

**Testimony of ND Paper before the
Joint Standing Committee on Labor and Housing
In opposition to
L.D. 607, *An Act To Restore Overtime Protections for Maine Workers*
March 22, 2021**

Senator Hickman, Representative Sylvester, and members of the Joint Standing Committee on Labor & Housing. I am Brian Boland, Vice President of Government Affairs & Corporate Initiatives for ND Paper. I am submitting testimony on behalf of ND Paper in opposition to L.D. 607, *An Act To Restore Overtime Protections for Maine Workers*. 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.

Under ND Paper ownership, both mills are being reconfigured to operate at substantially lower manufacturing costs compared to ND'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 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.

L.D. 607 appears to be the same as L.D. 402 from the 129th Legislature. The passage of time has not improved the bill's dire effect on Maine businesses, nor has the sponsor's amendment which was sent out on Friday before this hearing. As drafted, the bill proposed to increase the overtime threshold by over \$18,000 over the next several years. The threshold would then be indexed each year thereafter. Given the difficulties many Maine businesses have faced due to the year-long pandemic, adding the costs proposed by this bill would likely mean that many employers, who have been hoping for a return to normalcy and a resumption of hiring, would need to reevaluate or drastically change how they will operate their business now and in term. I can assure you that the paper industry serving 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.

Since 2009, Maine’s monetary dividing line separating hourly/non-exempt and salaried/exempt has been tied to changes in Maine’s minimum wage. At that time, Title 26 was amended to create a threshold that is 3,000 times the state’s minimum wage. While the federal threshold is currently set at the newly established threshold of \$35,568, Maine’s threshold has climbed to its current level of \$36,450 – again tied to the most recent increase in the minimum wage as indexed by changes to the Consumer Price Index (CPI) effective on January 1, 2021, when Maine’s minimum wage increased by an additional 15 cents to \$12.15 an hour. Therefore Maine’s “threshold” is already over the federal level and will continue to climb each year, even if nothing is done in public policy.

As one of the newest members of the Maine business community, we ask that L.D. 607 be voted ought not to pass. It would be poor policy at any time but is particularly bad for Maine given our present economic circumstances. 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.*