



Testimony of

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**Before the Joint Standing Committee on Agriculture, Conservation, and Forestry
on LD 299, An Act to Support Investment in Agriculture**

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Senator Talbot Ross, Representative Pluecker, and members of the Joint Standing Committee on Agriculture, Conservation, and Forestry, 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 created in 1995 to represent logging and associated trucking contractors throughout the Northeast, predominately in the state of Maine. Our membership, which includes 215 contractor members in the state of Maine and an additional 130 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 in support of LD 299, An Act to Support Investment in Agriculture. We are also very thankful to the sponsors of this legislation for their creativity with respect to providing support for the agricultural and forest economy.

Many of you received a copy of our most recent logging and trucking economic impact study during my testimony to the Appropriations Committee last week. Noted in the study is that as of 2024, logging and trucking contractors in Maine employed over 2,744 people directly and were indirectly responsible for the creation of an additional 1,715 jobs. This employment and the investments that contractors make contributed \$534 million to the state's economy in 2024. However, what is also evident in this study are the changes that are taking place in the forest economy. I can tell you that from the time we published our first study in 2017 (2014 data) and this most recent study, logging and trucking jobs as well as economic impact have dropped by 40% in the last decade.

It is also no secret that markets across the state are constrained and contractors are suffering as a result, with added pressure coming from inflation, high interest rates, and tariffs. Logging contractors have no control over any of these market forces, and inevitably, they are price takers, not price setters.

Contractors are also facing stiff headwinds with respect to availability of forest land to work on. Landowners are making decisions on whether to keep forest land or sell it off for development or enrolling it in carbon markets. Contractors rely upon available forest land for their livelihood

and this situation is adding further pressure to a growing list of constraints.

This is also why we are very supportive of LD 299, since it is recommending a new use for the real estate transfer tax. The real estate transfer tax is growing due to many factors, but one of them is that forest land owners are choosing to sell their land, rather than keep it forested. What better way to ensure we continue to support the forest economy than to utilize the real estate transfer tax to support the forest economy, similar to what has been done recently for housing.

While no logging contractor wants government assistance, it is becoming more evident that they need a bridge to help them get from now to a few years in the future when markets improve. Without it, the forest economy may be challenged to succeed in the future without a logger to harvest wood and a trucker to transport it.

As many of you are aware, one policy idea that the PLC supports this session to help bridge this gap is the Governor's Agriculture, Forestry, and Food Producers bond proposal. While it is unclear what will occur with bond discussions this legislative session, we are supportive of an all hands on deck approach to providing a surgical investment in our industry.

We believe strongly that the funding recommended in LD 299 could be a potential pathway of sustainability and success. The Maine Agriculture, Food System and Forest Products Infrastructure Fund (AFFPIF), overseen by a board of stakeholders, including myself, would provide dedicated funding to assist Maine's timber harvesting businesses. Establishing a program that offers low-interest capital with these funds would provide an opportunity for the logging industry to reinvest in their operations, which is an investment that is critical to both their long-term growth and survival. Utilizing proceeds from the real estate transfer tax to populate this fund with an ongoing supply of much needed capital, would ensure that AFFPIF can invest in Maine's heritage industries for the long run.

In Vermont, where the PLC also represents timber harvesting contractors, the General Assembly created the Working Lands Enterprise Initiative (WLEI) several decades ago for the express intent of making surgical investments in its working lands businesses. AFFPIF is modeled after WLEI in Vermont and has the potential to be a similar catalyst. However, AFFPIF lacks one consistent thing that the General Assembly made sure of when it was created. That one thing is a consistent source of funding. AFFPIF has the ability to be similar to WLEI and LD 299 could inevitably provide that source of funding.

Logging contractors work in a highly capital-intensive industry, relying on extremely expensive equipment to operate efficiently, implement best management practices, and ensure environmental protection, all while harvesting wood for the value-added products that Maine people rely on every day. Over the past decade, equipment costs have doubled, driven largely by federally mandated emissions requirements and, more recently, by tariffs on imported equipment and replacement parts.

In closing, we support funding LD 299 and AFFPIF to provide much needed investment in the important work being done by Maine's heritage industries. Thank you for your time and consideration. Should you have any questions or wish to discuss this further, I would be happy to do so.