

Office of Policy and Legal Analysis

Date: May 10, 2021
To: Joint Standing Committee on Innovation, Development, Economic Advancement and Business
From: Rachel Olson, Legislative Analyst
Re: LD 768 An Act To Explore Alternative Uses of Pulpwood and To Support the Logging and Forestry Industries (EMERGENCY)

Bill Summary

This bill is a concept draft pursuant to Joint Rule 208.

This emergency bill proposes to explore alternative uses of pulpwood and to support the State's logging and forestry industries.

Testimony:

Proponents: Representative Ducharme, sponsor; Senator Black, cosponsor; Douglas Denico; Dana Doran, Professional Logging Contractors of Maine; Patrick Strauch, Maine Forest Products Council;

Opponents: None

Neither for nor against: Commissioner Johnson, DECD; Patty Cormier, Maine Forest Service/DACF;

Potential Issues or Technical Problems:

The bill is a concept draft. In order for the Committee to vote on a recommendation, language will need to be provided.

Possible Amendments:

The sponsor has an amendment that replaces the concept draft with a Resolve, directing DECD and others to study the surplus of softwood pulp in the State and to make recommendations for supporting the forest products economy and employment. The Committee will have the option to report out legislation related to the report in the Second Regular Session of the 130th. Please see the amendment below.

Dana Doran, Professional Logging Contractors of Maine, put forward the idea of creating a Forest Resources Council, an independent advisory organization of the Executive Branch, similar to the Governor's Energy Office, the Maine Technology Institute, and others. The purpose of the council would be to develop recommendations to the governor, state agencies and the legislature with respect to forest resource policies and practices that result in the sustainable management, use, and protection of the state's forest resources in furtherance of the Maine economy. He outlined his proposal at the end of his [written testimony](#).

Information Requests:

1. Representative Peabworth requested more information on forest cooperatives.

A cooperative or co-op is a business that is owned and democratically controlled by the members who use its services. Members share in both the business risks and the business profits. There are many types of co-ops including: consumer, worker, producer, purchasing or shared services, and multi-stakeholder cooperatives.

In the United States, examples of forest owner co-ops date back to the early 20th century. In the late 1990s and early 2000s, there was a renewed interest by forest owners in cooperatives not only in the Upper Midwest but also in the Northeast, Northwest, and parts of the South.

Forestry cooperatives provide a range of services to members, including land stewardship education, development of woodland management plans, sustainable harvesting, processing, and marketing, among others. These organizations strive to provide their members with a return equal to or greater than what they would get from a traditional timber buyer, while at the same time maintaining or improving the ecological and aesthetic condition of their woods.¹

[USDA Cooperative Forestry](#) – The Cooperative Forestry unit of the USDA Forest Service works closely with partners to enhance and maintain forests across watersheds and ecosystems, both on private and public land, for the benefits they provide to the American people. Cooperative Forestry delivers its work through states, local governments, other federal agencies, non-profit organizations, and other partners leveraging additional resources and fueling innovation.

[A Cooperative Approach to Growing the Forestry and Wood Products Industry](#) by Ryan Kline. The Ohio State University College of Food, Agricultural, and Environmental Sciences

Examples of existing forestry cooperatives:

[Medway Community Forest Cooperative, Nova Scotia, CA](#)

[Breton Forest Innovation Cooperative, Nova Scotia, CA](#)

[Partners in Forestry Landowner Cooperative, Wisconsin, USA](#)

[Quebec Federation of Forestry Cooperatives, Quebec, CA](#)

Additional Information:

The sponsor indicated that work was being done with Commissioner Johnson, DECD, on possible language for the bill. Commissioner Johnson indicated that this bill could be considered for carryover, which the sponsor indicated support for.

A coalition funded by the US Economic Development Agency, known as the [Maine Forest Opportunity Roadmap \(FOR/Maine\)](#) was formed in 2016. The coalition has produced significant research on the forest products industry, taken steps on development of the industry, and created and updated a roadmap for the industry. Funding for this work will be expended by the spring/summer of 2022. You can see [their report here](#) and [phase-2 goals report update from 2020 here](#).

¹ <https://uwcc.wisc.edu/resources/forestry-cooperatives/>

Recently the Office of Business Development conducted a survey of the forest products sector in an effort to continue the dialogue on business's needs. A summary of the results of that survey will be available in the coming weeks.

The Governor's State of the State speech referenced a forest products innovations fund. This fund is one tool that could support the work being considered in this concept draft.

Fiscal Impact: Not yet determined (concept draft).

PROPOSED amendment from Representative Ducharme to
LD 768

An Act to Explore Alternative Uses of Pulpwood and To Support the Logging and Forestry Industries

Strike the emergency preamble from the bill

New Title: Resolve, Directing the Department of Economic and Community Development To Study the Softwood Pulp Industry

Strike everything after the title and before the summary and insert the following:

Sec. 1. Softwood pulp industry. Resolved: That the Department of Economic and Community Development and a representative from the Governor's office shall work together with representatives of the forest products economy to study and make recommendations relating to the surplus of softwood pulp in the State as a result of the recent closure of pulp and paper mills in the State and the impact it has had on the softwood pulp industry and landowners. The Department shall submit a report to the Joint Standing Committee on Innovation, Development, Economic Advancement, and Business by February 1, 2022. The report shall include recommendations for supporting the forest products economy and employment in that sector in this State. The committee may report out a bill to the Second Regular Session of the 130th Legislature based on the report.