

# FOREST PRODUCTS NEWS

## Commissioner McGowan Outlines Maine Forest Initiative



On Thursday, November 12, Department of Conservation Commissioner Patrick McGowan, and Maine Forest Service Director Alec Giffen attended the MFPC Board of Director's meeting to present an initiative they have begun to develop, being called the "Great Maine Forest Initiative".

The initiative claims to be a product of collaboration between public, private, and NGO interests, who are interested in creating a brand for products and uses of our northern forests. Being led by Commissioner

**By Patrick Strauch  
MFPC Executive Director**



McGowan, the initiative appears to be an idea prompted by a recent visit of U.S.

Secretary of the Interior Ken Salazar to Maine.

Commissioner McGowan and Director Giffen both stated firmly that many concepts outlined in the draft initiative are only in the concept phase and that nothing has been finalized.

According to the draft conservation component of the initiative, Department of Interior Secretary Ken Salazar visited Maine in July 2009 at the invitation of Senator Susan Collins. Among the other activities

*(Continued on page 3)*

## MFPC Announces Plans to Develop a Maine Forest Policy Platform

During the November Board of Director's meeting, James Cote and Patrick Strauch described their idea to develop a forest policy platform that could be shared with legislative and gubernatorial candidates in 2010.

The goal of the platform will be to provide candidates with an easy to read document that describes what can immediately be done to help Maine's forest products industry through changes in public policy, along with a set of considerations for policy makers to recognize when making policy decisions affecting the industry.

A draft platform was shared with Board members in November. Board members had the opportunity to make some initial comments and suggestions at that meeting. The final platform will be developed under the direction of the membership, with a goal of completing a final draft by March 2010. James Cote will be organizing several meetings and conference calls for review and input.

Among the many policy subjects that MFPC will highlight in the platform are energy, transportation, labor, taxes, land use, habitat management, environmental regulations, and government conservation initiatives.

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### MFPC Calendar

- Dec. 2 - Monthly LURC Meeting, Bangor
- Dec. 3 - Eastern and Northern Maine Deer Task Force
- Dec. 10 - Executive Committee Meeting
- Dec. 17 - MFPC Wildlife Committee Meeting, Augusta

## President's Message:

### Real Help Shouldn't Hurt! – By Doug Denico

It seems as though Maine's forest products industry is again being confronted by a menu of cures for perceived problems in the north woods - an area that usually coincides with at least part of the LURC jurisdiction.

We are familiar with many of the poster child issues such as development and turnover of forest land ownership but new ones have emerged with the dawn of climate change, such as proposals to keep our landscapes "unfragmented" to facilitate movement of plant and animal species.

I have been convinced for a long time that our forests in this area are well managed, providing us with a fantastic array of valuable jobs, recreational opportunities and environmental safe guards.

I'm equally concerned that a lot of the hysteria being promoted over many issues is just an opportunistic way to have certain factions gain control over our forests.

I can get behind reasonably worded easements that promote forest management provided opportunities for development remain a part of the north woods. We aren't bright enough to know what may be needed in the future so let's leave a few doors open.

I can support limited state ownership provided it is restricted to areas having unique characteristics that require special protection or offer specialized recreational opportunities. But for the State to duplicate what private ownership does in its normal course of business makes no sense.



**Doug Denico**

Why make private ownership more untenable by eroding the tax base?

We continually hear about the need for access and yet the State can't afford one full time person to deal with conflicts between private land owners and recreationists. Let's get some help to beef up efforts to keep private lands open – it's a less costly option than buying access.

I am opposed to federal ownership unless it is for a post office or military installation; ok, maybe a few acres down to Bar Harbor.

If we want to help our northern forests, then let's consider providing public money for additional research and development to provide us with the equipment and knowledge necessary to confront new market opportunities and climate change. And what about money to train folks interested in getting into the logging industry?

Let's change the tax code allowing families to pass their forests lands on to their children without the burden of confiscatory inheritance taxes. Let's keep the capital gains tax rate where it is. Why not allow us to expense more forestry related costs.

We should stop trying to maximize the production of individual wildlife species without accounting for their relationship and conflicting needs with other species. And at some point, we have to decide just what priority forest timber

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## McGowan. . . . . (Cont. from page 1)

he met with a group of people interested in forest conservation, such as the Natural Resources Council of



Maine, Sierra Club, Maine Audubon, Forest Society of Maine, and others, and expressed his interest in conserving in what he called “treasured landscapes.” Most of the persons he met with were involved with the committee working on “Keeping Maine’s Forests”, a report that has recently been released.

At the meeting, Secretary Salazar was presented with information on forests from an ecological perspective and its importance as a source of wood for Maine’s exceptionally diverse and robust forest products industry, and as a unique recreational resource. The group expressed concern with the lack of certainty and stability about the fate of this important and cherished resource as a result of the global economic changes that have resulted in the sale of lands by long-time industrial forest landowners.

It was pointed out that Maine has made great progress in its efforts to keep forests as forests over the last decade through the purchase of lands and conservation easements from willing sellers, but that because the public and private sources of funding that made this progress possible have diminished substantially, increased

federal funding will be necessary to ensure that land stays forested.

Secretary Salazar expressed a willingness to consider a proposal from Maine focused on forest conservation. He stressed, however, the importance of having a broad-base of support, including environmental/conservation interests and landowners/industry leaders.

This matter has also been a topic of discussion with representatives of the US Department of Agriculture (USDA) Forest Service for over two years. Recent contacts with USDA Secretary Vilsack’s office and the Chief of the USDA Forest Service have confirmed their interest in advancing these discussions. In particular, Secretary Vilsack’s articulation of an “all lands policy” supports Maine’s efforts to develop a new model for federal/state/private cooperation to keep forests as forests.

The MFPC Board of Directors was concerned about the impact that this initiative could have on the industry, and

directed Patrick to proceed cautiously in his participation with the group. Among the many comments heard at the meeting were that there seemed to be overwhelming support for the Council to oppose any initiative to buy land for a public park or forest, for the Council to support strong language that guarantees no loss of fiber production, and to make the case that much of what the group is looking for can be accomplished with some changes in easement language.

Commissioner McGowan’s office has agreed to send a copy of the map that has been developed and the power point presentation he gave at the Board meeting. For more information, or to obtain a copy of one of these, please contact Patrick or James.

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Presidents Message . . . . . (Cont. from page 2)

production has in relation to society's wish list.

Make sure the voices of folks that live, own property and work in and around the northern forests are heard before bold new plans get under way to "help" them.

Stop using climate change as a scapegoat for new regulations in our forest. A forest that has been positively influencing the carbon issue shouldn't be asked to carry the burden for developed areas.

There are other parts of Maine and New England that could perhaps benefit from some of the "help" being offered to our northern forests. It's only fitting that places that have real problems should be helped first. In the mean time policy makers should give us the help we could use.

Forest Policy. . . . . (Cont. from page 1)

MFPC plans to focus on this document in many coming forums, including a series of gubernatorial candidate interviews with the Natural Resources Network later this spring, and hopefully a forum with the general election gubernatorial candidates at our 50<sup>th</sup> Anniversary annual meeting in September.

If you would like to be involved in the development of this platform, please contact James Cote for a draft and schedule of ways to contribute.



## Regulatory Updates

### BCAP Update.

October 29th AF&PA/FRA held a conference call with the USDA on the BCAP (Biomass Crop Assistance Program). The transcript of this call is posted on our website at [www.maineforest.org](http://www.maineforest.org). For regularly updated information on the BCAP program we have also posted the SFSA website link. While the official rulemaking process is underway, the interim rules have had some recent significant changes. Changes that define the "Aggregator" provision suggest that contractors who aggregate loads do not have to prove their source of wood comes from a certified forest, whereas landowners who want to retain possession of the wood and participate need to have their lands certified. Another contentious change in the interim rules is that biomass that is ultimately used in a recovery boiler connected to a paper mill black liquor stream is now disqualified from participating in the program. This subsidy does affect the marketplace and the Council will continue to provide updates.

### DEP Climate adaptation Working Group

Patrick has been participating in the Maine Environment and Natural Resources subcommittee that has been

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## Regulatory Updates . . . . . (Cont. from page 5)

discussing issues relating to climate adaptation. A matrix of issues and recommendations will be circulated to the MFPC Technical Committee, and on December 3 Patrick will be meeting with the DEP Climate Adaptation Steering Committee to review the work of the Maine Communities and People sub working group as we prepare an overall report for the Legislature. Increased rainfall, greater swings in temperature but overall longer growing seasons will create challenges and opportunities for the industry that has a long history of adaptation. For more information contact Patrick.

### Maine Office of Energy Independence - Combined Heat and Power Task Force.

Legislative efforts to create a better policy environment for Maine's sawmills to adopt self generation systems, were reshaped into a resolve authorizing a task force to look at the broader issue of encouraging combined heat and power technologies. Sawmillers, electrical utilities, gas utilities, and energy developers have been gathering in a series of meetings to discuss these issues. The fundamental challenge for the group is that any policy to encourage self generation and less dependence on the public grid increases fixed rates for a shrinking public rate payer base. This stalemate restricts development of a more progressive policy for energy independence and an opportunity for saw mills and small manufacturers to lower their non-competitive energy costs. The MFPC manufacturing committee will be meeting to discuss possible ideas for inclusion in the task force report back to the legislature.

### UT TIF Study Group

The third meeting of the study group occurred November 19 with Peter Triandafillou filling in for regular member Steve Schley. The legislative charge to this group is: 1. examine the use of TIFs in the UT; 2. examine acceptable methods and benefits of TIFs; 3. Consider the role of TIF in shifting property tax burdens; and 4. evaluate alternative tax mechanisms. One of the core issues is that previous TIF's have been awarded by Counties without a full understanding of the UT 12 county effects. Currently the UT budget is authorized by the taxation committee of the state

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legislature, but the TIF authority resides with County Commissioners. Landowners are seeking to clarify this discrepancy. The opportunities for wind power development within the UT are driving this interest since potential wind power investments could significantly become a major component of the entire UT valuation. The draft reports of this group will be reviewed by the MFPC taxation and Landowner Committees.

## SAVE THE DATES!!!

**MFPC Golf Tournament**  
Bangor Municipal Golf Course  
July 8, 2010

**MFPC Annual Meeting**  
50th Celebration  
Will be held in Augusta  
September 12-13, 2010

# Legislative Update

Below is a list of bills that the Maine Forest Products Council has identified, and that have been accepted for the Second Regular Session of the 124<sup>th</sup> Legislature as of November 6, 2009. We will continue to update the membership on the status of these bills, and will consult with the Technical Committee to develop a position on these as soon as final language has been published. For more information, please contact James Cote.

## Agency and Department Bills:

### **ACF Committee:**

An Act Concerning Litigation Brought by the Attorney General To Enforce Provisions of the Forest Practices Laws  
An Act To Assist the Maine Land Use Regulation Commission in Reviewing Wind Energy Applications

### **IFW Committee:**

An Act To Amend Certain Provisions of Fish and Wildlife Laws

### **Judiciary Committee:**

An Act To Promote Opportunity for Workers in the Maine Woods

### **Natural Resources Committee:**

An Act Concerning the Establishment of Water Levels  
An Act To Amend Laws Administered by the Department of Environmental Protection  
An Act To Close Loopholes in Environmental Regulations

### **Taxation Committee:**

Resolve, Authorizing the State Tax Assessor To Convey the Interest of the State in Certain Real Estate in the Unorganized Territory

## Accepted Legislator Bill Requests

### Utilities and Energy

LR: 2458 Sponsor: Representative Hinck of Portland  
Title: An Act To Create a Smart Grid in the State

Comments: This bill would establish a state policy on smart grid infrastructure. It would establish a state policy to transition Maine's energy infrastructure to a smart grid by 2012. The bill would provide a ranked set of resource preferences for reducing energy consumption and lowering costs to consumers. The bill would require state agencies to advocate for this policy and require the Public Utilities Commission to ensure applicable standards are met.

LR: 2370 Sponsor: Senator Bartlett of Cumberland  
Title: An Act To Amend the Electric Utility Industry Laws as They Relate to Renewable Resources

Comments: This bill would amend various definitions in the electric utility industry laws as they relate to renewable resources.

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**Legislative Update . . . . .** *(Cont. from page 6)*

**LR: 2474** Sponsor: Senator Mills, P. of Somerset  
Title: An Act To Require That New Sources of Electrical Generation in the State Must Provide a Tangible Benefit to Maine Ratepayers in the Form of Discounts to Future Electrical Rates

Comments: This bill would require new sources of electrical generation to provide a tangible benefit in the form of discounts.

**LR: 2446** Sponsor: Representative Martin, J. L. of Eagle Lake  
Title: An Act To Ensure That Maine’s Energy Corridor Policy Does Not Harm Maine’s Renewable Power

Comments: This bill would extend the reporting deadline of the Commission to Study Energy Infrastructure to May 1, 2010 and authorize the joint standing committee of the Legislature having jurisdiction over utilities and energy matters to submit a bill to the First Regular Session of the 125th Legislature. It would require the commission to include findings regarding renewable energy, economic effects and impact on consumers as well as give preference to energy project development in the State.

**LR: 2478** Sponsor: Representative Berry of Bowdoinham  
Title: An Act To Enhance Maine’s Clean Energy Opportunities

Comments: This bill would include in the Efficiency Maine Trust’s triennial plan the investigation of the national and regional carbon market and consider the appropriate participation of the State. The bill would also require the Public Utilities Commission to purchase all cost-effective energy-efficient supply made available through the Efficiency Maine Trust as part of standard-offer purchases.

**Labor**

**LR: 2087** Sponsor: Senator Jackson of Aroostook  
Title: An Act To Protect Maine Workers

Comments: This bill would prevent a company from doing business in Maine for 5 years if that company has committed a major violation of the federal alien labor certification program.

**LR: 2254** Sponsor: Representative Martin, J. L. of Eagle Lake  
Title: An Act To Authorize the Issuance of “Stop Work” Orders if a Construction Contractor or Subcontractor Has Knowingly Misrepresented the Classification of employees

Comments: This bill would authorize the Executive Director of the Workers’ Compensation Board to issue “stop work” orders if a construction contractor or subcontractor has knowingly misrepresented one or more employees as independent contractors. This bill would also prohibit that contractor or subcontractor from performing work on a public building for a period of 3 years.

**Agriculture, Conservation, and Forestry**

**LR: 2099** Sponsor: Representative McCabe of Skowhegan  
Title: An Act To Regulate the Transportation of Firewood  
Comments: This bill would ban the transportation into the State of firewood from outside of the State unless the firewood is clearly marked as “kiln-dried.”

**Inland Fisheries and Wildlife**

**LR: 2354** Sponsor: Representative Sarty of Denmark  
Title: An Act To Amend the Standards by Which Game Wardens May Stop All-terrain Vehicles when Operating on Privately Owned Lands  
Comments: This bill provides that a game warden is not required to have reasonable and articulable suspicion to believe a violation of law has taken place or is taking place when an all-terrain vehicle is operating on privately owned lands.

**Taxation**

**LR: 2086** Sponsor: Representative Martin, J. L. of Eagle Lake  
Title: An Act To Improve Employment Opportunities for Maine Workers in the Forest Industry

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Legislative Update . . . . . (Cont. from page 7)

Comments: This bill would define bonded laborers, would curtail tree growth tax benefits for owners of land who allow bonded laborers to harvest on that land and further would impose on any such owner liability for full payment of the commercial forestry excise tax on any such land in excess of 500 acres.

LR: 2178 Sponsor: Representative Watson of Bath  
Title: An Act To Avoid Unnecessary Removal of Land from the Tree Growth Tax Law Program

Comments: This bill would give landowners who fail to meet the filing deadline for recertification for participation in the tree growth tax program one year to comply while keeping the land enrolled. The bill would establish the tax payment for a one-year grace period according to fair market value and the landowner would pay the higher tax rate and a penalty for this grace period if the land is removed from the program.

LR: 2300 Sponsor: Representative Piotti of Unity  
Title: An Act To Modify the Maine Tax Code To Support Renewable Energy

Comments: This bill would adjust the method by which Maine communities assess taxes on new renewable energy projects in order to better benefit the region in which those projects are located.



Stream Team



Kennebec Journal - Staff photo by Andy Molloy



**Wooden Bridge-mat Construction  
Stream Crossing Workshop**

Individuals including loggers, landowners, personnel from the Maine Forest Service, Fire Protection Division and the DEP attended a workshop in Augusta at the Maine Forest Products Council on November 13. The workshop focused on how to construct bridge mats that could be used for temporary stream crossings during forest operations.



Aliesha Black is seen above drilling one of the 70 holes necessary to assemble the 10"X10" timbers together. The one day session was sponsored by the Friends of Cobbossee Watershed Association and the Four Towns Watershed Association. The program was delivered by Kieth Kanoti, Water Resource Forester with the Maine Forest Service and Pat Sirois with the Maine's SFI Program. The two 16 foot bridge mats are available free for loggers to borrow in the greater Gardiner/Augusta area. Call 622-9288

David Record, picture left, of Clinton, Pulls a measuring tape held by Department of Conservation Forester Morten Moesswilde, right, while determining the width of a stream bed Friday in Augusta. Wood lot owners and Maine Forest Service employees attended a workshop together to learn about navigating logging operations around streams and wetlands. The Sustainable Forest Initiative at the Maine Forest Products Council hosted the program that taught participants how and where to erect bridges when harvesting timber.