



Testimony of

DANA A. DORAN
Executive Director
Professional Logging Contractors of Maine

**Before the Committee on Environment and Natural Resources regarding LD 1429
– An Act to Implement the Most Time Sensitive Recommendations of the Maine
Climate Council**

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Senator Brenner, Representative Tucker and members of the Committee on Environment and Natural Resources, my name is Dana Doran, and I am the Executive Director of the Professional Logging Contractors of Maine. The Professional Logging Contractors of Maine (PLC) is the voice of independent logging and associated trucking contractors throughout the state of Maine. The PLC was formed in 1995 to provide contractors with a voice in a rapidly changing forest industry.

As of 2017, logging and trucking contractors in Maine employed over 3,900 people directly and were indirectly responsible for the creation of an additional 5,400 jobs. This employment and the investments that contractors make contributed \$620 million to the state's economy. Our membership, which includes 200 contractor members and an additional 100 associate members, employs 2,500 individuals who work in this industry and is also responsible for 80% of Maine's annual timber harvest.

Thank you for providing me the opportunity to testify on behalf of our membership in general support of LD 1429 – An Act to Implement the Most Time Sensitive Recommendations of the Maine Climate Council. While the legislation before you today is not perfect and does not explicitly recognize the work of timber harvesting community in the solutions put forth in this bill, we do want to recognize Representative Dunphy for taking a leadership role in the climate conversation and providing a starting point for further conversation.

It is our position that this legislation should be carried over to the second session of the 130th Legislature to allow for further discussion and deliberation. With that in mind, we have asked the sponsor to ensure that the timber harvesting community is recognized as a vital part of the final concept that is considered by this committee. Representative Dunphy was very receptive to our suggestions, and I would like to take this opportunity to mention a few positives that we see in the bill and a few changes that we would like to see made in the future.

One positive starting point in this legislation is the inclusion of a tax credit for fuel efficient freight transportation. As a member of the Climate Council's Transportation Workgroup, we have discussed the EPA's Smartway Program at length over the last year. As a result, this

program was included in the Governor's Climate Action Plan as a recommendation for the future.

Our membership has made significant investments in zero emission heavy duty tractors over the last seven years because of the federal government mandating the use of diesel emission fuel systems (DEF) back in 2014. DEF systems have nearly eliminated particulate emissions in commercial freight. However, this change has not come without a cost. The cost of this technology has increased the overall cost of new tractors by at least 30-40%. Thus, investments in this technology have occurred, but not nearly as quickly as most would like to see. The cost increases have also discouraged many from investing in their fleet because of the added cost. A tax credit to encourage new investment in tractors with DEF systems will certainly help offset the initial cost in this technology and motivate greater investment both in the technology and in EPA's SmartWay program in a shorter period of time.

As I mentioned before, this legislation is largely positive, but it does require further work before it can move forward. Many potential solutions are still being worked on and it is our opinion that not only should solutions for the timber harvesting community be included, but it might also be worthwhile to carry this bill over to the next legislative session to allow further work and conversation to take place.

I am a member of the Natural and Working Lands Working Group of the Maine Climate Council as well as the Maine Forest Carbon Program Task Force, which was established by Executive order of Governor Mills on January 13, 2021. The Governor's Task Force is currently meeting and must have its work completed by September 1, 2021. It would be pertinent to allow this Task Force to complete its work and see what recommendations are made which could be included in this bill in the next session.

I also want to ensure that this committee is aware that due to changes in climate, loggers are also being impacted by climate change. At the same time, they also have an important role in ensuring that forests are part of the climate solution.

In both the Mills' Administration Climate Action Plan as well as the Governor's Executive Order that created the Forest Carbon Task Force, there is recognition of the positive work that can be done by contractors. Specifically, both documents reference identifying incentives for high-quality, on the ground performance by loggers and the promotion and investment in low impact harvesting equipment. We feel strongly that some type of incentive or investment opportunity should be included in this legislation as a result.

To achieve both goals, contractors must work to reduce emissions and minimize impacts to the residual forest ecosystem at the point of harvest. Both are expensive ideas and will not be incentivized by the traditional wood procurement system. Therefore, they will require financial incentives to implement both climate solutions and we feel that not should there be recognition of this cost, but this legislation should be a vehicle to assist with their implementation.

To minimize compaction and disturbance of forest soils, the state should incentivize the purchase and utilization of low ground pressure harvesting equipment with tracks that can accomplish these goals. The Maine Forestry Direct Link Loan Program was created in 2007 within Maine DEP, the Maine Bond Bank and the Department of Agriculture, Conservation and Forestry to incentivize this need with low interest loans for logging companies. The Maine Clean Water State Revolving Fund has dedicated \$12 million to the program since that point in time.

However, because of current commitments, there is less than \$1 million that can be loaned for new purchases. With the average cost of equipment in the range of \$500,000, the current pool of funding cannot adequately serve the purpose that was intended for. This program needs to be expanded to encourage new investment. Current contractors are complaining weekly that there are no funds available.

Second, consider paying loggers to not work on days they shouldn't, similar to what has occurred in farming (payments for not planting fields to reduce crop supply or discourage land utilization). The current procurement system is built on volume delivery and because the cost of doing business for contractors has escalated so significantly with debt on equipment, there is always pressure for contractors to work on questionable days where soil damage can occur. Contractors do not want welfare, but what incentive is there not to work?

Third, thin stands so that the trees remaining are free to grow to their full potential. Minimizing impacts to the roots, boles, and crowns of residual trees during thinning is an added cost due to less production. Contractors should be compensated on an hourly rate for thinning work and should not be paid on a cost per ton. This is service work and the volume is not there to make it financially feasible if the expectation is that it is performed on a cost per ton.

Lastly, the state should support higher level on-the-ground performance to encouraging climate friendly timber harvesting. Recognize and support programs like the third-party certification Master Logger Program, which provides verification that high standards are being met at the point of harvest, by utilizing independent licensed foresters as verifiers. Not only does Master Logger incentivize excellent harvesting practices, it can also serve as an in-field assessment and provide both qualitative and quantitative data through its independent field audits. The Master Logger standard requires that participants implement techniques that protect soil resources and use techniques that provide minimal impact to residual stands, both important factors in lowering carbon emissions from harvesting. Incentivizing and supporting on the ground performance verification programs will provide continued climate friendly harvesting methods from current participants and provide outreach to generate interest for those who have not participated in certification.

Maine's loggers are a vital part of the state's forest products sector and the state's economy. Therefore, they should be recognized for the work they do as solution to our climate issues.

The PLC is supportive of the intent of the sponsor and feels that with some collaboration and work this legislation could achieve the goals of the administration, the Legislature, and the industry with respect to climate change.

Thank you for the opportunity to provide the opinion of our membership before you today and I would be happy to answer any questions you may have.