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STATE OF MAINE
DEPARTMENT OF ECONOMIC
AND COMMUNITY DEVELOPMENT



HEATHER JOHNSON
COMMISSIONER

Testimony Of: Commissioner Heather Johnson
LD 768

An Act To Explore Alternative Uses of Pulpwood and To Support the Logging and Forestry Industries
May 4, 2021

Senator Curry, Representative Roberts, and members of Committee on Innovation, Development, Economic Advancement and Business, my name is Heather Johnson and I am the Commissioner of the Department of Economic & Community Development. I am here today to present testimony on LD 768.

As a concept draft the Department of Economic and Community Development looks forward to working with Representative Ducharme, the IDEA committee and the industry to find creative solutions that create new markets to support the supply chain and strengthen the sector long term. The last few years have been difficult for some elements of the forest products sector. While building supply is up about 18%, we know that writing and printing paper is down approximately 20% and the explosion of the digester in Jay eliminated the need for approximately 1 to 1.5 million tons of wood as well. The decline in writing and printing paper has been exacerbated by COVID, people working at home are not printing at the same levels. The drop in demand has lowered both the volume and the price as the supply is exceeding the demand.

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.

While we wait for that data point, we know that new markets for the forest products sector is key to supporting the supply chain. We believe there are a number of opportunities that can support Maine attracting or growing new markets. In her State of the State speech the Governor referenced a forest products innovations fund. This fund is one tool that could support the work that Representative Ducharme is considering with this Concept Draft.

We look forward to listening to the ideas presented today and supporting the work as it moves forward.

Thank you and I am happy to answer any questions.