

Manufacturers Association of Maine

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19 May 2023

Sen. Curry, Rep. Roberts and distinguished Members of the Joint Standing Committee on Innovation, Development, Economic Advancement and Business,

My name is Mike Roughton. I am testifying on behalf of the Manufacturers Association of Maine in support of LD 1918, An Act to Modernize Maine's Business Incentive Programs by Creating the Dirigo Business Incentives Program and Eliminating Certain Other Tax Incentive Programs.

Maine hosts more than 1880 manufacturing businesses employing 56,700 Maine workers, with payroll topping \$3.6 billion, representing 14.5% of wages paid statewide. Manufacturers in Maine build everything from DDG destroyers to silicon chips for electronics to baseball bats favored by professional athletes.

Maine manufacturers are famously collaborative, doing everything they can to support each other. For example, Dovetail Bats in Shirley, Maine, uses unique technology that allows professional baseball players and other consumers to remotely scan a baseball bat and have it almost immediately produced and shipped. On its own that is amazing, but Dovetail didn't create this scanning technology on its own. It turned to Newfangled Solutions, based in Livermore Falls, Maine, to develop the scanning and production systems.

At MAME, we believe that if we work together, we can solve any problem, build common cause, and continue to both grow Maine's economy and workers' wages.

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In LD 1918, the State of Maine is becoming a collaborative partner to help manufacturers train their workforce. As proposed, this training focusses on the unique needs of individual manufacturers, making it a far more effective and efficient investment than a generalized curriculum at an external site. Every Maine manufacturer's needs are unique. While one business might need marine welders another needs technicians who can design, build, and test semiconductor chips.

The 20-year-old Pine Tree Development Zone Program helped 17% of our members. We are thrilled that those members currently enrolled in PTZ will have the option to continue taking advantage of the program until they complete their 10-year cycle, and then will allow them to transition into the new program, should that be in their best interest.

Our only disappointment is that manufacturers like Bath Iron Works will be ineligible to participate in the program because they participate in other incentives. We believe those other incentives to encourage investment in the physical plant to remain competitive are not duplicated by financial support for workforce training. As Governor Mills said in a recent radio address, "we need to reward companies who make investments in training and incentivize other businesses to begin doing that". The Governor's words describe BIW and other manufacturers that have been doing the right thing – for a very long time - by providing on-going development of their workforce to increase their skills and build their earning potential.

We hope that you will consider including all Maine employers regardless of location and whether they take advantage of other tax incentives designed to make them competitive.

Thank you for your efforts on behalf of Maine's manufacturing entrepreneurs. I'd be glad to take any questions you might have.

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