



Testimony of

**DANA A. DORAN
Executive Director**

Professional Logging Contractors of the Northeast

**Before the Joint Standing Committee on Housing and Economic
Development on LD 1733, An Act to Provide Reduced Interest Rates for
Logging and Fishing Operations**

Monday, May 12, 2025

Senator Curry, Representative Gere and members of the Committee on Housing and Economic Development, my name is Dana Doran, and I am the Executive Director of the Professional Logging Contractors of the Northeast. The PLC is a regional nonprofit organization that educates the public on the value and impact of professional logging and trucking in the Northeast.

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 over 200 contractor members in the state of Maine, is responsible for more than 80% of Maine's annual timber harvest.

Thank you for providing me the opportunity to testify on behalf of our membership in support of LD 1733, An Act to Provide Reduced Interest Rates for Logging and Fishing Operations. We would like to thank Senator Bennett and the other co-sponsors of this legislation for submitting this legislation and for the strong support of the logging and fishing industries. Additionally, we would like to thank the other organizations that have worked collaboratively on this legislation.

LD 1733 establishes a program within the Finance Authority of Maine (FAME) to provide low-interest loans, which would have a ceiling of 2%, for harvesting equipment for commercial timber harvesters and commercial fishermen. It would provide much-needed relief and a path to prosperity for loggers and fishermen by reducing the impact of increased interest rates and market volatility, which has been hindering their ability to invest in their businesses and pass them along to the next generation.

Logging contractors operate in a capital-intensive industry, relying heavily on very expensive equipment to operate efficiently. Over the past decade, the cost of equipment has nearly doubled, predominately because of mandated emission requirements by the federal government.

Tier IV engines have reduced emissions by 98%, which is vitally important to environmental protection. However, this technology has been a significant driver of the increased cost in heavy-duty equipment over the last 10 years. For example, following Congressional action to mandate the use of Tier IV engines in 2014, a feller buncher that once cost \$325,000 now exceeds \$600,000.

Despite environmental benefits of Tier IV engines and advanced technological gains to produce low ground pressure equipment, the financial burden associated with adopting this new technology has placed a strain on contractors. Many small and mid-sized operations lack the capital to make these necessary upgrades, even though doing so would improve operational efficiency and reduce environmental impact. Without financial support or incentives, contractors are often forced to continue using older, less efficient machines, simply because they cannot afford to upgrade their equipment. This is also having a detrimental impact on succession planning as the value of their businesses has simply become the value of their equipment.

Farmers in Maine have benefited for years from financial assistance programs such as the Agricultural Marketing Loan Fund and the Maine Farms for the Future program, which support business development, innovation, and sustainability in agriculture at a lower cost. This legislation seeks to create similar support mechanisms for Maine's loggers and fishermen, two vital, longstanding pillars of the state's economy. By creating this new loan program, it ensures equity across Maine's heritage industries, offering loggers and fishermen access to the same type of financial investment tools that farmers have taken advantage of for years.

This is not about providing a handout, it's about offering a hand-up to help these hardworking small businesses adapt, grow, and remain competitive in an evolving marketplace.

LD 1733 establishes a self-sustaining revolving loan fund designed to use repaid principal and interest back into the fund to ensure long-term financial sustainability and ongoing access to capital. This will not only enhance the productivity and efficiency for a small business, but it will also support job creation and retention in rural communities as well as succession planning. LD 1733 offers a strategic investment in their future, helping to preserve Maine's heritage industries while bolstering economic resilience and competitiveness.

Thank you for the opportunity to provide testimony on behalf of our membership today and I would be happy to answer any questions you might have.