



Testimony of ND Paper
before the Joint Standing Committee on Labor
In Support of L.D. 1712, *An Act to Amend the Paid Family and Medical Leave*
Benefits Program to Balance Support of Businesses and Employees
April 23, 2025

Good afternoon, Senator Tipping, Representative Roeder, and members of the Joint Standing Committee on Labor. I am Steve Raczek, Senior Director of HR for ND Paper, which operates the pulp and paper mill in Rumford. I am here today to testify in support of L.D. 1712, *An Act to Amend the Paid Family and Medical Leave Benefits Program to Balance Support of Businesses and Employees*.

ND Paper acquired the Rumford mill in 2018. ND Paper's economic impact in Maine includes hundreds of direct and indirect employees, both union and non-union company employees and contractors. The paper industry is a global industry and very competitive. Laws like this have put the Rumford mill at a disadvantage, not only globally but also domestically since we compete with mills across the US with most of them not having the added costs this law creates. Despite that, ND Paper has invested more than two hundred million dollars in Maine since 2018.

Our concerns with the existing program include:

- The need to ensure that the definition of "undue hardship" is determined by the employer and the use of specific examples in the law to provide clarity for both employer and employee. In a 24/7/365 operation like the Rumford mill, we have already seen an impact to the business with MEPL, now adding PFML along with all the other negotiated paid time off our employees receive will add to the inability to staff the mill and keep our assets running safely and consistently without hiring more employees. This will add to the overall expense of running a paper mill which already has paper thin margins. We have a good working relationship with our local Unions and have been working together

trying to work through the issues MEPL has causes and have already been discussing the detrimental impact PFML will cause to both the business and employees. Failure to allow private employers to make these decisions will result in significant increased operating costs for manufacturers beyond the PFML employer tax.

- The need to respect existing collective bargaining agreements (CBAs) for private employers. There is clear disparity in the existing law in treatment of public versus private CBAs. Frankly, we have always opposed laws that interfere with the right of employers and their collectively organized employees to negotiate on the terms and conditions of employment. What these private parties agree to should not be impacted by government, whether pro-labor or pro-employer. While we think there are good reasons for excluding private CBAs from the PFML program unless and until the employer and employees agree to such, we support LD 1712's very small step towards improvement by treating private CBAs the same as public ones.
- PFML is scheduled to be "available" in mid-2026 if, and only if, the fund is solvent. We are concerned that there may be last minute increases in the PFML "shared tax" and that there may not be the political will to maintain the current 50/50 split.
- Because Maine's version of PFML has an overly broad definition of "family members", it could be easily abused. In a recent MFPC policy committee meeting, it was explained that there is no requirement for any type of blood or marriage relationship and you can take paid time off to "care" for friends, neighbors

We support L.D. 1712 since we believe it provides a balanced approach to resolving employer concerns while ensuring that Maine's PFML is easy to implement and understand for both the employer and employee maintaining the program.

Thank you for the opportunity to provide testimony in support of L.D. 1712. We ask that you vote this bill Ought To Pass. I would be happy to answer any questions now or at the work session.