



Testimony of

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Executive Director

Professional Logging Contractors of the Northeast

Before the Joint Standing Committee on Innovation, Development, Economic Advancement and Business to LD 2191, An Act to Provide Relief to Small Businesses Affected by Severe Weather-related Events

Tuesday, February 13, 2024

Senator Curry, Representative Roberts, and members of the Joint Standing Committee on Innovation, Development, Economic Advancement and Business, my name is Dana Doran, and I am the Executive Director of the Professional Logging Contractors of the Northeast (PLC). The PLC is a trade association that represents logging and associated trucking contractors 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 200 contractor members and an additional 120 associate members, employs more than 75% of the individuals who work in Maine's logging industry and is also responsible for 80% of Maine's annual timber harvest.

Thank you for providing me with the opportunity to testify on behalf of our membership in support of LD 2191, "An Act to Provide Relief to Small Businesses Affected by Severe Weather-related Events".

The recent severe weather events and warmer than normal winters have spelled disaster for the logging industry here in Maine. January and February are usually the best months for loggers to harvest timber. Frozen ground ensures ease of access with limited damage to the land being harvested. As responsible stewards of forest health, Maine loggers routinely spend significant time, money, and effort protecting waterways and other environmental resources from negative impacts associated with timber harvesting. They are not compensated for this, and warmer and wetter winters in Maine are decreasing profitability in an already challenging industry. Moreover, the constant unpredictability of when a contractor can access the woods, coupled with the instability of pulp markets, has taken a toll on our contractor members.

The December 18th storm washed-out roads and bridges across Maine and made certain routes impassable for crews to get to work and log trucks to get to their destinations. In some instances, log trucks were forced to take an 80-mile detour to get to mills, which equated to a loss of more than a trailer load of wood per day. These losses are not insurable, and to our knowledge, there are no relief programs (federal/state) to help the logging community like there are for other agricultural businesses.

After the December 18th storm, the PLC surveyed our contractor membership to calculate the impact of the storm. We had 50 members respond, which is 25% of our membership, and the results were quite astonishing. Out of the 50 responses, more than 90 percent of the businesses reported financial damages due to the storm. The survey results, which I have provided with my testimony, highlight an estimated total financial loss of \$2.6 million with an average loss of \$51,000 per company. Using the industry multiplier utilized by the University of Maine and the Margaret Chase Smith Policy Center in a recent logging economic impact study for Maine, the total loss to the Maine economy just from the impacts on this group of companies is more than \$5.5 million. Clearly, the impact on Maine's economy due to losses suffered by the logging industry from this one storm were much higher.

As stated previously, there are no programs that help assist loggers with natural disasters and after a terribly wet summer and two consecutive warm winters, LD 2191 could provide a lifeline for loggers and forest truckers in Maine that have faced significant obstacles because of the storm on Dec. 18, 2023.

Thank you for your time and service to the people of Maine. The PLC is very supportive of this bill and encourages you to vote ought to pass.



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Maine logging industry devastated by Dec. 18 rain and windstorm

PLC of the Northeast survey reveals ongoing trucking and harvesting disruptions as financial losses mount

AUGUSTA, ME – On the eve of another storm with predicted heavy wind and rain, the widespread wind and flood damage caused by the powerful storm that swept through Maine on December 18 has devastated much of the state’s logging and forest trucking industry, and the effects are ongoing and losses mounting three weeks after the storm, with more potentially on the horizon.

Those are the findings of a survey released by the Professional Logging Contractors (PLC) of the Northeast today. The PLC surveyed its member logging companies in Maine in the wake of the storm and received responses from a quarter of the total, representing every region in Maine.

“In the past three weeks I have spoken with dozens of Maine loggers and truckers and the vast majority have suffered significant and, in some cases, crippling losses due to the effects of the December 18 storm,” Dana Doran, Executive Director of the PLC, said. “Roads and bridges are washed out, structures damaged, timber lots inaccessible and many logging and trucking employees and owners are still also dealing with the aftermath of damages to their own homes. This all came at the end of a very difficult year for the industry and the outlook for the winter harvesting season is not promising.”

The survey included responses from more than 50 logging and forest trucking companies ranging in size from one employee to nearly 100. Estimated financial losses so far for those companies have topped \$51,000 per company, with total losses for the group exceeding \$2.6 million. Applying a multiplier for the industry utilized by the University of Maine and the Margaret Chase Smith Policy Center in a recent logging economic impact study for Maine, the total loss to the Maine economy just from the impacts on this group of companies is more than \$5.5 million.

Survey responses showed:

- More than 90 percent of businesses suffered financial damages or impacts from the storm.
- The most common impact was business interruptions or slowdowns, with inability to deliver harvested wood to markets also reported by the majority of respondents. Other losses included increased expenses as a result of the storm, and direct damage to equipment, inventory or structures.



Many of the companies surveyed will be unable to file insurance claims in connection with the losses as the majority of those losses are not covered.

The historic storm knocked out power to more than half of all Mainers, forced the closure of nearly 100 roads and more than 20 bridges, and left some communities cut off by floodwaters for days. Some of the hardest hit areas included Oxford, Franklin, and Kennebec counties.

Examples of areas with extensive logging operations that were particularly hard-hit by the storm included the Rangeley Lakes region, where a washout of the Route 16 bridge connecting Rangeley and Stratton will close the vital trucking route for many more weeks to come, forcing an 80-mile detour for wood headed north and south in the region and driving up costs drastically while hindering movement of equipment and employees to work sites.

South of that region, Peru logger Andy Irish of PLC Member Irish Family Logging reported extensive damage to logging roads and woods bridges in his area, and major travel disruptions in the days following the storm due to floodwaters closing routes.

“You couldn’t get out of Dixfield, Mexico or Rumford, on Route 17 the Swift River came over its banks and went right down the road.” Irish said. “It’s starting to get back to normal now, but we had to move jobs, we lost a whole week of trucking. Our spruce goes to Stratton now and we’ve got 40 or 50 loads of spruce sitting in the woods and we can’t go up Route 16 so we’ve got to haul it all the way around and up through Carrabassett, but it’s gone from 40 miles one way to 80.”

Many loggers responding to the survey, including Irish, had already dealt with major rain and flood damage to logging roads early in the summer of 2023. In many cases repairs completed after that round of flooding now must be done again.

On Monday, Doran was among a group of representatives of agricultural stakeholders who met with U.S. Department of Agriculture (USDA) Secretary Tom Vilsack in Portland to discuss the impact of recent storms and warm rainy winters on the state’s farms and the logging industry.

“Keeping loggers and truckers employed is the biggest challenge that we have, and I will tell you there are no programs, federal or state, that help logging businesses through this,” Doran said, pointing to things that could be done such as assisting logging companies with the costs of repairing critical woods infrastructure such as roads, bridges, and culverts, as well as aiding logger efforts to protect water quality from extreme weather events in harvest areas. “Those are things that are going to have to happen in order for contractors to continue to be able to work.”

Maine’s loggers are a vital part of the state’s forest products sector, which is worth an estimated \$7.7 billion annually. Logging contributed an estimated \$582 million to the state economy in 2021.



Founded by loggers who were concerned about the future of the logging and forest trucking industry, the PLC has grown steadily to become a regional trade association which provides independent logging contractors and truckers in the Northeast a voice in the rapidly changing forest products industry. Board membership consists of only loggers, making it an organization that is run by loggers on behalf of loggers.

Learn more about the PLC at www.plcloggers.org

| Timestamp | County | Please select the category that best describes your business. | Has your business experienced financial damages or impacts as a result of the severe December 18, 2023 storm? | What type of financial damages or impacts have most impacted your business? | Have you or do you intend to file an insurance claim in connection with these damages or impacts? | Direct Contractor Loss | Direct and Indirect Economic Impact with Multiplier (2.12) |
|---------------------|--------------|---|---|--|---|------------------------|--|
| 12/22/2023 17:08:26 | Somerset | Logging Contractor (responsible for timber harvesting from stump to roadside) | Yes | Business interruption (reduced operations or shutdown) | No | \$ 25,000.00 | \$ 53,000.00 |
| 12/22/2023 18:30:45 | Fort Kent | Logging Contractor (responsible for timber harvesting from stump to roadside) | Yes | Business interruption (reduced operations or shutdown) | No | \$ 25,000.00 | \$ 53,000.00 |
| 12/22/2023 20:48:07 | Knox | Logging Contractor (responsible for timber harvesting from stump to roadside) | Yes | Business interruption (reduced operations or shutdown), Unable to deliver harvested timber to a market, Increased expenses | No | \$ 25,000.00 | \$ 53,000.00 |
| 12/23/2023 11:58:53 | Oxford | Logging Contractor (responsible for timber harvesting from stump to roadside) | Yes | Business interruption (reduced operations or shutdown), Unable to deliver harvested timber to a market | No | \$ 25,000.00 | \$ 53,000.00 |
| 12/23/2023 18:48:35 | Piscataquis | Logging Contractor (responsible for timber harvesting from stump to roadside) | Yes | Business interruption (reduced operations or shutdown), Unable to deliver harvested timber to a market | No | \$ 25,000.00 | \$ 53,000.00 |
| 12/24/2023 11:27:36 | Penobscot | PLC Affiliated Contractor: includes chip mill, chipping contractor, grinding contractor, owner-operator/sub-contractor, slashing contractor | Yes | Business interruption (reduced operations or shutdown) | No | \$ 25,000.00 | \$ 53,000.00 |
| 12/26/2023 17:24:02 | Androscoggin | Logging Contractor (responsible for timber harvesting from stump to roadside) | Yes | Business interruption (reduced operations or shutdown), Unable to deliver harvested timber to a market, Increased expenses | No | \$ 25,000.00 | \$ 53,000.00 |
| 12/26/2023 19:58:07 | Penobscot | Logging Contractor (responsible for timber harvesting from stump to roadside) | Yes | Business interruption (reduced operations or shutdown), Unable to deliver harvested timber to a market | No | \$ 25,000.00 | \$ 53,000.00 |
| 12/27/2023 11:00:25 | Franklin | Logging Contractor (responsible for timber harvesting from stump to roadside) | Yes | Business interruption (reduced operations or shutdown), Unable to deliver harvested timber to a market, increased expenses | No | \$ 25,000.00 | \$ 53,000.00 |
| 12/27/2023 11:28:09 | Piscataquis | Logging Contractor (responsible for timber harvesting from stump to roadside) | Yes | Business interruption (reduced operations or shutdown) | No | \$ 25,000.00 | \$ 53,000.00 |
| 12/28/2023 9:34:04 | Oxford | Logging Contractor (responsible for timber harvesting from stump to roadside) | Yes | Business interruption (reduced operations or shutdown), Unable to deliver harvested timber to a market | No | \$ 25,000.00 | \$ 53,000.00 |
| 1/3/2024 8:13:30 | Aroostook | Logging Contractor (responsible for timber harvesting from stump to roadside) | Yes | Business interruption (reduced operations or shutdown) | No | \$ 25,000.00 | \$ 53,000.00 |
| 1/5/2024 11:07:53 | Penobscot | Logging Contractor (responsible for timber harvesting from stump to roadside) | Yes | Unable to deliver harvested timber to a market, Increased expenses | No | \$ 25,000.00 | \$ 53,000.00 |
| 12/23/2023 4:31:00 | Somerset | Logging Contractor (responsible for timber harvesting from stump to roadside) | Yes | Business interruption (reduced operations or shutdown) | No | \$ 50,000.00 | \$ 106,000.00 |
| 12/23/2023 6:24:46 | Penobscot | Logging Contractor (responsible for timber harvesting from stump to roadside) | Yes | Business interruption (reduced operations or shutdown), Unable to deliver harvested timber to a market, Increased expenses | No | \$ 50,000.00 | \$ 106,000.00 |
| 12/26/2023 17:06:45 | Penobscot | Logging Contractor (responsible for timber harvesting from stump to roadside) | Yes | Business interruption (reduced operations or shutdown), Unable to deliver harvested timber to a market | No | \$ 50,000.00 | \$ 106,000.00 |
| 12/26/2023 20:06:36 | Androscoggin | PLC Forestry Contractor: Trucking Only or Forest Road Construction: 50% or more of business is from forestry operations | Yes | Business interruption (reduced operations or shutdown) | No | \$ 50,000.00 | \$ 106,000.00 |
| 12/27/2023 6:09:56 | Androscoggin | Logging Contractor (responsible for timber harvesting from stump to roadside) | Yes | Business interruption (reduced operations or shutdown), Unable to deliver harvested timber to a market, Increased expenses | No | \$ 50,000.00 | \$ 106,000.00 |
| 12/27/2023 15:14:22 | Waldo | Logging Contractor (responsible for timber harvesting from stump to roadside) | Yes | Business interruption (reduced operations or shutdown), Unable to deliver harvested timber to a market, Increased expenses | No | \$ 50,000.00 | \$ 106,000.00 |
| 12/29/2023 11:21:08 | Franklin | Logging Contractor (responsible for timber harvesting from stump to roadside) | Yes | Business interruption (reduced operations or shutdown) | No | \$ 50,000.00 | \$ 106,000.00 |

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|---------------------|-----------------|---|-----|---|----|---------------|---------------|
| 12/29/2023 14:09:19 | Somerset | PLC Affiliated Contractor: includes chip mill, chipping contractor, grinding contractor, owner-operator/sub-contractor, slashing contractor | Yes | Business interruption (reduced operations or shutdown) | No | \$ 50,000.00 | \$ 106,000.00 |
| 1/3/2024 10:39:36 | Penobscot | Logging Contractor (responsible for timber harvesting from stump to roadside) | Yes | Business interruption (reduced operations or shutdown), Unable to deliver harvested timber to a market, increased expenses | No | \$ 50,000.00 | \$ 106,000.00 |
| 1/3/2024 21:26:36 | Piscataquis | Logging Contractor (responsible for timber harvesting from stump to roadside) | Yes | Business interruption (reduced operations or shutdown), Unable to deliver harvested timber to a market | No | \$ 50,000.00 | \$ 106,000.00 |
| 1/4/2024 16:04:24 | Aroostook | Logging Contractor (responsible for timber harvesting from stump to roadside) | Yes | Business interruption (reduced operations or shutdown), Unable to deliver harvested timber to a market, Direct damage to equipment, inventory, or structures. | No | \$ 50,000.00 | \$ 106,000.00 |
| 1/4/2024 16:26:11 | Somerset | Logging Contractor (responsible for timber harvesting from stump to roadside) | Yes | Business interruption (reduced operations or shutdown) | No | \$ 50,000.00 | \$ 106,000.00 |
| 12/22/2023 17:14:02 | Aroostook | Logging Contractor (responsible for timber harvesting from stump to roadside) | Yes | Business interruption (reduced operations or shutdown), Unable to deliver harvested timber to a market, increased expenses | No | \$ 50,000.00 | \$ 106,000.00 |
| 12/22/2023 17:43:45 | Penobscot | PLC Forestry Contractor: Trucking Only or Forest Road Construction: 50% or more of business is from forestry operations | Yes | Business interruption (reduced operations or shutdown), Unable to deliver harvested timber to a market, increased expenses | No | \$ 50,000.00 | \$ 106,000.00 |
| 12/25/2023 12:41:11 | Oxford | Logging Contractor (responsible for timber harvesting from stump to roadside) | Yes | Business interruption (reduced operations or shutdown), Unable to deliver harvested timber to a market | No | \$ 50,000.00 | \$ 106,000.00 |
| 12/26/2023 12:13:52 | Oxford | Logging Contractor (responsible for timber harvesting from stump to roadside) | Yes | Business interruption (reduced operations or shutdown) | No | \$ 50,000.00 | \$ 106,000.00 |
| 12/29/2023 17:41:39 | Piscataquis | Logging Contractor (responsible for timber harvesting from stump to roadside) | Yes | Business interruption (reduced operations or shutdown), Unable to deliver harvested timber to a market, increased expenses | No | \$ 50,000.00 | \$ 106,000.00 |
| 12/22/2023 17:10:55 | Oxford | Logging Contractor (responsible for timber harvesting from stump to roadside) | Yes | Business interruption (reduced operations or shutdown), Unable to deliver harvested timber to a market, increased expenses, Direct damage to equipment, inventory, or structures. | No | \$ 100,000.00 | \$ 212,000.00 |
| 12/26/2023 5:37:56 | Franklin | Logging Contractor (responsible for timber harvesting from stump to roadside) | Yes | Business interruption (reduced operations or shutdown), Unable to deliver harvested timber to a market, increased expenses | No | \$ 100,000.00 | \$ 212,000.00 |
| 12/26/2023 12:30:34 | Hancock | Logging Contractor (responsible for timber harvesting from stump to roadside) | Yes | Business interruption (reduced operations or shutdown), Unable to deliver harvested timber to a market, increased expenses | No | \$ 100,000.00 | \$ 212,000.00 |
| 12/27/2023 6:56:44 | Somerset | Logging Contractor (responsible for timber harvesting from stump to roadside) | Yes | Business interruption (reduced operations or shutdown), Unable to deliver harvested timber to a market, increased expenses | No | \$ 100,000.00 | \$ 212,000.00 |
| 12/28/2023 5:20:02 | Aroostook | Logging Contractor (responsible for timber harvesting from stump to roadside) | Yes | Business interruption (reduced operations or shutdown) | No | \$ 100,000.00 | \$ 212,000.00 |
| 1/3/2024 9:53:17 | Oxford/Franklin | Logging Contractor (responsible for timber harvesting from stump to roadside) | Yes | Business interruption (reduced operations or shutdown), Unable to deliver harvested timber to a market | No | \$ 100,000.00 | \$ 212,000.00 |
| 12/22/2023 18:07:34 | Cumberland | PLC Affiliated Contractor: includes chip mill, chipping contractor, grinding contractor, owner-operator/sub-contractor, slashing contractor | Yes | Business interruption (reduced operations or shutdown), Unable to deliver harvested timber to a market | No | \$ 10,000.00 | \$ 21,200.00 |
| 12/23/2023 6:07:07 | Aroostook | Logging Contractor (responsible for timber harvesting from stump to roadside) | Yes | Unable to deliver harvested timber to a market | No | \$ 10,000.00 | \$ 21,200.00 |
| 12/23/2023 8:18:46 | Aroostook | PLC Affiliated Contractor: includes chip mill, chipping contractor, grinding contractor, owner-operator/sub-contractor, slashing contractor | Yes | Business interruption (reduced operations or shutdown), Unable to deliver harvested timber to a market | No | \$ 10,000.00 | \$ 21,200.00 |

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|---------------------|-------------------|---|-----|---|-----|----------------|----------------|
| 12/26/2023 17:34:58 | Piscataquis | Logging Contractor (responsible for timber harvesting from stump to roadside) | Yes | Business interruption (reduced operations or shutdown), Unable to deliver harvested timber to a market | No | \$ 10,000.00 | \$ 21,200.00 |
| 1/2/2024 4:38:03 | Aroostook | Logging Contractor (responsible for timber harvesting from stump to roadside) | Yes | Business interruption (reduced operations or shutdown) | No | \$ 10,000.00 | \$ 21,200.00 |
| 1/2/2024 17:19:17 | Franklin | Logging Contractor (responsible for timber harvesting from stump to roadside) | Yes | Business interruption (reduced operations or shutdown), Unable to deliver harvested timber to a market, Increased expenses | No | \$ 10,000.00 | \$ 21,200.00 |
| 1/5/2024 8:14:09 | Somerset | Logging Contractor (responsible for timber harvesting from stump to roadside) | Yes | Business interruption (reduced operations or shutdown), Unable to deliver harvested timber to a market | No | \$ 10,000.00 | \$ 21,200.00 |
| 12/22/2023 17:56:11 | Aroostook | Logging Contractor (responsible for timber harvesting from stump to roadside) | Yes | Business interruption (reduced operations or shutdown), Unable to deliver harvested timber to a market, Increased expenses, Direct damage to equipment, inventory, or structures. | No | \$ 125,000.00 | \$ 265,000.00 |
| 12/22/2023 18:10:52 | Penobscot | Logging Contractor (responsible for timber harvesting from stump to roadside) | Yes | Business interruption (reduced operations or shutdown), Unable to deliver harvested timber to a market, Increased expenses, Direct damage to equipment, inventory, or structures. | No | \$ 125,000.00 | \$ 265,000.00 |
| 12/27/2023 10:07:56 | Piscataquis | Logging Contractor (responsible for timber harvesting from stump to roadside) | Yes | Business interruption (reduced operations or shutdown), Unable to deliver harvested timber to a market, Increased expenses, Direct damage to equipment, inventory, or structures. | Yes | \$ 125,000.00 | \$ 265,000.00 |
| 1/4/2024 5:30:43 | Knox | Logging Contractor (responsible for timber harvesting from stump to roadside) | Yes | Business interruption (reduced operations or shutdown), Unable to deliver harvested timber to a market, Increased expenses, Direct damage to equipment, inventory, or structures. | Yes | \$ 125,000.00 | \$ 265,000.00 |
| 1/5/2024 14:28:39 | Somerset, Madison | Logging Contractor (responsible for timber harvesting from stump to roadside) | Yes | Business interruption (reduced operations or shutdown), Unable to deliver harvested timber to a market | No | \$ 100,000.00 | \$ 212,000.00 |
| 1/5/2024 14:58:00 | Aroostook | Logging Contractor (responsible for timber harvesting from stump to roadside) | Yes | Business interruption (reduced operations or shutdown), Unable to deliver harvested timber to a market | No | \$ 75,000.00 | \$ 159,000.00 |
| 1/5/2024 16:37:32 | Penobscot | Logging Contractor (responsible for timber harvesting from stump to roadside) | Yes | Business interruption (reduced operations or shutdown), Unable to deliver harvested timber to a market, Increased expenses | No | \$ 75,000.00 | \$ 159,000.00 |
| 1/6/2024 8:10:15 | Piscataquis | Logging Contractor (responsible for timber harvesting from stump to roadside) | Yes | Business interruption (reduced operations or shutdown), Unable to deliver harvested timber to a market, Increased expenses | No | \$ 25,000.00 | \$ 53,000.00 |
| | | | | | | \$2,620,000.00 | \$5,554,400.00 |