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**Testimony of
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On behalf of the
Maine State Chamber of Commerce
Before the Joint Standing Committee on Labor and Housing
in opposition to
L.D. 1794, An Act to Enhance the Predictability of Mandated Overtime for Pulp and Paper
Manufacturing Facility Employees**

May 18, 2023

Sen. Tipping, Rep. Roeder and members of the Joint Standing Committee on Labor and Housing, my name is Peter Gore, and I am a Government Affairs Consultant with Maine Street Solutions, and I am here on behalf of my client, the Maine State Chamber of Commerce, a statewide business association representing both large and small businesses speaking to you today in opposition to **L.D. 1794, An Act to Enhance the Predictability of Mandated Overtime for Pulp and Paper Manufacturing Facility Employees**.

As drafted, LD 1794 would limit mandatory overtime to no more than 2 hours per day at a “pulp or paper manufacturing facility” facility with more than 50 employees, the exception being an emergency that threatened danger to property or life. Not included in this exception is the regular maintenance of equipment, or the impact of employees taking a variety of legitimate time off. In addition, notice would be required 7 days in advance to an employee that their work schedule would be changed, and mandatory OT be required. Lastly, an employee could voluntarily work over this limit.

The last time the legislature took up the issue of mandatory overtime, was in 1999. Prior to then, there were no limits on mandatory overtime, and the issue was hotly debated. Our state had come off the winter ice storm of 1998, when significant overtime was required to restore, and get our state power grid up and running safely for our citizens. After significant debate in this committee between business representatives, the King Administration and labor interests, it was decided to limit any mandatory overtime to no more than 80 hours in a two-week period. This remains the current law today.

Then, as is the case today, there are times when running a 24/7 operations, such as a pulp and paper manufacturing plant, that mandatory overtime will be inevitable. Furthermore, the workers at these operations know when hired that this will be the expectation. For this work and sacrifice, they are in turn well paid by Maine standards – upwards of 6 figures in average hourly pay in 2022.

Passage of LD 1794 would leave mills little choice – complete shutdowns or over staffing. In the case of complete shutdowns, while I am by no means an expert in the pulp and paper industry, in conversations I have had with those who are, they indicate that idling a paper making machine costs

upwards of \$100,000 every 12-hour shift. Overstaffing results in unnecessary cost overruns in a very competitive industrial environment, and results in sending unneeded worker home.

The reality is, this is an issue that should be negotiated and decided at the bargaining table. It is not an issue for the state to dictate through statute. While we are sympathetic to the individual whose life may be disrupted due to mandatory overtime requirements, we believe when one is in place, the CBA should dictate how this issue is resolved.

LD 1794 imposes unworkable limitations on the operations of a select group of employers. It will result in either shutdown of pulp and paper operations at mills in this state, or excessive and unnecessary costs – provided that the mill even has the necessary workers to overstaff. The paper industry used to be one of the most significant employers in our state. During my time representing employers through the chamber, they have shrunk dramatically, in numbers, and in the quality jobs they once offered in areas that desperately needed those jobs. Paper making has become highly competitive on a global basis. Mills in Maine compete for opportunities in other states and other countries with significantly lower costs. LD 1794 not only will impose higher costs, but operational barriers that our competitors lack. This legislature in the past, along with this Governor, have fought to retain one of our heritage industries. Enactment of LD 1794 may well lead to additional shuttered mills. It is for these reasons we are opposed to LD 1794 and urge this committee to give the bill and ought not to pass report. Thank you.