



Testimony of

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**Before the Committee on Innovation, Development, Economic Advancement and
Business in Support of LD 768 – An Act to Explore Alternative Uses of Pulpwood and to
Support the Logging and Forestry Industries**

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Senator Curry, Representative Roberts and members of the Committee on Agriculture, Conservation and Forestry, my name is Dana Doran, and I am the Executive Director of the Professional Logging Contractors of Maine. The Professional Logging Contractors of Maine (PLC) is the voice of logging and associated trucking contractors throughout the state of Maine. The PLC was formed in 1995 to provide independent contractors representation in a rapidly changing forest industry.

As of 2017, logging and trucking contractors in Maine employed over 3,900 people directly and were indirectly responsible for the creation of an additional 5,400 jobs. This employment and the investments that contractors make contributed \$620 million to the state's economy. Our membership, which includes 200 contractor members and an additional 100 associate members, employs 2,500 individuals who work in this industry and is also responsible for 80% of Maine's annual timber harvest.

Thank you for providing me the opportunity to testify on behalf of our membership in support of LD 768 – An Act to Explore Alternative Uses of Pulpwood and to Support the Logging and Forestry Industries. While the PLC did not have a role in the development of this legislation, we are generally supportive of its intent and look forward to the conversation to create something that will benefit our membership and the forest economy. If this committee does want to move something like this forward, I would like to offer some ideas that the committee should consider as an opportunity to ensure the future success of the forest economy in this state.

The forest products economy in Maine is amid a reinvention process. From 2011 to 2016, Maine experienced the closure of five pulp and paper mills and the periodic idling of two wood energy electric facilities. Between 2014 and 2016, the total economic impact of the forest products industry fell from \$9.8 billion to \$8.5 billion, and more than 5,000 jobs were lost.

Forest Products Industry

	2011	2014	2016
Total Economic Impact	\$8.5 billion	\$9.8 billion	\$8.5 billion
Total Jobs	38,789	38,956	33,538

In the spring of 2016, members of Maine's Congressional delegation convened a working group of the forest products industry, affected communities, and other stakeholders to develop shared strategies to strengthen and diversify Maine's forest industry and rural economies. Together, this group, which is now called the Forest Opportunity Roadmap for Maine (FOR Maine), has prioritized a path forward to achieve prosperity for the state. FOR Maine is an active and engaged group of forest economy stakeholders and members of state government which has been working together since 2016 to chart a path forward for the industry.

Goal 1 of the FOR Maine effort is to sustain and grow the forest products economy from \$8.5 billion to \$12.5 billion by 2025. The work of FOR Maine has produced significant results. Since 2017, over \$1 billion of new investment in manufacturing upgrades has been announced with new markets for cross laminated timber, insulation made from wood by GO Lab in Madison, new mill acquisitions in Rumford and Old Town and investments by numerous other existing companies that manufacture paperboard, tissue, and other solid wood products. We are far from achieving our goal, but the roadmap has been put in place and we are working collectively and collaboratively to recreate the forest economy. FOR Maine is essentially performing all of the duties that have been proposed in this legislation and the leadership of this group has made a point of briefing the Legislature each year of its existence.

FOR Maine is scheduled to complete its work in the spring/summer of 2022 as the funding for this effort will be expended. That said, the work of the wood energy, transportation, emerging markets, wood supply, market attraction, small landowners, workforce, community, and communications committees must continue to ensure that the goals of FOR Maine are not only achieved but furthered for generations.

As I mentioned before, we are supportive of the conversation that has been created with this legislative vehicle. If it does move forward, we would like to propose three recommendations for this committee's consideration which we feel would not only accomplish the goals of the bill sponsor but have tangential benefits to the forest economy.

Unlike agriculture and the numerous boards and commissions that serve this community in the executive branch, currently, there is no centralized organization within state government whose sole mission is to work on behalf of the forest products economy. Competitors to Maine, such as Wisconsin, Michigan, Minnesota, and Oregon all have dedicated organizations within their executive branch of state government, whose mission is to promote, develop and work on behalf of the industry in a bi-partisan manner with input from industry, education, non-governmental organizations, and policymakers.

The state of Maine has a precedent for setting up similar organizational structures such as the Governor's Energy Office, Efficiency Maine Trust, the Maine Office of Tourism, and the Maine Technology Institute. However, to date, perhaps because of commanding market presence, Maine has not needed to divert a significant amount of time and resources to this kind of structure.

I have provided an example of what a proposed Forest Resources Council would look like as an attachment to my testimony. As you will note, a Forest Resources Council would:

- Pursue the sustainable management, use, and protection of the Maine's forest resources to achieve the state's economic, environmental, and social goals.

- Develop recommendations and goals to increase the economic development of the forest industry and employment in the forest industry.
- Encourage cooperation and collaboration between public and private sectors in the management of the state's resources.
- Identify forest resource issues, concerns, and impacts.
- Recognize the broad array of perspectives regarding the management, use, and protection of the state's forest resources, and establish processes and mechanisms that seek these perspectives and incorporate them into planning and management.

In 2022, FOR Maine's work will come to an end, but it will not yet be complete. It is our belief that this work should transcend FOR Maine and be continued by an independent advisory organization of the Executive Branch 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. We hope that you agree with this assessment and fully consider what we have offered as a potential pathway.

Secondly, colleagues in the Midwest are currently pursuing the formation of a cooperative in an attempt to purchase and restart several pulp and paper mills that have closed in the last few years. This model was successfully pioneered in the forest economy of Ontario and Quebec, Canada back in the early 1990's. I offer this suggestion as a last resort for this committee to consider if the state feels it should assist with this type of economic development strategy in the future. USDA has a cooperative development office and is ready, willing and able to assist with something like this should it present itself as an opportunity.

Thank you for the opportunity to provide the opinion of our membership before you today and I would be happy to answer any questions you may have.

MAINE FOREST RESOURCES ADVISORY COUNCIL

1.Purpose

This act establishes a Maine Forest Resources Advisory Council as an independent advisory organization of the Executive Branch in order 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. The Council will:

- Pursue the sustainable management, use, and protection of the Maine's forest resources to achieve the state's economic, environmental, and social goals.
- Develop recommendations and goals to increase the economic development of the forest industry and employment in the forest industry
- Encourage cooperation and collaboration between public and private sectors in the management of the state's resources.
- Identify forest resource issues, concerns and impacts
- Recognize the broad array of perspectives regarding the management, use, and protection of the state's forest resources, and establish processes and mechanisms that seek these perspectives and incorporate them into planning and management.

2.Membership.

The governor must appoint a chair and 15 other members to the Maine Forest Resources Council. When making appointments to the council, the governor must appoint knowledgeable individuals with an understanding of state forest resource issues who reflect a balance of the various interests in the sustainable management, use, and protection of the state's forest resources.

The council membership must include the following individuals:

- 1) a representative from an organization representing environmental interests within the state;
- 2) a representative from an organization representing the interests of management of game species;
- 3) a representative from a conservation organization;
- 4) a representative from an association representing the forest products industry within the state;
- 5) a representative from an association representing timber harvesting within the state;
- 6) a representative from a statewide association representing landowners;
- 7) a faculty or researcher of a Maine research or higher educational institution;
- 8) an owner or representative of industrial, private forest land;

- 9) a representative of the biomass electric industry;
- 10) the State Forester or his/her designee;
- 11) a representative of a Maine sawmill;
- 12) a representative of a pulp and paper manufacturer;
- 13) a representative of pellet manufacturing;
- 14) a representative of secondary wood products manufacturing;
- 15) a representative of bio-based manufacturing
- 16) chair; and

3.Council meetings.

At a minimum, the council shall meet four times each year and shall also meet on the call of the chairperson of the council or on the call of a majority of its members. The council shall meet at such locations within this state as may be designated by the chairperson of the council or by a majority of its members. The meetings of the council and all the committees, task forces, technical teams, regional committees, and other groups the council may establish must be conducted in in public. Except where prohibited by law, the council must establish additional processes to broaden public involvement in all aspects of its deliberations.

4.Council staff.

The council shall employ an executive director who shall have the authority to employ staff. Technical expertise that will enable the council to carry out its functions must be provided to the council by those interests represented on the council.

5.Membership

Membership terms.

An appointment will be made by the Governor in the manner provided in Maine statute. The terms of the members of the advisory councils and committees shall be four years. The terms of one-half of the members shall be coterminous with the governor and the terms of the remaining one-half of the members shall end on the first Monday in January one year after the terms of the other members. If there is an odd number of members, the smallest possible majority of the members shall have terms coterminous with the governor. If the number of terms which can be served by a member of an advisory council or committee is limited by law, a partial term must be counted for this purpose if the time served by a member is greater than one-half of the duration of the regular term. If the membership is composed of categories of members from occupations, industries, political subdivisions, the public or other groupings of persons, and if the categories as specified in statute have two or more members each, the appointing authority shall appoint as nearly as possible one-half of the members in each category at each appointment date. Members may serve until their successors are appointed and qualify. If a successor has not been appointed by the July 1

after the scheduled end of a member's term, the term of the member for whom a successor has not been appointed shall be extended until the first Monday in January four years after the scheduled end of the term.

Removal.

A member may be removed by the appointing authority at any time at the pleasure of the appointing authority. The chair of the advisory council or committee shall inform the appointing authority of a member missing the three consecutive meetings. After the second consecutive missed meeting and before the next meeting, the secretary of the council or committee shall notify the member in writing that the member may be removed for missing the next meeting. In the case of a vacancy on the board, the appointing authority shall appoint a person to fill the vacancy for the remainder of the unexpired term.

6.Biennial report.

The council must report to the governor, the Bureau of Forestry and to the legislative committees with jurisdiction over forest economy issues by February 1 of each odd-numbered year. The report must describe the progress and accomplishments made on the goals set forth by the council during the preceding two years. The report must also include a summary of each of the following:

- 1) The magnitude, nature, and extent of the forest resources in this state.
- 2) The current use in this state for forest products and the benefits that these forest products provide to the state.
- 3) The projected future demand for forest products and the projected benefits that these forest products will provide to the state in the future.
- 4) The types of owners and forms of ownership that apply to forests in this state, including the reasons why persons own forest land.
- 5) The success of existing incentives that are offered to stimulate the development of forest resources.
- 6) The possible economic opportunities in this state that may result in improved forest-product marketing, and increased business dealing in or use of forest products, occurs in this state.
- 7) Recommendations for increasing the economic development of the forestry industry and employment in the forestry industry.
- 8) The effect of state and local governmental laws and policy on forestry management and the location of markets for forest products.
- 9) Recommendations as to staffing and funding needs for forestry programs and other conservation programs related to forestry that are conducted by the state to support and enhance the development of forest resources.
- 10) Recommendations as to the need to increase the public's knowledge and awareness of forestry issues.
- 11) Other issues and recommendations that are relevant.