



Testimony of

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Professional Logging Contractors of the Northeast

**Before the Joint Standing Committee on Appropriations and Financial Affairs on
LD 2212, An Act Making Supplemental Appropriations and Allocations from the
General Fund and Other Funds for the Expenditures of State Government and
Changing Certain Provisions of the Law Necessary to the Proper Operations of
State Government for the Fiscal Years Ending June 30, 2026 and June 30, 2027**

Thursday, February 19, 2026

Senator Rotundo, Representative Gattine, and members of the Joint Standing Committee on Appropriations and Financial Affairs, my name is Dana Doran, and I am the Executive Director of the Professional Logging Contractors of the Northeast (PLC). The PLC is a regional educational non-profit organization 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 contribute more than \$582 million to the state's economy on an annualized basis. Our membership, which includes over 210 contractor members in the state of Maine and an additional 125 associate members, 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 regarding Part O of LD 2212, An Act Making Supplemental Appropriations and Allocations from the General Fund and Other Funds for the Expenditures of State Government and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2026 and June 30, 2027. Our testimony is in opposition to the proposed elimination of the Business Equipment Tax Reimbursement (BETR) program in Part O.

The logging industry in Maine is in the midst of a reinvention process because of COVID 19, the digester explosion at the Jay mill in April 2020, inflation and global reduction in pulp consumption that has created some of the greatest turmoil in markets that we have ever experienced. We are estimating that Maine has lost 40% of its harvesting capacity and the layoff of nearly 1,000 people in harvesting and hauling since 2020. In just four years, the industry has shrunk from an annual economic impact of \$620 million to \$582 million and total jobs have

been reduced from 9,000 to 5,500 and there is no end in sight.

Eliminating the BETR program would pull the rug out from under businesses that have strategically invested in equipment to increase efficiency and expand their operations for the long run. It would also jeopardize the good-paying local jobs tied to these investments, especially if projects are halted or abandoned due to the unexpected financial burden created by the loss of BETR.

The Business Equipment Tax Reimbursement (BETR) program was created to incentivize capital investments by businesses in Maine on a consistent basis. The list of businesses and major employers that utilize the program includes a wide variety of different industries, including loggers and truckers. However, the elimination of the BETR program will create inconsistency of tax policy and an increase in cost for loggers and truckers at a time when they can least afford it.

Logging contractors operate in a capital-intensive industry, relying heavily on very expensive equipment to operate efficiently, implement best management practices and ensure environmental protection, all while harvesting wood for value added products that every Mainer in the state utilizes daily. Over the past decade, the cost of equipment has doubled, predominately because of mandated emission requirements by the federal government and most recently, because of tariffs on imported equipment and parts.

In today's market, many logging and trucking companies have shifted toward more efficient cut-to-length equipment to stay competitive. These machines can fell, limb, and process trees to precise specifications based on market demands, greatly improving productivity. However, this equipment also requires substantial capital investment.

In closing, the BETR program remains a longstanding and consistent tool Maine has to support the capital-intensive sectors that keep our rural economy moving forward. We urge the Committee to preserve the BETR program and keep the state's commitment to creating investment, supporting good paying jobs, and sustaining the industries that are important to Maine's economic future.

Thank you for considering testimony from the state's oldest and one of the most important heritage industries.