

Testimony of

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Before the Committee on Transportation in Opposition to LD 1411 – An Act to Require the Adoption of Sector-specific Greenhouse Gas Emission Limits

Monday, April 24, 2023

Senator Brenner, Representative Gramlich and members of the Committee on the Environment and Natural Resources, my name is Dana Doran, and I am the Executive Director of the Professional Logging Contractors of Maine. The Professional Logging Contractors of Maine (PLC) is the voice of Maine's logging and trucking industry. The PLC was formed in 1995 to represent independent contractors in a rapidly changing forest industry.

As of 2021, logging and trucking contractors in Maine employed over 3,000 people directly and were indirectly responsible for the creation of an additional 2,500 jobs. This employment and the investments that contractors make contributed \$582 million to the state's economy. Our membership, which includes 200 contractor members and an additional 120 associate members, employs more than 75% of the individuals who work in this industry and is also responsible for 80% of Maine's annual timber harvest.

The logging industry in Maine was in the midst of a reinvention process until the onset of COVID 19 and the digestor explosion at the Jay mill in April 2020. As a result of mill closures, curtailments and inflation created by the response to COVID 19, we are estimating that Maine has lost 30% of its harvesting capacity and the layoff of nearly 1,000 people in harvesting and hauling since 2020. In just four years, the industry has shrunk from an annual economic impact of \$620 million to \$582 million and total jobs have been reduced from 9,000 to 5,500.

Thank you for providing me the opportunity to testify on behalf of our membership in opposition to LD 1411 – An Act to Require the Adoption of Sector-specific Greenhouse Gas Emission Limits. We respect and appreciate Representative Doudera and the other co-sponsor's intent with respect to this bill, but we believe that it is premature and also goes far beyond the recommendations of the Maine Climate Council with respect to greenhouse gas emissions. Legislation like this also goes beyond what the federal government requires, will continue to label Maine as anti-business, and will add cost and burden to everything that timber harvesters and haulers do at a time when they can't afford the cost of any further government regulation.

For background, in 2020, I was appointed to the Maine Climate Council's Transportation Work Group as well as the Working and Natural Lands Work Group. I am also a member of the Transportation Work Group's Medium and Heavy-Duty Stakeholder subcommittee.

At this time, legislation like this will preempt the work that the Transportation Work Group is involved with and it will also run counter to the gains that are being made in the state as

evidenced through the Maine Department of Environmental Protection's 9th Biennial Report on Greenhouse Gas Emissions, provided to this Committee in July of 2022. Maine's GHG emissions from the transportation sector are actually down 9% overall since 1990 and will continue to drop over the next decade.

I also wanted to enlighten this committee on some federal actions that might also preclude the need for this legislation.

On August 5, 2021, President Biden issued Executive Order #14037, which directed EPA to consider a suite of new rulemakings to make federal fuel economy, pollutant, and greenhouse gas emission standards for light, medium, and heavy-duty vehicles more stringent. That same day (August 5, 2021), the Biden EPA rolled out their "Clean Trucks Plan," under which they pledged to promulgate a series of rulemakings to reduce air pollutants and greenhouse gas emissions from heavy-duty trucks. On January 24, 2023, the Biden Administration released its new Heavy-Duty Engine and Vehicle Standards. The "NOx rule" described in this notice is the first of those rules to be finalized.

In addition to using the 'stick' of federal regulation to fundamentally change the composition of the U.S. heavy-duty vehicle fleet, the Biden administration is also dangling the 'carrot' of taxpayer-funded subsidies. For example, the <u>Inflation Reduction Act</u>(Sec. 60101) appropriated \$1 billion to EPA for grants/rebates for the incremental cost of replacing a heavy-duty vehicle with a zero-emission heavy-duty vehicle, and for purchasing, installing, operating or maintaining infrastructure needed to charge, fuel, or maintain zero-emission vehicles. The money is available through 2031.

For consideration by the committee for what might be a better use of state legislation, because of the law of unintended consequences, even if a Tier II, Tier III or Tier IV truck is traded or sold as a result of the purchase of an electric truck in the future, that fossil fuel-based truck could be resold within the region or sent to another country that does not incentivize electric engines. What incentive is there for retailers/dealers to retire these older machines and how would Maine regulate it? We would suggest that if any change is going to occur, it should be directed at incentivizing the retirement of fossil fuel-based trucks so that we are not doing good on the one hand and closing our eyes on the other.

With respect to wood for energy, the Working and Natural Lands Work Group, as well as the Maine Climate Council, unanimously endorsed greater utilization of wood for energy if it is produced with combined heat and power energy plants or for use in thermal applications. This was also done with the endorsement of Maine DEP's latest Biennial GHG report, which stated specifically that wood use for energy is carbon neutral. If wood for energy is carbon neutral, why should it be included in an arbitrary cap on GHG emissions which is proposed in this legislation?

Thank you for your time and attention to this legislation and I encourage this Committee to vote Ought Not to Pass and allow the work that has been done to date with stakeholder participation move forward without further burden or competing priorities.