURVEY INSTRUCTIONS.—Not later than 90 days after the date of enactment of this Act, the Secretary of the Interior shall issue survey instructions to assist in the timely completion of all land surveys necessary to complete the land exchange under subsection (A) in accordance with the deadlines described in subsection (n).

(2) SURVEYS.—Unless otherwise agreed to by the Secretary and the Alaska Mental Health Trust, after consultation with the Secretary of the Interior, land surveys shall not be required for—

(A) any portion of the boundaries of the non-Federal land that is contiguous to—

(i) National Forest System land, as in existence on the date of enactment of this Act; or

(ii) land that has been surveyed or lotted as of the date of enactment of this Act;

(B) any portion of the boundaries of the Federal land that is contiguous to—

(i) land owned as of the date of enactment of this Act by—

(I) the Alaska Mental Health Trust; or

(II) the State; or

(ii) land that has been surveyed or lotted as of the date of enactment of this Act;

(C) any portion of the boundaries that the Secretary and the Alaska Mental Health Trust agree, after consultation with the Secretary of the Interior, is adequately defined by a survey, mapping, or aliquot part, or other legal description; and

(D) any portion of the boundaries of the non-Federal land that—

(i) the United States tentatively conveyed to the State without survey;
(ii) is being reconveyed to the United States in the land exchange under subsection (A); and
(iii) is not surveyed as of the date of enactment of this Act.

(m) PARCEL ADJUSTMENT.—If a portion of a parcel of the Federal land or the non-
Federal land to be conveyed under subsection (A) cannot be conveyed due to the
presence of hazardous materials—
(1) the portion shall be removed from the exchange; and
(2) the final exchange values shall be equalized in accordance with subsection
(J).

(n) LAND EXCHANGE PHASES.—
(1) IN GENERAL.—The land exchange under subsection (a) shall be completed in 2 phases, as specifically described in paragraphs (2) and (3).

(2) PHASE 1.—
(A) IN GENERAL.—Subject to subparagraph (B), not later than 1 year after
the date of enactment of this Act—
(i) the Secretary shall convey to the Alaska Mental Health Trust the
packet of Federal land described in section 3(2)(A); and
(ii) the Alaska Mental Health Trust shall simultaneously convey to
the United States the parcels of non-Federal land described in subpara-
graphs (A) and (B) of section 3(4).

(B) CONDITIONS.—Subparagraph (A) shall be subject to the following cond-
tions:
(i) The land conveyed under this subparagraph shall be appraised—
(I) separately from the land described in paragraph (3); but
(II) in accordance with the nationally recognized appraisal stand-
ards described in subsection (i)(2)(A).
(ii) Any cash equalization payment that would otherwise be nec-
essary to be paid by the Secretary or the Alaska Mental Health Trust
on the completion of the conveyance under this paragraph shall be—
(I) deferred until the completion of the conveyance under para-
graph (3); and
(II) debited or credited, as appropriate, to any final land or cash
equalization that may be due from either party on the completion
of the conveyance under paragraph (3).

(3) PHASE 2.—Subject to subsection (j), not later than 2 years after the date
of enactment of this Act—
(A) the Secretary shall convey to the Alaska Mental Health Trust the
Federal land described in subparagraphs (B) through (G) of section 3(2);
and
(B) the Alaska Mental Health Trust shall simultaneously convey to the
United States the non-Federal land described in subparagraphs (C) through
(T) of section 3(4).

SEC. 5. USE OF THE FEDERAL LAND AND NON-FEDERAL LAND.
(a) FEDERAL LAND CONVEYED TO THE ALASKA MENTAL HEALTH TRUST.—On con-
veyance of the Federal land to the Alaska Mental Health Trust under this Act, the
Federal land shall—
(1) become the property of the Alaska Mental Health Trust; and
(2) be available for any use permitted under applicable law (including regula-
tions).

(b) NON-FEDERAL LAND ACQUIRED BY THE SECRETARY.—
(1) IN GENERAL.—On acquisition of the non-Federal land by the Secretary
under this Act, the non-Federal land shall—
(A) become part of the Tongass National Forest;
(B) be administered in accordance with the laws applicable to the Na-
tional Forest System; and
(C) be managed—
(i) to preserve—
(I) the undeveloped natural character of the non-Federal land,
except as provided in paragraph (3); and
(II) the wildlife, watershed, and scenic values of the non-Federal
land; and
(ii) to provide for recreational opportunities consistent with the pur-
poses and values of the non-Federal land to be preserved under clause
(i), including the development or maintenance of recreational trails as
described in paragraph (3).

(2) BOUNDARY REVISION.—On acquisition of the non-Federal land by the Sec-
retary under this Act, the boundaries of the Tongass National Forest shall be
modified to reflect the inclusion of the non-Federal land.
(3) RECREATIONAL TRAILS.—Nothing in this subsection precludes the development or maintenance of recreational trails for hiking, biking, or skiing.

(c) ADMINISTRATIVE SITE.—On acquisition of the parcel of non-Federal land described in section 3(4)(E), the Secretary shall set aside 42 acres of the parcel, in the location generally depicted on map 2, as an administrative site for purposes of the future administrative needs of the Tongass National Forest.

SEC. 6. WITHDRAWAL.

Subject to valid existing rights, the non-Federal land acquired by the Secretary under this Act shall be withdrawn from all forms of—

(1) entry, appropriation, or disposal under the public land laws;
(2) location, entry, and patent under the mining laws; and
(3) disposition under the mineral leasing, mineral materials, and geothermal leasing laws.

SEC. 7. MISCELLANEOUS PROVISIONS.

(a) REVOCATION OF ORDERS; WITHDRAWAL.—

(1) REVOCATION OF ORDERS.—Any public land order or administrative action that withdraws the Federal land from appropriation or disposal under a public land law shall be revoked to the extent necessary to permit the conveyance of the Federal land.

(2) WITHDRAWAL.—

(A) IN GENERAL.—If the Federal land or any Federal interest in the non-Federal land is not withdrawn or segregated from entry and appropriation under a public land law (including logging and mineral leasing laws and the Geothermal Steam Act of 1970 (30 U.S.C. 1001 et seq.)) as of the date of enactment of this Act, the Federal land or Federal interest in the non-Federal land shall be withdrawn, without further action by the Secretary, from entry and appropriation.

(B) TERMINATION.—The withdrawal under subparagraph (A) shall be terminated—

(i) on the date of the completion of the phase of the land exchange described in section 4(n) covering the applicable Federal land; or
(ii) if the Alaska Mental Health Trust notifies the Secretary in writing that the Alaska Mental Health Trust elects to withdraw from the land exchange under section 206(d) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1716(d)), on the date on which the Secretary receives the notice of the election.

(b) MAPS, ESTIMATES, DESCRIPTIONS.—

(1) MINOR ERRORS.—The Secretary and the Alaska Mental Health Trust, by mutual agreement, may correct minor errors in any map, acreage estimate, or description of any land conveyed or exchanged under this Act.

(2) CONFLICT.—If there is a conflict between a map, acreage estimate, or description of land in this Act, the map shall be given effect unless the Secretary and the Alaska Mental Health Trust mutually agree otherwise.

(3) AVAILABILITY.—On the date of enactment of this Act, the Secretary shall file and make available for public inspection in the office of the Supervisor of the Tongass National Forest each map.

PURPOSE

The purpose of S. 131 is to facilitate and expedite a land exchange in Southeast Alaska between the Alaska Mental Health Trust and the Secretary of Agriculture, under which the Alaska Mental Health Trust would acquire National Forest lands in the Tongass National Forest to be used to generate revenue for mental health treatment and care, and the United States would acquire other lands near communities with important scenic, conservation, wildlife, and recreational values.

BACKGROUND AND NEED

The Alaska Mental Health Trust (Trust) is a state corporation established in 1956 to administer a perpetual trust established for the benefit of Alaskans with mental illness, developmental disabilities, chronic alcoholism, Alzheimer’s disease, and dementia. The Trust controls nearly one million acres of land in Alaska, 240,000
acres of which are in Southeast. For nearly a decade, the Trust has been seeking to exchange approximately 18,000 acres of forested lands that it owns near downtown Ketchikan, Juneau, Petersburg, Wrangell, Sitka, and Myers Chuck for National Forest lands in Ketchikan and on Prince of Wales Island near Naukati and Hollis.

The Trust formally proposed a land exchange to the U.S. Forest Service in 2012. On June 30, 2015, the Forest Service and the Trust completed the “Agreement To Initiate” for an administrative land exchange. That administrative exchange process could take five or six years to complete. Given delays in Forest Service timber sale planning, there are serious concerns that there will not be enough timber available to support the existing timber industry in Southeast in the near term.

The 18,000 acres owned by the Trust in Southeast would generate the most value for the Trust if used for timber production. However, these lands contain some of the last remaining parcels of old-growth timber stands along the Inside Passage. Conserving the old growth stands would preserve wildlife habitat and watersheds and aid recreation and tourism in the area. Exchanging the lands owned by the Trust would protect a number of popular recreation trails in the region: the Deer Mountain Trail in Ketchikan, the Rainbow Falls Trail in Wrangell, the Sitka Cross and Haven Hill Trails in Sitka, the Mt. Bradley Trail in Juneau, and the Raven Trail in Petersburg.

The legislation will expedite the exchange by breaking it into two achievable phases, specifying the exact exchange parcels, and addressing and simplifying complex land survey, value equalization, cost, and post-exchange management issues. S. 131 mandates standard Federal appraisals and requires the appraised value of all lands exchanged to be equal. Value equalization will be achieved by deleting Federal or Trust lands from a priority list specified by Congress. Phase 1, required to be completed within one year of passage, will exchange 2,400 acres to the Trust at East Naukati on Prince of Wales Island in return for the Federal government gaining 3,374 acres. All other lands will be conveyed within two years after the bill’s enactment.

LEGISLATIVE HISTORY


Companion legislation, H.R. 513, was introduced in the House of Representatives by Representative Young on January 12, 2017.

In the 114th Congress, Senators Murkowski and Sullivan introduced a similar measure, S. 3006, on May 26, 2017. The measure was also included in S. 3203, the Alaska Economic Development and Access to Resources Act, introduced by Senators Murkowski and Sullivan on July 13, 2016. The Committee on Energy and Natural Resources held a hearing on S. 3006 and S. 3203 on September 22, 2016.

The Committee on Energy and Natural Resources met in open business session, on March 30, 2017, and ordered S. 131 favorably reported, as amended.
COMMITTEE AMENDMENT

During its consideration of S. 131, the Committee adopted an amendment in the nature of a substitute to remove lands owned by the Trust at Katlian Bay in Sitka from the exchange and to add lands owned by the Trust at No Name Bay on Kuiu Island. The amendment also provides further direction regarding the management of the non-federal lands by the Forest Service to preserve scenic, wildlife and recreation values. The amendment is further described in the section-by-section analysis.

COMMITTEE RECOMMENDATION

The Senate Committee on Energy and Natural Resources, in open business session on March 30, 2017, by a voice vote of a quorum present, recommends that the Senate pass S. 131, if amended as described herein.

SECTION BY SECTION ANALYSIS

Section 1 provides the short title.

Section 2 provides the purposes of the bill.

Section 3 defines key terms. In particular, the term “Federal Land” means the 7 parcels of National Forest System land, as generally depicted on maps 7 through 9, comprising a total of approximately 20,580 acres that would be conveyed to the Alaska Mental Health Trust under the exchange, and the term “Non-Federal Land” means the 20 parcels of non-Federal land, as generally depicted on maps 1 through 6 and map 10, comprising a total of approximately 18,258 acres.

Section 4 describes the terms of the land exchange.

Subsection (A) provides that if the Alaska Mental Health Trust offers to convey, to the Secretary of Agriculture, the lands owned by the Trust and proposed for exchange, the Secretary of Agriculture shall accept the offer and convey the Federal lands to the Trust, in the two phases described in this Act.

Subsection (B) requires the titles to the lands to be in a form acceptable to the Secretary.

Subsection (C) provides that all conveyances are subject to valid existing rights.

Subsection (D) provides for reciprocal road easements and describes the terms of those easements.

Subsections (E) through (G) describe the terms of several easements and agreements, including the requirement that the Trust provide a conservation easement abutting a landfill in Ketchikan, Alaska, that it maintain research easements for 10 or 15 years on tracts at Naukati and Sarkar on Prince of Wales and another site on Revilla Island, and that it protect karst deposits.

Subsection (H) requires certain environmental reviews on the lands to be exchanged be completed prior to completing each phase of the land exchange.

Subsection (I) describes the process for appraising the lands to be exchanged and requires that summaries be made available to the public before completing each phase of the exchange.

Subsection (J) requires that the value of the Federal land and non-Federal land to be exchanged under the Act be equal or other-
wise equalized in accordance with the terms described in this subsection.

Subsection (K) requires the Trust to pay the costs of the exchange.

Subsections (L) and (M) describe the land survey process for the lands to be exchanged and the adjustments that shall be made if hazardous materials are found.

Subsection (N) describes the two land exchange phases.

Section 5 describes how the Federal land and non-Federal land are to be managed post-exchange.

Section 6 withdraws all lands being acquired by the United States from the public land laws; mining laws; and mineral leasing, mineral materials, and geothermal leasing laws.

Section 7 includes miscellaneous provisions related to the land exchange, including provisions for the revocation of public land orders and previous withdrawals and provisions covering the use and minor corrections to the maps referenced in the legislation.

COST AND BUDGETARY CONSIDERATIONS

The following estimate of the costs of this measure has been provided by the Congressional Budget Office:

S. 131 would require the Forest Service to convey up to 21,500 acres of federal land to the Alaska Mental Health Trust in exchange for up to 18,300 acres of land owned by the trust.

Under the bill, the Forest Service would be required to complete the exchange at the request of the trust under the condition that the parcels to be exchanged are of equal value. If the parcels are not of equal value, the number of acres conveyed by the party with the higher valued land would be reduced. Any lands received by the Forest Service in the exchange would be managed for conservation purposes.

CBO expects that the land exchange would be completed in 2019. Based on an analysis of information from the agency, we estimate that under current law the lands that would be conveyed by the Forest Service will generate receipts from special use permits totaling roughly $200,000 over the 2019–2027 period. The agency has the authority to spend about 35 percent of those proceeds. The remaining proceeds, which CBO estimates would total less than $150,000, would be deposited in the Treasury. Because those receipts deposited in the Treasury would not be collected under the bill, CBO estimates that enacting S. 131 would increase direct spending by that amount. Therefore, pay-as-you-go procedures apply. Enacting the legislation would not affect revenues.

CBO estimates that enacting S. 131 would not increase net direct spending or on-budget deficits by more than $5 billion in any of the four consecutive 10-year periods beginning in 2028.

S. 131 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would benefit the State of Alaska. The land exchange authorized in the bill could increase revenue from resource development on state trust lands; that revenue would be used to fund mental health services in the state. Any costs incurred by the State of Alaska associated with the land exchange or with agreements with the federal government would result from voluntary commitments.
The CBO staff contact for this estimate is Jeff LaFave. The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.

REGULATORY IMPACT EVALUATION

In compliance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee makes the following evaluation of the regulatory impact which would be incurred in carrying out S. 131.

The bill is not a regulatory measure in the sense of imposing Government-established standards or significant economic responsibilities on private individuals and businesses.

No personal information would be collected in administering the provision. Therefore, there would be no impact on personal privacy.

Little, if any, additional paperwork would result from the enactment of S. 131, as ordered reported.

CONGRESSIONALLY DIRECTED SPENDING

S. 131, as ordered reported, does not contain any congressionally directed spending items, limited tax benefits, or limited tariff benefits as defined in rule XLIV of the Standing Rules of the Senate.

EXECUTIVE COMMUNICATIONS

Because S. 131 is similar to legislation considered by the Committee in the 114th Congress, the Committee did not request Executive Agency views. The testimony provided by the Forest Service at the hearing before the Committee on Energy and Natural Resources on September 22, 2016, follows:

STATEMENT OF LESLIE WELDON; DEPUTY CHIEF, NATIONAL FOREST SYSTEM; FOREST SERVICE; U.S. DEPARTMENT OF AGRICULTURE

Madam Chairman and members of the Committee, thank you for the opportunity to present the views of the U.S. Department of Agriculture (USDA) regarding S. 346, S. 2991, S. 3192, S. 3203, S. 3254, and S. 3273.

S. 3203, “THE ALASKA ECONOMIC DEVELOPMENT AND ACCESS TO RESOURCES ACT”

The USDA Forest Service will address Title V of S. 3203 in this testimony. The other titles of the bill are addressed in the Department of the Interior’s testimony.

SECTION 501

The Department of Agriculture opposes Section 501, which exempts National Forest System lands in the State of Alaska from the application of the 2001 Roadless Area Conservation Rule (the “Roadless Rule”).

The Roadless Rule protects and conserves inventoried roadless areas of national forests by prohibiting road construction, reconstruction, and timber harvest in inventoried roadless areas. These activities have a high likelihood of altering and fragmenting landscapes, resulting in immediate, long-term loss of roadless area values and
characteristics. Notwithstanding the Rule’s prohibitions, a road may be constructed or reconstructed, and timber may be cut, sold, or removed, in an inventoried roadless area under certain circumstances. Application of the Roadless Rule to national forests in Alaska has not hindered approval of appropriate access or removal of timber in accordance with the Rule.

The Chief of the Forest Service reviews activities planned in inventoried roadless areas to ensure that the agency is applying a nationally consistent approach to implementing the Roadless Rule and that the agency is complying with its mandate to protect roadless area characteristics. The national forests in Alaska have requested and received approval for approximately 46 projects within inventoried roadless areas since 2011, including, among other things, several hydroelectric and mineral exploration projects and an intertie project. These projects have been cleared by the Chief in a timely manner. Consequently, exempting the national forests in Alaska from the Roadless Rule is unwarranted.

SECTION 502

This section directs the USDA Forest Service to conduct a land exchange with the Alaska Mental Health Trust. The Department supports the goal of this legislation to preserve significant natural, scenic, and recreational values in southeastern Alaska communities through a land exchange with the Alaska Mental Health Trust. Since introduction of the bill, the USDA Forest Service and executives of the Alaska Mental Health Trust Authority have worked diligently to refine the technical details of the land exchange. However, the Department cannot support the bill as currently written. We would appreciate an opportunity to work with the Committee to make technical changes in the language to meet the objectives of the bill.

SECTION 503

This section directs the USDA Forest Service to convey up to 2,000,000 acres of the Tongass National Forest to the State of Alaska for use as state forest land. Alaska would pay market value for these lands, or convert lands selected by the State under section 6 of the Alaska Statehood Act, Pub. L. 85–508, as a credit towards conveyance of National Forest System land.

The Department opposes this section of the bill. Conversion of these lands to state forest land jeopardizes the values and benefits provided to Alaska by the multiple-use mandate of the USDA Forest Service to sustain the health, resilience and productivity of the national forests for current and future generations. It would also alter the balance struck in the Alaska Statehood Act, which limited the State’s entitlement to lands within national forests in Alaska to 400,000 acres, which have already been selected by the State. The Tongass National Forest is a major economic driver in southeast Alaska. Its 17,000 miles of
undammed creeks, rivers and lakes provide optimal habitat for five species of salmon, which are critical to a seafood industry that in 2014 provided 4,372 jobs with $259 million in earnings. The Tongass National Forest also is the largest intact temperate rainforest on Earth, containing a diversity of landscapes, more than 70 species of mammals, 275 species of birds, and unmatched recreation opportunities. Visitors from around the world come to sightsee, fish, hike, hunt, camp, view wildlife, and enjoy all that the Tongass National Forest offers, contributing over a billion dollars in visitor spending to Alaska’s tourism industry and generating 6,923 jobs that provide $189 million in earnings.

We have invested in collaborative approaches to better manage the forest, develop stronger projects, build public support for forest management and restoration, and reduce the risk of litigation. We continue to work collaboratively with communities, industry, environmental groups and others to supply wood to local mills, conserve watersheds, accomplish forest restoration, and provide employment and opportunities along with a range of other benefits.

There are several collaborative groups currently engaged in large-scale landscape planning to develop an ecologically, socially, and economically sustainable forest management strategy with an emphasis on young growth management, while providing the necessary “bridge” timber for the existing infrastructure on the Tongass National Forest. It is the Department’s goal to continue these collaborative efforts towards sustaining a robust timber economy, while also leveraging the multiple other uses of this national forest.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, the Committee notes that no changes in existing law are made by the bill as ordered reported.