

March 8, 2022

Hon. Senator Mark Lawrence, Senate Chair
Hon. Representative Seth Berry, House Chair
Joint Standing Committee on Energy, Utilities, and Technology
100 State House Station
Augusta, Maine 04333

RE: Proposed Amendment to L.D. 697: *An Act To Reduce Risks To Maine's Critical Infrastructure*

Dear Senator Lawrence, Representative Berry, and members of the Energy, Utilities, and Technology Committee:

My name is Ben Lucas, and I am submitting this letter on behalf of the Maine State Chamber of Commerce, a statewide business organization consisting of a network of more than 5,000 large and small employers across Maine. Due to a scheduling conflict, I apologize for being unable to deliver our testimony in person, however, we believe it important to be on record in opposition to the proposed amendment to LD 697.

We have a few concerns we would like to address. The first being that this would have an impact on more than just electric utilities. We understand this has been a topic of discussion in this committee for several years, and we understand the importance of establishing the net benefits when the PUC is considering a reorganization of a utility. But we felt it was important to highlight the impacts this could have on all utilities which provide vital services to the public. For example, this bill would implicate water utilities, natural gas utilities, and telecom utilities, just to name a few. We understand that the proposed changes in LD 697 might be aimed at the two electric utilities in Maine, but we would respectfully ask the committee to consider the impacts this will have on all utilities in our state, and whether this one-size-fits-all policy serves the interests of all Mainers and Maine businesses.

We believe the proposed changes in LD 697 may make it harder for utilities to attract investment – whether that is domestic or international capital – and may impede critical infrastructure investments in: our electrical grid; to our sewer and water systems; and to our landline, cellular, and broadband services through the potential prohibition on non-domestic investment and ownership. Ultimately, the amended language delivers broad regulatory direction to the PUC, but with very limited specificity that will help inform their decision-making process. For example, the new 3-A references whether a reorganization would ‘pose risks at any time to system reliability...’ – what does this mean? How is a regulator to make a determination based upon some a vague standard?

Over the last two years through the pandemic, the Chamber understands and agrees with the increased desire for a more American-made supply chain; however, we have concerns about foreclosing entirely the potential for any non-domestic investment whatsoever. We live in a 21st century global economy and Maine would be sending a deeply troubling signal to the global marketplace if we are to place roadblocks in the way of any international investment. We should be encouraging all investment into the state as it will lead to future job creation and growth to Maine businesses and Maine jobs. Making this change would impose a “no-fly zone” on international investment into Maine, we see that as a problem as international companies and investment have already made many positive impacts on Maine’s economy. For example, from the [Office of the United States Trade Representative](#):

International Investment Creates Jobs in Maine

- In 2015 (latest data available), foreign-controlled companies employed 34,200 Maine workers. Major sources of foreign investment in Maine included Canada, the United Kingdom and Switzerland.
- Foreign investment in Maine was responsible for 6.8 percent of the state's total private-industry employment in 2015.

One final point I would like to make is if we believe this policy change is a good one – cutting off the investment of a foreign government, a foreign corporation, or the subsidiary of a foreign corporation – then why is it not focused on all types of businesses? Presumably, this is not so because it would become objectionable to many if we suddenly told our paper mills, energy companies, financial services industry, and the tourism community that any foreign investment requires a review and approval by state regulators. This is focused on our utilities in Maine, and we would just state that if the proponents of this change feel it is a good public policy decision, it should be focused on all businesses.

To conclude, we believe LD 697 would be restrictive and we believe it is a bad proposal for both our electric utilities and other utilities. We would ask the committee to carefully consider a couple of these concerns we have raised regarding the proposed amendment to LD 697. If the committee has any questions or needs additional information in advance of the work session, my contact information is below and please feel free to reach out. Thank you.

Sincerely,

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