

Testimony of Sean Wallace
Regarding L.D. 1979
An Act To Sustain Good-paying Jobs in the Forest Products
Industry by Ensuring Consistency between Comprehensive
River Resource Management Plans and State Water Quality Standards

February 28, 2022

Chair Brenner, Chair Tucker, and members of the Environment and Natural Resources Committee, my name is Sean Wallace. I am the Managing Director of Sappi North America's Somerset Mill in Skowhegan. I am providing this testimony in relation to L.D. 1979, but I am testifying neither for nor against the bill. Rather, Sappi has asked me to provide you with some background on Sappi's concerns with respect to certain fish passage issues at the Shawmut Dam.

First, let me briefly describe Sappi's Somerset mill for those of you who may not be familiar with it. The Sappi Somerset Mill is located on 2,500 acres along the banks of the Kennebec River, which serves as a vital resource for the mill's continued operation. Originally built in 1976 to supply pulp, it is now home to three world class paper machines. It is an integrated pulp and paper making operation where we manufacture coated free sheet papers, packaging and specialty papers, and bleached Kraft pulp. The mill is capable of producing 1,700 tons of pulp and 2,800 tons of paper products per day, and receives over 200 truckloads of wood products per day. The mill directly employs roughly 735 people from many of the surrounding communities, contributing millions of dollars to the local economy. In addition, for every job at Somerset we estimate that there are eight jobs that we support both locally and around the state. Sustainability remains Sappi's priority and is critical to our strategy. At the Somerset Mill, we strive to challenge industry standards and ourselves to create innovative methods to better our environment. Recently the Sappi Somerset Mill was named a recipient of the Leadership in Sustainability – Water Award from the American Forest & Paper Association as part of its *Better Practices, Better Planet 2020* Sustainability Awards program.

With respect to the Shawmut Dam, I want to emphasize that Sappi supports restoration of endangered Atlantic salmon and other migratory fish to the Kennebec River but, as we have consistently stated, any solution must not include removal of the Shawmut Dam, because removal of that dam would endanger the continued viability of the Somerset Mill.

Specifically, we are concerned that setting an unachievable effectiveness standard for upstream fish passage at the Shawmut Dam could result in removal of the Shawmut Dam. Water is a critical resource in Somerset's operations. Removing the dam will drop the river water level 15 to 20 feet, to a depth of four to six feet, rendering the mill's water intake and wastewater discharge systems inoperable. Sappi does not believe that any technical water intake solution will work with a river level of only four to six feet. The solutions that have been floated are not workable for a mill drawing 30 million gallons per day. It is very unlikely that replacement process water intake facilities could be designed and constructed to provide the water needed to operate the Somerset Mill. We provided documentation of that conclusion to DEP in our August 18, 2021 comments on DEP's draft water quality certification order for the Shawmut Dam.

In short, the removal of the Shawmut Dam could shut down the Somerset Mill. This would have potentially devastating economic effects on Sappi, its employees, and its suppliers, and thus a similarly devastating impact on the surrounding communities whose economies rely to a large extent on the Somerset Mill. As I noted above, the Sappi Somerset Mill directly employs roughly 735 people and support eight times that many jobs indirectly. Thus, the negative economic impacts of dam removal greatly outweigh any potential environmental or economic benefit that might be achieved by removal of the Shawmut Dam, which benefits can be achieved through installation of economically viable fish passage facilities, without causing the economic harm that would be caused by dam removal.

We want to assure you that Sappi will continue to work with Maine's resource agencies and federal fisheries agencies to support a fish passage solution that will improve sea-run fisheries while not endangering the Somerset Mill. But we also want to be clear that we cannot support a solution that may result, directly or indirectly (because it makes the Shawmut Dam uneconomic), in removal of the Shawmut Dam. Sappi strongly opposes removal of the Shawmut Dam because of the catastrophic impact such removal would have on the Somerset Mill. Sappi has been unequivocal in making that position clear in various public proceedings over the past year. Sappi also opposes any relicensing conditions that would make operation of the Shawmut Dam uneconomic and thus have the practical effect of requiring removal of the dam, such as a requirement to construct a second, nature-like fish (NLF) passage facility at the dam site (which also could result in a lower impoundment water level and thus adversely impact the mill's water intake structure).

As noted at the outset, I am testifying neither for nor against L.D. 1979. We are not taking a position on this bill due to uncertainty about the practicality of a legislative versus an agency solution. But we want to emphasize our deep appreciation for the support for the Somerset mill we have received since this issue has arisen.

On behalf of Sappi, I thank you for the opportunity to present these comments.