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Before the Joint Standing Committee on Agriculture, Conservation, and Forestry to LD 2212, An Act to Strengthen Maine's Agriculture, Food System and Forest Products Infrastructure Investment

Wednesday, February 28, 2024

Senator Ingwersen, Representative Pluecker, and members of the Joint Standing Committee on Agriculture, Conservation, and Forestry, 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 2212. I would also like to thank Speaker Talbot Ross for her efforts to move this program forward over the last few years.

In 2021, Speaker Ross introduced LD 1565, with an identical name as the legislation before you today to this Committee. The PLC supported that legislation and worked closely with the Speaker to ensure it included the voice of timber harvesting contractors and also provided benefits to those same small businesses. That legislation became law later that year and received a small amount of funding in 2023, but to date, has not moved forward.

From our perspective, LD 2212, is a step in the right direction at just the right time. Dedicated funding to assist timber harvesting businesses in Maine is sorely needed and could be a lifeline.

The unpredictability of weather and markets over the last four years has been devastating to the logging industry. As a result, we have seen a steady reduction in capacity and employees and reinvestment has never been at such a low. In conversations with equipment dealers, they

are seeing fewer and fewer machines ordered as a result.

As this Committee may be aware, the Governor created a Forest Carbon Taskforce in 2021 which was charged with investigating impacts of climate and possible solutions for and from Maine's forests. The PLC had a seat on the taskforce and ensured that the recommendations had positive benefits for the forest, Maine's climate and logging contractors. To date, we have yet to see some of the unanimously agreed upon recommendations be implemented and we are working again with a 2.0 version of the taskforce to pursue positive movement. We firmly believe the recommendations could be implemented with the resources in this legislation and positively impact the logging contractors' ability to provide carbon benefits that will have positive outcomes for landowners.

The recommendations include:

- A) Support higher level on-the-ground performance to encourage climate-friendly timber harvesting with <u>verifiable outcomes</u> by promoting voluntary use of third-party certified harvesting companies. Third-party certification provides verification that high standards are being met at the point of harvest, by utilizing independent licensed consulting foresters as verifiers, ultimately providing a verification model for landowners that participate in a carbon program and utilize the services of timber harvesting companies.
- B) Provide financial cost-share resources for harvesting companies to become third-party certified in a similar manner as cost-share resources are provided by the State to landowners who create a forest management plan (i.e. the MFS WoodsWise program).
- C) Provide cost-share resources for contractors to purchase low ground pressure equipment and implement carbon-enhancing best management practices (e.g., portable bridges, culvert pipes, grass seed, hay, skid trail regrading, road relocation, post-harvest stabilization, corduroy, gravel, silt fencing).

Finally, we would like to recommend that an amendment be made to the bill before it moves forward. Subsection 8, as written, would limit the ability of businesses from Maine that use the program to operate competitively. We would recommend that the subsection be changed to limit grant funds from being accessed by any business that is located out of state, but it shouldn't limit where a Maine business purchases its raw materials and/or how or where they work.

Logging contractors move from landowner to landowner. There are many contractors that are based in Maine, pay taxes in Maine, and employ Maine people, but have to work in New Hampshire from time to time because of where they are located. As written, this subsection would exclude those businesses from eligibility. Also, what would happen with wood that was harvested from out of state and brought back to be processed in a Maine mill? We understand the intent of the sponsor, but we believe that this is too limiting and would exclude Maine based businesses that need this program for expansion and reinvestment. We are fine if the bill limits eligibility to Maine based businesses, but that should be the extent of it.

In closing, LD 2212 has an opportunity to improve upon the important work being done by Maine's heritage industries. This legislation could be game changing to encourage cooperation and collaboration between the public and private sectors in the management of the state's resources. We are thankful for your time and service to the people of Maine and encourage you to vote ought to pass as amended.