

## STATE OF MAINE DEPARTMENT OF AGRICULTURE, CONSERVATION & FORESTRY OFFICE OF THE COMMISSIONER 22 STATE HOUSE STATION AUGUSTA, MAINE 04333

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## TESTIMONY BEFORE THE JOINT STANDING COMMITTEE ON AGRICULTURE, CONSERVATION AND FORESTRY

## **IN OPPOSITION TO LD 1985**

An Act to Authorize Removal of Requirements of Forest Certification Systems from the State's Forest Management Plans

## **April 3, 2024**

Senator Ingwersen, Representative Pluecker, and honorable members of the Joint Standing Committee on Agriculture, Conservation and Forestry, my name is Andy Cutko, and I am the Director of the Bureau of Parks and Lands. I am speaking today on behalf of the Department of Agriculture, Conservation and Forestry (DACF) in opposition to LD 1985, An Act to Authorize Removal of Requirements of Forest Certification Systems from the State's Forest Management Plans. Both the Bureau of Parks and Lands and the Maine Forest Service have substantial concerns regarding the impacts of this bill.

This amended bill prohibits the Department from participating in certain forest certification programs for state land, namely the Sustainable Forestry Initiative (SFI). The amendment risks limiting timber sales and jeopardizing the Bureau of Parks and Lands' long-standing practice of funding operations, including wildlife management and outdoor recreation, through timber revenue. Since 2001, BPL's participation in two forest certification programs, the Forest Stewardship Council (FSC®) and Sustainable Forestry Initiative (SFI®), has provided consistent third-party oversight of BPL's management. Both programs incorporate labor and environmental standards that wood processors and consumers value through the supply chain.

The Department opposes the prohibition of BPL from participating in a specific forest certification program. Forest certification programs independently verify that land is managed following sustainable, transparent, and ethical practices. For BPL, forest certification enables access to the broadest array of forest product markets possible. Moreover, reliable sources of certified wood are essential to Maine's forest economy as it competes nationally and internationally in the marketplace.

Participation in both FSC and SFI certification is vital to BPL. Access to the full range of timber markets provides an important tool for carefully tending the forest. More than half of the wood

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BPL sells is to mills that are either FSC or SFI-certified. Recently, because of a technical challenge related to international auditing standards, BPL was uncertain whether it could continue to be certified by FSC. The loss of FSC certification would impose stark market access implications without an alternative third-party certification. Limiting BPL's ability to have certifications in place and flexibility of options would risk the ability to sell 56% of the annual timber volume each year. Such a loss would lead to annual deficits of up to three million dollars per year that could only be replaced by general fund revenues.

Certification Status of BPL Timber Sold	Cords / 5-Year Total
SFI and/or FSC Certified	295,400
Non-certified subtotal	235,100
Total Percentage certified timber FSC/SFI	56%

The loss of SFI certification would not only jeopardize BPL's finances but also bring potential harm to logging contractors and truckers who work cooperatively with BPL. The loss of certification by BPL would also negatively impact the forest products companies and associated jobs that depend on certified wood throughout Maine.

Additional sections of this amendment relate primarily to the payments for harvesting wood, and these sections would negatively impact the Maine Forest Service, who are here to answer specific questions during the work session. The Department would like to highlight that LD 1849, An Act to Ensure Fair and Timely Payment in the Harvesting of Forest Products, which speaks directly to this process, became law only last October. DACF continues to question what problem we are trying to solve with this legislation, as it is our understanding that only one case has been brought before this committee, which was between a private landowner and contractor.

During the public hearing process for LD 1849, DACF voiced concern about that legislation, which tasked DACF to conduct "random inspections including payments for roadside wood." The information required to make a determination would not be discoverable through an "inspection" but would require a formal investigation, potentially including subpoenas of financial records. This action puts the Department in a challenging position of having to open a formal investigation, potentially between a private landowner and contractor, to conduct any "random inspection" and to respond to every possible complaint, no matter its foundation.

DACF's fiscal note for LD 1849, which included one additional Consumer Protection Inspector position to perform these inspections and one additional Forest Ranger II to perform complaint follow-up, was not accepted. This new amendment now adds an additional potential layer of government involvement: the investigation by the Attorney General's Office to investigate complaints or allegations of nonpayment.

The amendment also proposes troubling new language affecting MFS's ability to keep certain information confidential. These provisions protecting private landowners, their forest management plans, other documentation of forest management activities, and contact information for small landowners have been in place since 2005. MFS's Director has broad discretion to share such information with appropriate government entities, including for

regulatory purposes. The proposed text would make public <u>any</u> records obtained during an investigation upon conclusion of the investigation – without respect to the origin, nature, or outcome of the investigation or potentially the nature of the information itself.

We urge you to oppose this bill. Department staff will be available to speak at the work session. Thank you.