

FOREST PRODUCTS NEWS

MAINE FOREST PRODUCTS COUNCIL

OCTOBER 2008

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124th Legislature begins to take shape

By Patrick Strauch
MFPC Executive Director



Once again, October proved itself to be a busy month at the Maine Forest Products Council. Among our many activities, perhaps the most rewarding was getting a chance to visit with legislative candidates and members at our fall legislative breakfast series.

Michele, James and I joined dozens of members in Bangor, Greenville, Machias, Gray and Rangeley introducing legislative candidates, both incumbents and newcomers, to some of the industry's most pressing issues. Among the most debated topics were land use, energy, taxes, and wildlife.

Our thanks goes out to the sponsors of these breakfasts, LandVest, Prentiss & Carlisle, Huber, Wagner Forest Management, Seven Islands, and LaValley Lumber.

Not long after our breakfast series concluded came Election Day, which brought many surprises to both the State House and Senate. While only unofficial results are available at the time that this column is being written, it appears that the Democrats have gained some seats in the Senate and retained their majority. The House Democrats also gained seats, adding to their substantial majority, which includes almost forty more seats than the Republicans.

MFPC will distribute an official election summary in the near future.

Not surprisingly, MFPC is again expecting a significant number of bills affecting the forest products industry to be submitted in the first regular session of the 124th Legislature that convenes December 3rd.

Staff will keep the membership apprised of any developing legislation. Cloture, the final date for legislators to submit legislation, is slated for January 16th.

(Continued on page 3)

Members encouraged bringing Prospective Members to MFPC's November Board Meeting

The Maine Forest Products Council Board of Director's will hold their next meeting on November 13th at the Council office in Augusta.

Continuing the Council's "growing the membership" theme, members are encouraged to bring potential members to the meeting in an effort to introduce them to Council activities and services.

The meeting will begin at 1:00pm in the downstairs conference room, and is scheduled to end by 4:00. The first hour of the meeting will be dedicated to budget presentations and discussion. At 2:00, Don Mansius and Ken Laustsen of the

Maine Forest Service will make a presentation on Tree Growth Tax calculations. At 3:00, Dr. Melissa Laser and Pat Keliher of the Department of Marine Resources will join the Board for a discussion on the proposed Critical Habitat listing for Atlantic salmon in Maine.

Please call Sue McCarthy for more details.

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President's Message:

I had the luxury of spending a good part of this September and October afield in the woods, more specifically behind the North Maine Woods gate system on land I was fortunate to purchase a few years ago. My ramblings were not without purpose as my wife and I were laying out property lines and marking trees in preparation for a harvest.

While out there in the woods working away I had a few "epiphanies" which, while not really new to me, seemed more compelling than ever and I think I know why.

My peaceful days in the woods were interrupted by trips home to make contact on the various ongoing and seemingly endless lists of task forces, work sessions and working groups involved in every conceivable issue from lynx habitat to the LURC CLUP. This was indeed a stark change and I had to just wonder how much of this current round of energy sapping work was critical. It was a real shock to go from peaceful woods, where everything appeared to be in good order, to this endless cycle of intrusive activities.

I walked past a lot of trees in the past month or so that were well over 100 years old. In their lifetimes, they went, so to speak, through the great depression, numerous recessions, several world wars and a number of catastrophic referendums and still did quite well with little help except perhaps some protection from fire and disease and of course the introduction of our current use tax.

I may be losing my memory, but I can't remember a time when so many people wanted to do so much for our forests. The "help" is so pervasive it is hard to keep up with all of it and at times the "help" seems is



Doug Denico

at cross purposes and needlessly controversial.

I may be losing my memory, but I can't remember a time when so many people wanted to do so much for our forests.

It would be great, in my opinion, if every initiative involving the forest was based on a proven need necessary to keep our forests healthy and productive. We no longer use the word resilient when describing the forest but have come to a point where many people believe every facet of the working forest must be "helped" (read regulated) for it to function. I just have to wonder how those 100+ year old trees got to be old without the benefit of "current thinking."

A trip out of the woods shouldn't be a scary confrontation with unnecessary initiatives that sap our ability to go about the business of growing, harvesting and marketing trees. It would be a relief to work in the forest unafraid of what kind of unsolicited "help" we are about to receive.

I will readily agree that some degree of change is necessary, from time to time, but change that isn't firmly based on need and presented in manageable doses brings disruption and chaos.

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Exec. Message .(Cont. from page 1)

Please also note that the Council will again this year be hosting a legislative reception at the Maine Forest Products Council office in Augusta. We expect this event to take place late in January and held after the January Board Meeting.

Lastly, on behalf of the MFPC we would like to wish all of our members a Happy Thanksgiving and beginning to the holiday season.



Picture above
Bangor Breakfast



Picture left
Greenville Breakfast

Picture right
Machias Breakfast



Atlantic Salmon Proposal Heard

As you have probably heard by now, NOAA's Fisheries Service and the U.S. Fish and Wildlife Service announced a proposal to redefine the endangered Gulf of Maine population of Atlantic salmon to include fish found in other nearby areas in early September.

The proposal would expand the endangered designation to Atlantic salmon populations in the Androscoggin, Dennys, Kennebec, and Penobscot River watersheds, which could potentially impact over 10 million acres of land in Maine, of which 7.5 million acres is actively managed forestland, not to mention the potential impacts this listing may have on anglers who choose to fish these waters.

This proposal is of particular concern to Maine's traditional natural resource industries, such as agriculture and forestry, because of its potential regulatory consequences on land and water use in the proposed critical habitat area.

The critical habitat designation essentially provides the same protection for the species habitat as the species itself, meaning this proposal could have widespread impact not only on the rivers, but surrounding areas and communities.

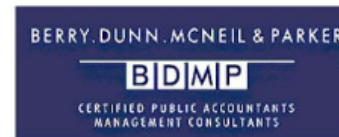
The listing comes after an initial Atlantic salmon listing in the year 2000, when the stretch of Kennebec River downstream of the Edwards Dam, and stretch of Penobscot River downstream of the Bangor Dam, northward to the mouth of the St. Croix River were listed. Many will remember Governor King's unsuccessful attempt to sue the federal government and stop the listing. Numbers of the salmon in the rivers today appear to be at historic lows, although federal regulators are challenged to pinpoint just exactly why numbers have continued to decline. High marine mortality rates while the fish are migrating at sea have been identified as a significant problem, although just why the high mortality rate is occurring has yet to be determined.

There are many salmon restoration projects happening in Maine today, perhaps the most well known being the Penobscot River Restoration Project and Project SHARE (Salmon Habitat and River Enhancement). Much credit must also be given to landowners who independently participate in programs and best management practices that improve water quality. These programs are proactively working to enhance salmon habitat and are a welcome alternative to strict environmental regulations that hamstring economic development efforts in rural Maine.

Manufacturing facilities have expressed tremendous concern over the potential for hydropower operations to be adversely impacted. Over one hundred dams will be potentially impacted by this proposal, as noted in the accompanying economic analysis. Considering that many facilities are now facing energy costs of double what they were just one year ago, reducing hydropower capability in Maine is not an option.

On November 6, James Cote of MFPC presented the Council's testimony in opposition to the proposed critical habitat designation at a public hearing in Brewer. "It is estimated in the economic analysis that hydropower and development will accrue 90% of the estimated economic impact. It is important to recognize however, that energy production and land value are tied closely to silviculture, and, because none of these activities take place in silos, the loss of value in any one of these activities will almost certainly have an adverse impact on the others" Cote said.

The public record for written comments ends on December 2nd for comments pertaining to the expansion of listing for the population, and December 5th for comments pertaining to critical habitat designation. MFPC members are welcome to contact James Cote with any questions or comments.



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MFPC & FRA Announce Third Energy Task Group Meeting

On Tuesday, December 2, the Maine Forest Products Council will host its third Energy Task Group meeting in partnership with the Forest Resources Association.

As many manufacturing facilities continue to face energy costs of double what they were just one year ago, many members have expressed interest in learning more about the opportunities currently available to them. The forum will also assist the Maine Forest Products Council to develop legislative agenda on energy issues for the coming legislative session.

This meeting will have a special focus on self generation energy strategies for wood manufacturing facilities and sawmills.

Among the many items to be discussed are changes in Public Utilities Commission regulation concerning net energy billing, and efforts to establish Pine Tree Renewable Energy Zones for Maine lumber mills and wood manufacturers.

Also on the agenda are presentations on opportunities for Energy Efficiency Grants, and an overview of upcoming policy initiatives and legislative agendas.

Representatives from the Public Utilities Commission, Governor's Office, and Legislature are expected to attend.

For more information, please contact Sue McCarthy.

Marlee Johnston still making a difference

In the fall of 2005, our former Executive Director, Ted Johnson and wife Marlene, lost their young daughter Marlee. In response, the Maine Forest Products Council members donated money to buy a white oak tree to plant

(Continued on page 7)



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Attention Landowners: MFPC Announces December Landowner Forum

Please join MFPC members and staff on December 9th for our MFPC Landowner Forum designed to brief landowners on a variety of issues ranging from Maine's Tree Growth Tax to the effect of tax increment financing plans in the Unorganized Territories, to updates on the draft Comprehensive Land Use Plan, and proposed critical habitat designations for Atlantic salmon and Canadian lynx.

Agenda for Landowner Forum

9:30- 10:00- Doreen Shieve: Unorganized Territory Update

10:00- 11:30- Bob Doiron and Maine Revenue Service: Tax Increment Financing in the U.T.

11:30- 12:00- Lunch

12:00-1:00 Updates:

- Proposed Critical Habitat Designation for Canadian lynx and Atlantic salmon
- Land Use Regulation Commission's Comprehensive Land Use Plan
- Legislative news

1:00- 2:00- Ken Elowe: Beginning with Habitat

All MFPC members are welcome to attend. For more details or to RSVP please contact Sue McCarthy at 622-9288 or smccarthy@maineforest.org.

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Comprehensive Land Use Plan Update

The Land Use Regulation Commission met on November 5th in Bangor, where they discussed next steps in the Comprehensive Land Use Plan process.

During a presentation by LURC staff, interested members of the audience were invited to weigh in on what they believe should the process should look like moving forward. Staff's presentation included an overview of their new version of the draft Vision, or Chapter 1, of the CLUP.

While addressing the Commission, Executive Director Patrick Strauch cited the Council's frustration with the process to date.

"It is frustrating to represent the majority of landowners in the region and not have an interactive discussion over the principles and values and Vision of the jurisdiction" Strauch said.

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Throughout the meeting, Commissioners also discussed their concerns with the process. One such concern was the fact that several members of the Commission are operating on expired terms and there may be value in holding off on any major decisions until new appointments, or reappointments have been made by the Governor.

Landowner members of the Maine Forest Products Council also weighed in with their concerns. "One of the biggest worries I have is that you have been, I think, largely unaware of what was said at public workshops because you weren't allowed to be there and hear it in person," said Executive Committee member Steve Schley.

Interested members of the public are invited to send their recommendations pertaining to the CLUP process to the Commission prior to the next meeting on December 3rd. MFPC will be developing its own recommendations and submitting them in coming weeks.

Johnston(Cont. from page 4)

as a living memorial. The family chose the location with Kents Hill School, where Marlee would have attended in 2007. The tree was purchased and planted with the help of Fred Huntress, and several hundred dollars remaining after the purchase of the tree was sent towards the project of constructing a stone bench. A dedication of the memorial took place on October 12th.



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MFPC Invites Members to Participate in Atlantica Bioenergy Task Force Events

The Maine Forest Products Council wishes to invite interested members to two events in late November and early December.

The Atlantica BioEnergy Task Force is made up of regional government, industry, federal and regional organizations and post secondary institutions in Atlantic Canada and Maine. MFPC has agreed to sponsor a portion of the project.

The group has come together with a common goal to better understand what opportunities may exist for this region's forestry sector.

The team is supported by a world class group from PricewaterhouseCoopers who are currently examining opportunities in the area of wood-based BioProducts. Throughout the study, we are integrating all findings with key principals including the sustainable use of resources, current regional operations, maturity of new technologies, the current regulatory environment and the economic impact that each finding may have on the region.

The two events are described below. Please contact Patrick Strauch for more details.

Leader's Roundtable

The Atlantica Bioenergy Task Force invites you to join with the leaders of Atlantic Canada and Maine in exploring the future opportunities for the forestry sector in this region. Become a sponsor of a one of a kind featuring the many of the regions top political, business and education leaders.

Date: Nov 24th - Lunch and Registration 12 to 1 pm - Leader's Round Table and Pricewaterhouse Coopers presentation 1 to 5 pm, Gala Evening 6 to 10 pm.

Date: Nov 25th - Breakfast: Response from the Provinces and State Governments 7:30 to 9 am.

Location: Fairmount Algonquin Hotel - St. Andrew's NB, with Special Guest and Keynote speaker Gary Reiner, Senior Vice President and Chief Information Officer of GE. The global forest industry is rapidly changing and it is incumbent on all stakeholders to look for environmentally sustainable ways to best use our wood-based resources in the future. Now you have the opportunity to showcase your business or organization in front of the region's top business, political and education leaders as we examine new bio-related opportunities for this regions forestry sector.

R&D Forum

The Atlantica BioEnergy Task Force and the University of Maine Invites you to the Atlantica BioEnergy Research and Development Forum. Join the region's top Academic Researchers, Program Directors, Forest Industry Members, All Atlantica partners, BioTech Vendors, Government Policy Experts, Government Agencies and other stakeholders.

Schedule: Dec 3rd and 4th
Date: Dec 3rd - Opening Plenary Session 10 am Dec 3rd - Break Out Session I 1-5pm Dec 3rd - Gala Evening and Key Note Address 6-9pm Dec 4th - Break Out Session II 9-11am Dec 4th - Closing Plenary Session 1pm
Location: University of Maine - Orono Maine.

Registration: www.atlantcabioenergy.com The Atlantica BioEnergy Task Force is comprised of regional government, industry, federal and regional organizations

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BioEnergy..... (Continued from page 8)

and post secondary institutions. The group has come together to better understand what opportunities may exist for the regions' forestry sector and are supported by a world class team from PricewaterhouseCoopers who have been systematically examining opportunities in the area of wood-based BioProducts while considering sustainable use of resources, current regional operations, maturity of new technologies, the current regulatory environment and the economic impact.

Maine's SFI Implementation Committee connects dots for King Middle School students between sustainably managed forest and green building construction.

John Starrett with Sappi Fine Papers spent time with junior high age students at the SFI sponsored Habitat for Humanity house in Portland. Sustainable forestry, Chain of Custody Maine's leadership in forests certification were the topics of the day. The event on September 22, was organized by Habitat for Humanity of Greater Portland.



Governor Announces Panel on Optimizing Wood Harvesting in Maine

In a letter dated October 21, Governor Baldacci announced that he will be assembling a panel of wood user experts in order to develop a greater understanding of the causes and possible solutions to increased demand for wood fiber in Maine.

A recent increase in demand for wood has translated into rising costs and increased conflicts among users.

In his letter, the Governor states, "The good news is that in the long run, Maine has available a great amount of wood and that the supply of wood from Maine's forest is adequate to meet current and many future demands".

Panelists include Jim Contino of Verso Paper, Nick Bennett of the Natural Resources Council of Maine, Nathan Hebel of Boralex Inc., Rosaire Pelletier from the Department of Conservation, Alec Giffen of the Maine Forest Service, Sandy Brawders of the Northeast Master Logger Certification Program, Les Otten, the former chair of the Governor's Wood to Energy Task Force, and Patrick Strauch of the Maine Forest Products Council.

Alec Giffen of the Maine Forest Service will chair the panel.

The Governor's Wood to Energy Task Force presented their final report in September. The Panel on Optimizing Wood Harvesting will present their recommendations for legislation and other Administrative action by March of 2009.

Please contact Patrick Strauch for more details.



Calendar of Events

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November

- 4- Election Day
- 5- LURC- Bangor
- 5- Atlantic salmon hearing- Augusta
- 6- Atlantic salmon hearing- Brewer
- 10- Lynx Informational Meeting, Jeff's Catering
- 13- Executive Committee & Board Meeting- MFPC, Augusta

December

- 3- LURC
- 3- 124TH Maine Legislature Convenes
- 9- Landowner Forum- MFPC Augusta

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