



## **Testimony of**

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**Before the Joint Standing Committee on Transportation on  
LD 1804, An Act Concerning Funding and Oversight of Transportation  
Matters**

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Senator Nangle, Representative Crafts, and members of the Joint Standing Committee on Transportation, my name is Dana Doran, and I am the Executive Director of the Professional Logging Contractors of the Northeast (PLC). The PLC is a regional non-profit organization that educates the public on logging and trucking issues throughout the Northeast, predominately in the state of Maine.

As background, the PLC was created in 1995 to give logging and associated trucking contractors a voice in a rapidly changing forest products 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 over 200 contractor members in the state of Maine, is responsible for more than 80% of Maine's annual timber harvest.

Thank you for providing me the opportunity to testify on behalf of our membership in support of LD 1804, An Act Concerning Funding and Oversight of Transportation Matters. We believe this bill would ensure consistent funding to support the infrastructure improvements that are essential to the livelihoods of our members and the forest economy across the state.

As you know, the forest products industry has a long and proud heritage in Maine and remains a significant economic driver in the state's economy. However, over the last decade, the industry has gone through significant change with the closure of six pulp and paper facilities and three biomass electric facilities. In the last five years alone, we have lost about 40% of the logging capacity across the Northeast as a result of mill closures, high inflation and a pullback in building construction due to high interest rates. And currently, with the added tariff threats, contractors are also now reporting

that they are experiencing further inflation on fuel and equipment, in the amount of an additional 25%. A majority of contractors are questioning the economic viability of their businesses and their path forward.

In 2016, Maine's Congressional delegation sponsored an economic development assessment of Maine's forest products value chain. In January 2017, the US Economic Development Administration released its review and also provided funding to implement many of the recommendations included in that report which has become the Forest Opportunity Roadmap (FOR Maine). One of the recommendations of that report pertains to transportation infrastructure related to the movement of both raw and value added products to market.

Since that point in time, a collection of industry representatives, including those from all segments of the supply chain, have been working collectively to analyze and prepare a holistic roadmap for the future of the industry. I have been the chair of the transportation committee within this effort, which has a membership of 22 individuals, including representatives of MDOT, rail, ports, trucking, and the entire forest products value chain. The vision that is guiding this group's work is that efficient transportation systems can support a thriving and diverse forest products industry that provides sustainable economic and social contributions to the state.

Since major shifts have occurred with mill closures and wood flow delivery patterns throughout the state, the committee has focused its efforts on four primary work products: 1) analyzing wood flow and transportation thereof to determine where infrastructure improvements are necessary to increase margins for the forest products value chain; 2) what are the most important transportation corridors based on the wood flow analysis (volume and direction) including raw supply and end product; 3) in conjunction with wood flow analysis, identify transportation improvements, including roads, ports and rail, and a process and relationships to work with MDOT to periodically provide capital planning input; and 4) conduct transportation comparisons to other forest industry states and provinces, potentially including axles, weights, excise taxes, rail, ports, and mill hours to determine where Maine policy should change and where other investments must be made to make Maine more competitive.

As a result of this process, we have produced a plan for road and bridge improvements that will be implemented at some point in the future to assist with our economic recovery. To accomplish this plan, increased and stable funding for highways and bridge improvements is an absolute necessity. The state's road system is the workplace for our membership, and we need improvements to lower maintenance costs, increase efficiency and provide safe working conditions to sustain the future of logging and trucking contractors.

Based upon the analysis that has been done consistently over the last few years, Maine's Highway Fund budget needs additional revenue to not only maintain our roads and bridges but also accomplish significant upgrades to assist with our economic prosperity. From the perspective of logging and trucking at a time when markets are tighter than they have ever been before, and operational costs are not decreasing, we

must find creative solutions to difficult problems. Our haul distances are not getting any shorter and our maintenance costs from deteriorating roads and bridges are only increasing.

For years, Maine has reinvested revenue generated from transportation-related activities into our transportation system. However, sales tax revenue from motor vehicle transactions has not been consistently directed to the Highway Fund. This has contributed to sporadic underfunding of our roads and bridges. This bill seeks to ensure that 60% of the revenue generated from vehicle related sales tax is used exclusively for transportation-related infrastructure improvements.

By providing consistent funding, the Department of Transportation will have a larger capacity for projects that would increase resiliency of infrastructure. Most importantly, this initiative will not increase the sales tax on current equipment or vehicles purchased. Maine's heritage industries deserve to have their hard-earned tax dollars allocated to supporting the transportation system they depend on.

Thank you for your time and I would be happy to answer any questions you may have.