



## **Testimony on LD 1313 “An Act to Promote Equity in the Forest Products Industry by Allowing Commercial Wood Haulers to be Eligible for Certain Sales Tax Exemptions and Refunds”**

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Joel Slate, Corporate Director of Fiber Supply

Good afternoon, Senator Grohoski, Representative Cloutier and members of the Taxation Committee. I’m Joel Slate of Hermon, Maine and I am testifying on behalf of ND Paper in strong support of LD 1313, “An Act to Promote Equity in the Forest Products Industry by Allowing Commercial Wood Haulers to be Eligible for Certain Sales Tax Exemptions and Refunds.”

ND Paper has been in Maine since 2018, where we operate the Rumford Mill, an integrated pulp and paper facility that has seen hundreds of millions of dollars invested since purchase. We procure wood harvested from all 16 counties in Maine and we support approximately 500 direct jobs and several thousand indirect jobs, primarily located in rural communities throughout the state and region.

A vital and resilient forest products industry requires all links in the supply chain to be healthy and strong, and this requires investment and recapitalization. A specific area that has been shown to be a liability, today and more ominously, into the future, is the forest products transportation segment. Maine continues to age, with most logging workers over 45 years old and fewer young participants than ever before. The changing demographics of our state along with changing workforce participation practices have resulted in a material shortage of truck drivers and trucking capacity in our industry. If we are unable to transport sufficient volumes of fiber, the industry will suffer and mills will close resulting in lost jobs and devastated communities. Additionally, the inability to properly manage our forest resources will make it more difficult to achieve the Governor’s carbon sequestration and climate objectives.

The existing tax exemptions for harvesting equipment are incredibly valuable to logging contractors around the state. In addition to the proposed language in LD 1313 that incorporates roundwood transportation equipment, I would like to suggest adding equipment used for wood chip and biomass transport into the list of approved exemptions. Transportation of these important fiber sources faces the same challenges that roundwood transport does, and inclusion of chip and biomass trucks and trailers will pay benefits far into the future for our industry.

Extending the same exemptions, currently enjoyed by timber harvesters, to forest products transportation equipment will allow existing operators to invest in and recapitalize their businesses and will make it easier for new operators, especially younger participants, to purchase equipment. Given the emphasis on the “Go Your Way” CDL training program being promoted

in Maine, removing some of the barriers to entry that exist could help recruit more young owner-operators into the industry.

The forest products industry reaches all corners of Maine and supports thousands of rural families. A robust forest products transportation segment will ensure that loggers are able to maximize their production, mills are able to receive the fiber they need, and Maine's forests are managed properly to provide a full range of benefits to society including wood products, wildlife habitat, recreation, clean water, and carbon sequestration. LD 1313 is a well-written, bipartisan bill that will benefit all Mainers. We urge you to vote "Ought to Pass" on LD 1313. Thank you for your time.