



**Testimony of ND Paper before the Joint Standing Committee on Innovation,
Development, Economic Advancement and Business
In support of
L.D. 730, *An Act To Protect Economic Competitiveness in Maine by Extending the
End Date for Pine Tree Development Zone Benefits*
March 23, 2021**

Senator Curry, Representative Roberts, and members of the Joint Standing Committee on Innovation, Development, Economic Advancement and Business. I am Brian Boland, Vice President of Government Affairs & Corporate Initiatives for ND Paper. I am submitting testimony on behalf of ND Paper in support of L.D. 730, *An Act To Protect Economic Competitiveness in Maine by Extending the End Date for Pine Tree Development Zone Benefits*. ND Paper is the company that purchased and is investing in the Rumford paper mill as well as the company that purchased the closed mill in Old Town and has made significant investments in order to restart that mill after it sat idle for more than three years. Both facilities are now Pine Tree Development Zone (PTDZ) businesses. The PTDZ program was essential to attract ND Paper's investment in not one, but two Maine mills.

Under ND Paper ownership and through the ongoing support of the PTDZ program, both mills are being reconfigured to operate at substantially lower manufacturing costs compared to ND Paper's predecessor companies. To date, ND Paper has invested more than \$250 million in these mills, and its economic impact in Maine includes:

- Direct employment of 684 hourly and salaried workers earning a combined annual payroll of about \$70 million including benefits
- Further indirect and induced job creation equivalent to 2,189 and 1,341 estimated positions, respectively; indirect jobs are those created in the supply chain, while induced jobs are created as a result of mill employee and vendor employee spending.*
- Each year, the Rumford Mill spends approximately \$200 million directly in the State of Maine for materials procurement, payroll, and taxes; the Old Town mill will spend an additional \$70 million. In total, this equals \$270 million of direct spend into the Maine economy annually.

The Committee should be aware that the pulp and paper industry's facilities serving the printing and writing markets have not recovered from the historic and devastating crash in most grades of paper that occurred at the beginning of the pandemic. ND Paper weathered this downturn and the rest of the pandemic turmoil without economic assistance from either the federal or state government – apparently we were too small for an industry-specific bailout, yet had too many employees to qualify for Maine state pandemic aid to businesses or other federal support like the Paycheck Protection Program. Despite this lack of aid, ND Paper has been able to keep its mills running by quickly taking steps to reposition its mills and the products they make. We cannot speak for other companies, but the PTDZ program not only made our investment in Maine a reality, but also helped sustain our two mills during this extremely difficult time. We relied on it then and we rely on it now.

Extending the date for other companies to enter the program will support Maine's recovery from the pandemic; in addition, it is consistent with Governor Mills' Economic Plan for the state via continuation of those benefits. ND Paper operates manufacturing facilities in two other states and the PTDZ program is a key factor in Maine's favor for continued investment. Extending the PTDZ program would be positive economic development policy at any time but is particularly important for Maine given our present economic circumstances. ND Paper would like to thank the sponsor for bringing this very important bill forward and we urge the Committee to unanimously vote Ought to Pass on L.D. 730. Thank you for the opportunity to provide testimony.

**ND Paper is using conversion factor assumptions of 3.20 indirect-to-direct jobs and 1.96 induced-to-direct jobs based on a 2018 IMPLAN study for the Old Town Mill.*