

April 15th, 2021

To the Energy, Utilities and Technology Committee Considering
LD 1202

Hancock Lumber is a 6th generation Sawmilling company which got its start in Casco Maine in 1848.

You can go into the Jugstown Forest and still see the foundations of the original mill situated on “Mill Brook” in Casco

Today the company owns and operates 3 Eastern White Pine Sawmills, 11 Contractor lumber yards and a Truss Plant. All told Hancock Lumber employs over 550 employees.

The three sawmills; one in Pittsfield, one in Bethel and one in Casco Maine where our Home Office is. The 3 sawmills themselves employ 250 men and women.

We produce about 100 million board feet of Eastern White Pine Boards which are sold around the world.

Hancock Lumber has been selected, 7 years in a row as a Best Places to Work Company in Maine. In 2012 we were awarded “Exporter” of the year by the Maine International Trade center.

To operate our sawmills and produce lumber for our customers we buy 10,650 truckloads logs a year from primarily small private woodlot owners around the state along with logs from NH, Vermont and Massachusetts.

At the same time we produce 2150 truckloads of sawmill chips, 200 truckloads of sawdust and another 1000 truckloads of bark.

Without markets for chips, sawdust and bark our mills cannot operate.

I am testifying in favor of LD 1202 because we need to do something immediately to help our loggers.

This past December and January, a small team from Hancock Lumber and a videographer took to the woods to find out how our loggers were doing after the loss of their pulpwood market from the explosion at the Jay Mill and the shutdown of the Biomass Power Plant in Westbrook Maine.

We interviewed 12 logging contractors and heard the following key messages;

1. Our earnings have been cut significantly
2. We are concerned about our survival
3. We can't manage the forest the way it should be; woodlots with a high percentage of pulpwood can't be harvested.

4. We are working fewer days
5. I have to diversify into other work besides logging if I want to keep my equipment.

For Hancock Lumber this all means uncertainty about the supply of logs to our Mills. It also put on hold any plans we have to grow our business.

65- 70% of the harvest on a typical woodlot is pulpwood and biomass. The loss of pulpwood and biomass markets is having a serious impact on Logger's revenue.

Biomass markets are up and down. Loggers at times have no markets for biomass or they have to truck their biomass long distances.

Without markets for pulpwood, loggers are forced to high-grade, woodlots, (take only the best), counter to good forest management practices.

Woodlot owners without markets for their pulpwood are electing to postpone harvest in hopes of future pulpwood markets.

The smaller logging contractor is especially at risk as they are on the bottom of the list when pulpwood tickets are available.

During recent interviews with local logging contractors, their outlook for the future is uncertain. In many cases logging contractors are 2nd, 3rd and 4th generation operations.

Logging contractors are having to diversify which could ultimately mean less time logging and more time doing other work, (excavation work).

When we think about Options for Pulpwood

Current:

Pulp and Paper Mills

Firewood

Chipped to make biomass and is burned at a biomass power plants.

Future: (after debarking and chipping)

Wood Pellets

Bio fuels, renewable chemicals, carbon

Wood based insulation

Building Heat through community CHP plants

When we think about Options for Biomass:

Current

Biomass used in power plants for electricity generation

Future

Bio Fuel's, renewable chemicals and carbon

Since 2014, Maine has lost markets for over 4 million tons of low-grade wood annually. When paper mills and biomass plants close, the entire forest industry suffers. Sustainable forest management, as well as a healthy lumber industry, rely on outlets for pulpwood, residual chips and biomass.

While there are some promising new technologies that are being deployed in Maine, they don't represent anywhere near the volume lost – and only begin to address the challenge. But there is a proven market that can help address this urgent need, while supporting Maine environment and economy – modern CHP plants that provide carbon neutral, renewable electric power for the state.

Passing LD 1202 will help loggers, landowners, mills and the associated support businesses in the state. How urgent is the need to increase the available markets for pulpwood, biomass and sawmill by-products, the need is now, we can't wait.

Kevin Hynes

Chief Operating Officer

Hancock Lumber

Casco, Maine