

Senator Tipping, Representative Roeder, and members of the Joint Standing Committee on Labor and Housing; My name is Steve Hanington, and I am the President of Hanington Brothers Inc which is a 3rd generation logging company located in Macwahoc, Maine. Our company currently has 32 employees, operates 5 logging crews, owns 10 logging trucks and harvests wood that is delivered to at least 15 mills across the state. Our company started in 1958 by my father and Uncle, with 1 work horse that they rented from my grandfather. My son, Eric, is currently the 3rd generation owner. After earning a mechanical engineering degree from the University of Maine and working 9 years for International Paper in two southern states, he decided to move back to Maine in 2017 and take over the family business.

Thank you for providing me with the opportunity to testify on behalf of our company in opposition to LD 1964. While I respect the sponsors intent, this bill is nothing that the industry has asked for and it is nothing that we can support now, or in the future.

As I mentioned, my son worked in Pulp and Paper for 9 years in 2 southern states. He is constantly reminding me of the significantly higher cost of doing business in the State of Maine, compared to those southern states. I am here testifying on his behalf.

We are currently in need of 1 mechanic, 3 truck drivers, and 2 machine operators. Those unfilled positions have a significant impact on our ability to operate efficiently. Additionally, 2 of our machine operators have indicated that they will be retiring after this year, one at the age of 65, the other at 71. One of our truck

drivers has also indicated that he will be retiring this year. As you can see, filling the necessary positions to keep our business in operation is already difficult.

The most recent statistic is that there is a 40% non-participation rate of the current work force in Maine. How can we expect to reduce this number if we continue to find ways to compensate people while they are not working?

In case you are not aware, logging is a seasonal business. We generally operate for about 40 weeks per year. As I understand it, the proposed bill would provide an employee with up to 12 weeks paid leave each year. This would leave us with about 28 working weeks, approximately half of a year.

We cannot find employees to fill our needs now. How can we expect to find replacement workers, to fill temporary positions, in an already seasonal industry?

I have been working in the logging and trucking industry for over 40 years. This bill is the greatest threat to the survival of our family business since the late 1980s, when there were only two Workers Comp carriers left, and it cost 70cents on every \$1 of payroll to provide this insurance.

We have felt the effects of additional costs associated with the laws passed in 2019, regarding earned paid leave and Workers comp rate increases. If this business and labor climate continues to worsen, I am concerned that our business, as well as others, will be forced to reduce or cease operations.

Thank you.