

TESTIMONY OF ND PAPER
IN SUPPORT OF LD 258 PROPOSED CHANGES TO
PINE TREE DEVELOPMENT ZONES

Before the Joint Standing Committees on
Appropriations and Financial Affairs
and
Innovation, Development, Economic Advancement and Business

February 15, 2023

Senator Rotundo, Representative Sachs, Senator Curry, Representative Roberts and members of the Committees on Appropriations and Financial Affairs and Innovation, Development, Economic Advancement and Business.

My name is Joel Pike, I am the Director of Energy Strategy for ND Paper, and I am a resident of Jay. I came to Augusta today to testify in support of the extension of the Pine Tree Development Zone Program as proposed in LD 258.

ND Paper is a leader in the manufacture of Containerboard, Kraft Paper, Printing Papers, and Pulp. We operate mills across the country including our two integrated facilities located in Rumford and Old Town. As members of the committees remember, ND Paper purchased and restarted the Old Town Mill after it had been shut down for three years by a prior owner. Today, there are over 770 employees in total at the two Maine facilities and each facility plays a vital role in their local economies. Both mills have seen significant changes through the years and ND Paper continues to invest in their future.

The Pine Tree Development Zone Program is a tool for the State to help attract, develop, and sustain businesses. This program is more than a benefit to any one business as the positive impacts of having more employers in the State that often work together provide fuel to the State's economic engine that is needed now more than ever, especially in rural Maine. As you look around the State at its remaining paper mills, they still provide a significant boost to their local and regional economies through their payroll, wood procurement activities, trucking and support services, and in so many other ways.

Over these past several years as the entire world has been managing through the impacts of the pandemic with the resulting swings in the demand and supply of many products, it has been a significant challenge for any business to make it through. Add on to that all of the ongoing headwinds created by higher inflation and limited access to a once robust supply chain, and it is crystal clear that the benefits provided by the Pine Tree Development Zone Program have definitely helped us, and I'm sure other participating companies, to make it to today. New England continues to consistently have the highest energy prices across the country, so the benefits of this program provide some level of assistance to help partially offset those higher costs.

We support LD 258's proposed extension of time to allow more businesses to become part of the program along with allowing those already in the program to continue participation. It is important for any business to see some stability into the future and especially in ways that allow them to continue to invest and support their employees and the economy of the State.

Maine is a wonderful place to live and work with abundant resources. The Pine Tree Development Zone Program is well designed to support a wide range of businesses from legacy industries to the newest cutting-edge technologies. While many may consider pulp and papermaking an old and mature industry, it is with the program's assistance that the mills that are operating today are able to invest in some of the newest technologies in order to stay competitive and meet the demands of their increasingly global markets.

Thank you for your time, and on behalf of ND Paper, I urge you to vote in favor of LD 258's proposed changes to the Pine Tree Development Zone Program.