

Taxing Agenda Greet's Returning Legislators

Public Access, Vernal Pools, & Labor Issues Headline Forestry Concerns



Maine lawmakers returned to Augusta in January with more than just a slate of new bills to debate. Charged with meeting their own deadline to pass comprehensive property tax reform, lawmakers began the session in earnest with a review of Governor Baldacci's Tax Reform Proposals. Legislative Documents 1 and 2 passed in the House and Senate after diligent work by the Joint Select Committee on Property Reform. Freshman Representative and long-time MFPC

Board member Patrick Flood was appointed a position on the prestigious committee.

Although supportive of the need to address property tax reform, the MFPC expressed concerns that some aspects of the plan may shift the tax burden from residential to commercial property, the pressure to demonstrate property tax relief for Maine citizens over-loads these concerns in the end.

"We understand and support the legislature's need to relieve Maine's property tax owners. At the same

time, forestry interests should be concerned that if a town reduces the tax burden on homeowners, a very real potential exists for the tax burden to shift to the business community, including family forest landowners" said Steve Schley, Chair of the MFPC Taxation Committee. As the tax reform plan becomes operational this summer, Schley said that it is "incumbent upon our members to monitor how their respective towns shift the tax burden" to ensure that forestry-related businesses do not shoulder an undue portion of taxes.

The 122nd Session of the Maine Legislature has begun with a flurry of more than 2,000 legislative titles submitted for consideration.

Preliminary review indicates that approximately 100 titles are on the Council's "watch list" ranging from concerns over public access to continued debate on bear baiting.

The Administration's budget contains new forestry-related revenue sources through increased hunting fees by allowing Sunday hunting; fire permit burning fees; and the establishment of demonstration forests in state parks that will yield income

(See Legislative Outlook on page 6)

Consortium Forms To Address Logger Training & Recruitment Issues



Inspired by the need to address Maine's growing logger shortage, representatives from the forest industry, the Maine Department of Labor and academia met recently to discuss the issue and strategize ways to affect positive changes.

Tentatively calling itself the *Western Maine Forest Resources Training Consortium*, the group is the brainchild of Al Schaeffer, forestry and wood harvesting instructor at the Oxford Hills Technical School. In recent years, Schaeffer has witnessed a number of very bright and capable students graduate from the school's forestry program only to struggle later in finding a decent job with a logging contractor. At the same time, he keeps hearing about the "logger shortage" and how contractors are having difficulty finding employees to run their equipment. "One of the many charges of the Consortium will be to assist in placing these aspiring loggers

with contractors who have the skills to mentor and successfully employ them full-time." A survey is being planned to identify the specific skill sets most desired by contractors today. Schaeffer notes that no single entity, public or private, currently exists to ensure that young people receive all the training and education they need to be successful in the logging industry. "We hope to become the entity that creates the career path between prospective logging employees and the forest industry that says they need them. In addition, we want to know that the training students are currently receiving qualifies them to satisfy industry's demand."

Acknowledging that the causes for the decline in logging are multi-faceted and that solutions will come from several perspectives, Schaeffer cooperated with Patrick Hackley of the Forest Resources Association to invite representatives from the state and

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**President's Message:
A Time for Resolutions in the New Year**

January is always a time to reflect, and lately I have been pondering the significance of my accomplishments as a business person and those of the Maine Forest Products Council as a trade organization. My first thought was that it seemed unconscionable to attach great importance to such work in light of the tragic global events of this past year. Yet further consideration made me remember that our industry maintains the fragile economic and social structures of our corner of the earth and that doing so is the way we can best contribute to the strength and stability the world needs now. That realization will sustain me as the MFPC undertakes an ambitious agenda this winter in the legislative arena.



Linda Griffin

Then, of course, there's the on-going construction of our new building in Augusta. While exciting and satisfying, this project also requires your attention and financial support.

So as you make new year resolutions, please consider the following:

1. Resolve to get more involved in the affairs of Augusta that affect your livelihood.
2. Take the time to send in a nomination of some quality operator you know for one of our awards.
3. Pledge a donation for our building if you have not yet done so.
4. Give to international relief.
5. Stand tall and proud in the knowledge that what the forest products industry and the MFPC does in Maine is indeed a worthy endeavor.

"...our industry maintains the fragile economic and social structures of our corner of the earth and that doing so is the way we can best contribute to the strength and stability the world needs now."

We are reaching out to other organizations as well. SWOAM, along with members of the Certified Logging Professional Program of Maine and the Professional Logging Contractors of Maine have agreed to collaborate with us in selecting the recipients of the Council's annual industry awards program, a project that is truly dear to my heart.

In May, the MFPC will return to its grassroots by hosting the annual meeting in Millinocket and offering woods and mill tours. I hope you can make this event, my last as your president.

Editor's Note:

As we continue to build a better newsletter and a more effective communications policy, please continue to bear with the changes in regular delivery of the Forest Product News. Thank you!

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Maine Forest Products Council Announces The 2005 Forestry Awards Program

Each year the Maine Forest Products Council takes great pride in recognizing individuals and companies that have made outstanding contributions to Maine's forest products industry. Through the efforts of these exceptional people, our industry is viewed more favorably by the public, elected officials, and opinion leaders throughout the state.

Nominations are now being accepted for:

The Albert Nutting Award

This award commemorates the many contributions to Maine's forest industry by Al Nutting, former Director of the School of Forest Resources at the University of Maine, former Maine Commissioner of Forestry, and founding father of the Maine Forest Products Council.

The recipient will possess exceptional qualities of leadership and integrity, as well as a commitment to the public and private values generated from the working forest.

The Outstanding Logger Award

Timber harvesting must be a major component of the nominee's business activities and a principal source of employment for at least the last five years. The nominee must be a Certified Professional Logger or employ CLP crews if logging manually, and must demonstrate superior on-the-ground performance in the following areas: compliance with Best Management Practices and Forest Practices Act regulations, OSHA Logging Safety Standards, a commitment to training, exceptional business relations, community involvement and professionalism.

The Outstanding Manufacturer Award

The MFPC Outstanding Manufacturer Award will be presented to the business that exhibits some or all of the following qualities: development or implementation of an innovative approach to remain competitive, implementation of a value-added strategy, exemplary display of local community support or involvement.

A baseline for qualification will include a clean and safe working environment, specifically:

- All OSHA rules and regulations are followed
- Machine guarding is in good working order
- A hearing conservation program is in place
- Regular safety training programs are conducted
- Environmental impact controls are monitored and well-maintained

The Outstanding Trucking Award

Trucking of forest or related products such as paper or lumber must be an essential component of the nominee's business activities or principal employment for at least the past five years. The nominee must show exceptional competence as a trucker in both operations and safety,



2004 MFPC Outstanding Loggers: Nadeau Logging of Fort Kent. Shown left to right Larry Hughs, Paul Nadeau and Troy Condon..

specifically: vehicles and trailers are well-maintained and exhibit no obvious safety defects, vehicles pass commercial inspection as required and all drivers adhere to DOT weight limits, and possess an excellent record of compliance with state & federal motor carrier laws. Nominees should have a reputation for promoting a positive public image of trucking and the forest industry.

Outstanding Public Service Award

This award is open to any individual or public service agency involved in the creation or administration of natural resource and forest policy. Eligible candidates can be from any level of government - municipal, county, state or federal. Individuals may hold a public position - elected, appointed, or employed (such as teachers, legislators, state employee, etc.). Nominees must have demonstrated exceptional commitment to natural and forest policy exemplified by efforts involving one or more of the following: fair land use policy or regulation, equitable timber and/or manufacturing tax policy, efforts to strengthen natural resource based economic development, efforts to facilitate a better public understanding of forest management and forest products businesses, and efforts to enhance or promote multiple uses of Maine's forests.

All nominations must include the name and contact information of BOTH the nominee and the nominator and should specifically cite examples of the nominee's efforts as it relates to the specific award category. No more than 500 words is necessary. Letters of recommendation from other sources are welcome.

Nominations Due February 22, 2005.

FAX, E-mail or snail-mail to:

Maine Forest Products Council

16 Winthrop Street

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FAX (207) 626-3002

pmorrill@maineforest.org

Maine Future Forest Economy Report Releases DRAFT Recommendations for Action

The exhaustive final report of the *Maine Future Forest Economy Project*, the 8-month long study funded by the Maine Department of Conservation, is nearing completion. State officials conceived the multi-phase research project last year as part of a broad effort to better understand and support Maine's forest products industry. The project focuses on identifying and addressing the challenges facing forest products manufacturers. With close cooperation from the Maine Forest Service and additional funding provided by the Maine Technology Institute (MTI), the project examined a host of state, regional and global trends influencing the industry's ability to compete, grow and explore new wood-processing opportunities.

A brief interpretation from the MFPC perspective follows each of the 19 draft recommendations. For a complete copy of the report when it becomes available, contact the MFPC office at (207) 622-9288.

1. Improve Maine's investment climate through elimination of the personal property tax on business equipment.

This is the single most important thing that Maine can do to improve the long-term prospects of the state's forest industry is encourage investment in existing and new facilities."

2. Provide for a high-level staff member who has credibility and relationships with all the state agencies and is responsible for coordination of efforts to address issues within the forest products industry.

This recommendation describes a Forest Products Manufacturing Specialist who could serve as an information source on markets, and provide access to state resources, and business assistance programs.

3. Improve the relationship between Maine's forest products industry and state government, and work toward a common goal of a vibrant, sustainable forest industry in Maine.

Both industry and the state have work to do here.

4. Improve the connections of existing state business assistance and business development programs to forest product manufacturers, and have the forest industry evaluate existing programs and offer suggestions on how existing programs might better meet the needs of the forest product manufacturers.

Trade associations are encouraged to educate their members on opportunities. State "opportunity fairs" can be offered to advertise various programs.

5. Form a public-private partnership to encourage shared training, creative thinking, business development and improved operations management for sawmills and wood product manufacturers –

For example: a Wood Products Institute at the University of Maine with a focus on continuing education by professionals in the field.

6. Conduct an industry-led effort to help Maine citizens, legislators, opinion leaders and others understand the current state of the forest products industry, the challenges it faces, and the actions that might best improve the long-term prospects of the industry.

An ongoing outreach campaign should include: "state of the industry report card" high-lighting successes, losses and overall statistics; outreach to Maine media on positive stories; inform consumers on the benefits of certification, offer tours and maintaining regular communications with opinion leaders.

7. Increase efforts to move work conducted at Maine's world-class research and development facilities to commercial application in Maine.

Accelerate the commercialization of Advanced Engineered Wood Composites (AEWC) developed technologies through mechanisms to incent the private sector to connect technologies with companies in a position to commercialize them. Public funding for AEWC Center marketing is encouraged.

8. Forest product manufacturers or industry sectors should work together to develop entrepreneurial networks, share information, learn about emerging opportunities.

Break the tradition of keeping innovations close to the chest, create forums for sharing success stories through trade groups or other external groups.

9. Create the perception and reality of public policy stability.

Meaningful steps towards a stable policy atmosphere in Maine can be achieved without sacrificing

(Continued on page 5)

environmental quality, worker safety, or other legitimate public concerns.

10. Create a “Maine Competitiveness Fund”, a revolving fund that provides manufacturers with capital investments in energy efficiency.

A revolving fund for energy conservation projects could be established using the following methods: Capitalize a fund through one-time allocation of state appropriations, structure it as a loan with payments equivalent to energy savings and an interest rate equivalent to the consumer price index.

11. Adopt a “Manufacturing Energy Policy”.

Components include: acknowledgement of the importance of energy costs to manufacturers; PUC commitment to consider impact on decisions to manufacturers; allowing the right to self-generate.

12. If Maine pursues an aggressive renewable portfolio standard to encourage development of renewable energy, biomass power that meets certain emission standards should be included.

Benefits include: incentive for biomass facilities and markets for low-grade wood; increases the available supply of power that can potentially participate in RPS and in time, drive the cost of compliance down.

13. Develop an East-West highway to address transportation costs.

This new highway will increase market opportunities and decreased trucking expenses (less empty hauls).

14. Continue to pressure federal regulators to permanently increase weight restrictions on Maine’s interstate highway system.

This recommendation proposes weight limits of 100,000 pounds, with up to 110,000 pounds during frozen conditions, on the Interstate Highway System.

15. Work with Maine Department of Transportation to implement recommendations to their Integrated Freight Plan.

Industry should become familiar with the plan and share thoughts with MDOT on modifications.

16. Expose Maine forest products manufacturers to the latest technologies.

Connecting vendors of new technologies with Maine industries through an entrepreneurial network (recommendation # 8); state personnel

(recommendation #2); connect with major industry trade shows. This is an area where State or industry group action must lead.

17. Continue state efforts to address challenges in Maine’s business climate.

Industry concerns with speed of environmental permitting & health care costs. Maine forest products manufacturers should monitor progress on these issues

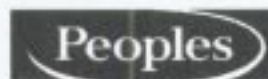
18. Develop a one-day annual meeting and trade show for micro-businesses engaged in forest product manufacturing.

The State of Maine, working with private sector partners, should initiate an annual conference to address issues important to micro-businesses.

19. While recognizing that export of unprocessed logs to Canada is a significant concern to the industry, focus should be directed toward providing Maine mills with every benefit, not on attempts to distort the market through increased regulation.

This recommendation suggests focusing efforts on increasing the competitiveness of Maine mills.

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Legislative Outlook . . . (Continued from page 1)

from harvesting operations.

We will be working to support the Governor's efforts to fully fund the BETR Program and to seek a complete elimination of the business equipment property tax. In addition, MFPC has submitted bills to eliminate capital gains taxes on the sale of forestland and to eliminate inheritance taxes for long-term landowners. The MFPC will be soliciting membership support for these bills and providing more information as the bills make their way to committee.

MFPC members are sure have an interest in one or more bills addressing the following issues:

- Land For Maine's Future Bond Proposal
- Increased protection of vernal pools
- Collective bargaining of woods workers
- Increased review of the H2B Logger visa program
- Implementation of Statewide Water Quality Standards
- Implementation of the Department of Environmental Protection's Greenhouse Gas Action Plan
- Continued workers' compensation reform and increases in the minimum wage
- Provisions to insure public access
- Measures to tie public access to Tree Growth Tax Law
- Dissolved oxygen standards for Class C waters
- Leaseholder rights protection
- Prohibition of bear baiting

The MFPC Technical Committee teleconferences weekly to review upcoming legislation and suggest positions for consideration by the Executive Committee. For the latest on the status of legislation, go to www.janus.state.me.us/legis/session. The legislative documents (LD's) list is updated weekly on this site, including schedules for hearings.

If you need assistance finding a bill you wish to review, please call the MFPC office at (207) 622-9288. The MFPC staff will post *Legislative Alerts* via the Internet. If you do not currently have Internet access, please call the Council office to ensure you are on our fax distribution list. When you see an Alert, it is important to review the information, understand the MFPC's position, and then call your local legislators.

Although we take pride in our powers of persuasion in Augusta, the most powerful message heard from legislators is from constituents. When a legislator receives five calls from constituents on an issue, this is a powerful message – don't underestimate the importance of your grassroots support for the MFPC!

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Logger Recruitment *(Continued from page 1)*

private sector. Initial Consortium members include Steve Pinkham, MeadWestvaco, Mark Rabon and Mark Rowley of Hancock Lumber, Doug Denico, Plum Creek Timber, John Stowell, private contractor, and Judy Pelletier, Maine Department of Labor Career Center. Anson-based logging contractor Jack Frost, Carl Jordan, procurement forester for SAPPI, and Sonja Fongemie of Northern Maine Community College were invited but unable to attend.

Consortium members discussed the reasons for the labor shortage – including societal misperceptions, compensation, working conditions, and contractor reluctance to spend the time and money necessary for on-the-job training.

At least two other on-going efforts to address logger recruitment were acknowledged during the Consortium's first meeting: the newly-established *Mechanical Tree Length Forest Operations Program* at Northern Maine Community College funded predominantly by Irving Woodlands with support by International Paper and a new partnership between Plum Creek Timber and Foxcroft Academy to establish a *Professional Logger in Training Program* that will offer cost-sharing for those contractors willing to conduct on-the-job training for new recruits.

"The mission, the number of participants and even the final name of the group is still fluid, but what is most important is that we get the group formed and begin the process." Schaeffer said.

A February meeting is planned to finalize a mission statement, identify new members and develop short and long-term goals.

For more information, contact Al Schaeffer, Oxford Hills Technical School at (207) 743-7756 ext. 1128.

H-2B Canadian Logger Issue Update

More than a dozen members of the H-2B Stakeholder Group met on January 12 with members of Senator Susan Collins' Washington policy staff to discuss the prospects of resolving the H-2B visa labor shortage facing Maine's forestry and hospitality industries.

Washington staff members Leslie Leger-Kelley, Jane Alonso and Heather Smith were joined by their in-state colleagues Jonathan Ford and Carol Woodcock of Collins' Bangor office to meet constituents representing landowners, land managers, contractors and several paper companies who remain concerned that, without a resolution, they will face a repeat of the labor shortage of last summer.

While Senator Collins' staff expressed support for the industry's predicament and committed to introducing legislation that would raise the allowable cap of H-2B visas in 2005, they could offer no assurance that the bill would be considered by Congressional leaders who are at odds with the President and each other on immigration policy reform.

Failing new federal legislation, one strategy in play by the stakeholders entails petitioning the US Department of Labor to grant an extension to those H-2B loggers now working in the country but whose visas will expire on April 15, 2005. Given that these visas became active on October 1, 2004, (when loggers were allowed to return at the start of the new fiscal year) and are valid for eleven months, the petition will request that the same loggers be able to return after the spring mud season to complete the term of their visa through August of 2005.

Stakeholders also agreed to conduct an economic impact study of how businesses adapted to the lack of H-2B loggers last summer in an effort to better substantiate the valid concerns of contractors, landowners and mills.

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