

FOREST PRODUCTS NEWS

MAINE FOREST PRODUCTS COUNCIL

January and February 2008

VOLUME 22, ISSUE 1

Land Use Issues Entering Critical Phase

By Patrick Strauch
MFPC Executive Director



For the past year, MFPC has been monitoring the efforts by the Land Use Regulation Commission (LURC) to complete its periodic revision of the Comprehensive Land Use Plan (CLUP) for the Unorganized Territories. At the same time, while the Council has been focusing on the CLUP process, other potential threats to the rights of landowners have been coming from the deliberations of the Governor's Council on Quality of Place.

Since it was created, LURC has served as the planning and zoning board for the Unorganized Territories. Implicit in the establishing

legislation, however, is the understanding that the UT consists largely of private property that is also open for multiple, public uses.

The language of the draft revised CLUP clearly shifts the dominant policy perspective from a view of the UT as private property to a view of it as a primarily public resource. Moreover, it changes the view of forest landowners from one that recognizes them as the primary owners of the UT to one that treats them as just one of several "special interests". Obviously, this constitutes a very different view of the UT than the legislature originally intended. If allowed to stand, the language in the current draft CLUP

will essentially change LURC's mission and purpose.

If allowed to stand, the language in the current draft CLUP will essentially change LURC's mission and purpose.

At the very least, LURC's final decisions will have a direct impact on the future value of Maine forestland, and they will determine what, if any, options landowners have available to them as they struggle to remain

(Continued on page 3)

LURC Postpones CLUP Workshops

The Land Use Regulation Commission has postponed the public workshops on the draft of the 2008 Comprehensive Land Use Plan which were originally scheduled for the first two weeks of February 2008. New dates and locations for these workshops will be announced as soon as they can be re-scheduled. Upon conclusion of the workshops, a revised draft will be presented for public hearing later this year, thus providing another opportunity for comment. While the workshops have been temporarily postponed, staff is continuing to meet with any groups wishing to provide comment on the current draft.

The draft plan can be accessed on the web at <http://www.maine.gov/doc/lurc/index.shtml>.

There will be a LURC Commission meeting on March 5 at the Black Bear Inn in Orono. The Sierra Club, NRCM, Audubon and Restore will be conducting a panel discussion on their vision of the CLUP. I want to encourage members to tune in to this event, check our website for more information at <http://maineforest.org/>

IN THE NEWS



- Presidents Message..... Page 2
- Maine Forest Service.....Page 4
- Former Legislator Named to Land Owner Relations Position.....Page 5
- DHHS to Collaborate on Drinking Water Program..... Page 5
- Legislature's 2nd Session..... Page 5
- MFPC Co-Sponsoring Green Summit..... Page 7
- MFPC Joins Opponents to Expansion of Clean Water Act.....Page 8
- MFS Threatened by Redesign of USDA Forest Service Program.....Page 9
- MFPC & FRA Co Hosts Energy Forum.....Page 12

Presidents Message: Challenges Ahead in 2008

I hope all of you had a joyous Holiday, and I wish you all a happy, healthy and prosperous New Year. Let's hope conditions in our industry improve through 2008.

2007 was a year of hard work for the MFPC and its staff. We put two bills before the Agriculture, Conservation and Forestry Committee. One required LURC to hold public hearings for revisions of its Comprehensive Land Use Plan and also required Legislative approval of the plan. The bill passed with modifications and the ACF committee must see the plan before it's submitted to the Governor for approval. The other bill sought to change the way LURC treated the owners of lots created with the old forty-acre exemption. It did not pass, but it received considerable debate.

We also spent time in the Taxation Committee on Tree Growth bills. The Tree Growth Tax is attacked on a regular basis, both for public access and for higher reimbursements to municipalities. We were successful in beating back these efforts, although all of us get weary of fighting the same battles time and time again.

There were a number of energy bills before the Legislature, and the Council's Manufacturing Committee was very busy with these issues. It's no surprise to anyone that energy costs in Maine are too high: at 14.4 cents/KWH, Maine has nearly the highest electricity rates in the nation. However, from the Regional Greenhouse Gas Emissions Initiative to transmission projects, all the proposed changes to our energy infrastructure



Peter Triandafillou

promise to raise, not lower rates. Needless to say, we find this trend unacceptable and you will find us fighting for a more rational energy policy in Augusta.

I would like to thank all the members who helped by participating in committee work and testifying at the State House. That help is invaluable and makes the Council a much more effective organization.

The fun and excitement promise to continue in 2008. LURC has submitted a draft revision of the Comprehensive Land Use Plan for public workshops. Although the Council and members have submitted hundreds of comments and suggested revisions, most of them have been ignored and we remain deeply concerned over the current draft. It eliminates economic development as a purpose, proposes new oversight and restrictions of timber harvesting, creates new stress on "wilderness" at the expense of motorized access and in response to unsupported concerns over development proposes to institute new regulations and eliminate the "2 in 5" exemption.

The current draft threatens the property value of everyone in the unorganized territory, and this in turn threatens the wood supply and viability of the entire industry. Please

Maine Forest Products Council
535 Civic Center Drive
Augusta, Maine 04330
(207) 622-9288
FAX (207) 626-3002
www.maineforest.org

2007-2008 Council Officers

President: Peter Triandafillou
First Vice President: Doug Denico
Second Vice President: Dwain Allen
Secretary: Don Tardie
Treasurer: Don White

Executive Committee Members:

John Gray
Ken Lamond
Jim Contino

Executive Director: Patrick Strauch
pstrauch@maineforest.org

SFI Director: Patrick Sirois
psirois@maineforest.org

Communications Coord.: Joel Swanton
jswan93426@aol.com

Office Manager: Kerry Casey
kcasey@maineforest.org

Administrative Assistant: Sue McCarthy
adminassist@maineforest.org

Forest Products News is published for members of the Maine Forest Products Council, a not-for-profit association of landowners, loggers, foresters, truckers, wood processors and forest products service firms.

Articles appearing in this newsletter may be reproduced without permission. Credit is appreciated. Editorial submissions and suggestions are encouraged.

The Maine Forest Products Council is a proud supporter of:



(Continued on page 8)

Lurc.....(Cont. from page 1)

competitive in the global marketplace. In short, the decisions made over the next few months will impact the course of the Maine Woods for the next decade and beyond. Public workshops that had originally been scheduled for February have been postponed (See "LURC Postpones CLUP Workshops", page 1,) but when they are finally held it will be critically important for the voice of the forest products industry to be heard!

CLUP Review

Throughout the past year, MFPC has reviewed and submitted extensive comments on each Chapter of the draft CLUP as it has become available to the public. Specifically, a committee consisting of MFPC members, staff, and legal counsel reviewed chapters dealing with issues in the UT as they relate to Forest Resources, Recreational Resources, Plant & Animal Habitat, Scenic Resources, Geologic Resources, Wetland Resources, Water Resources, and Natural & Cultural Resources. A detailed response document was then forwarded to the LURC staff with comments on each chapter.

The draft's Vision, or introductory, section received the most attention because it is critically important in defining the review process. In particular, the CLUP committee noted that while the legislation by which LURC was created speaks of the commission's "Purpose and Scope", the new draft CLUP emphasizes the "vision" and "values" to which the commission should adhere as it attempts to develop appropriate regulations for the UT.

The committee went on to say that this "migration of the revised CLUP from a focus on *purpose and*

scope to a focus on *visions and values* is problematic and provides the opportunity for expanded authority beyond the intent of the legislature. It is also troubling for the Council to see how these new values are institutionalized and rigidly protected as indicated by the statement 'these values cannot be compromised'."

Imposing "Values"

To highlight MFPC's concerns, the committee pointed to two of the four "principle values" which were articulated in the draft Vision: "Diverse and abundant recreational opportunities, particularly for primitive pursuits," and "Remoteness and natural character values, including the uniqueness of vast forested landscape that is largely undeveloped and remote from major population centers.

LURC's original Purpose and Scope never mentions primitive (i.e. non-motorized) pursuits, but it addresses recreation twice, clearly stating one of LURC's purposes as being "to encourage multiple use of land and resources by the residents of Maine and visitors in pursuit of outdoor recreation activities, including, but not limited to, hunting, fishing, boating, hiking and camping." "Primitive pursuits", the committee argued, "is never given a hierarchical position in previous versions of the CLUP and the Council is concerned with this elevated value which can be exclusive of LURC's multiple use directive."

Similarly, the committee also pointed out that "LURC's Purpose and Scope never mentions remoteness, just natural character, and in the span of two CLUP revisions remoteness has emerged from obscurity to one of the two 'most distinctive of the jurisdiction's principal values'. Land-

owners are concerned with the use of 'remoteness' as a principle value. For forestland owners, remoteness bears a huge cost for maintenance of a transportation system."

MFPC Presents Landowner Overview to LURC

In addition to a careful review of the draft CLUP, the Council also took the unprecedented step of asking LURC for an opportunity to provide commission members with a more in-depth understanding of the various challenges and opportunities facing forest landowners in Maine.

As MFPC President Peter Triandafillou put it in a letter to LURC Chairman Bart Harvey, "given the combination of landowner objectives and rights and the public's interest in both sustainable forest management and recreational access, effective land use planning for the Maine Woods is clearly a complicated topic."

Triandafillou's letter went on to state "our decision to ask for this meeting stems from our observations over the last several months of the discussions surrounding the updating of the Comprehensive Land Use Plan. While the language in each section has been presented as largely "draft", it has become clear to us that there is a range of perceptions of the unorganized territories that are at best ill-informed."

(Continued on page 6)

Maine Forest Service Releases **Summary of 2007 Quarantine Changes**

2007 was a busy year for changes in Maine's quarantines. As we head into the New Year, a summary of those changes is in order. If you have any questions about forestry-related quarantines in Maine, please contact Allison Kanoti at the Maine Forest Service, allison.m.kanoti@maine.gov or (207) 287-3147. Maps and lists of quarantined towns and information about all the forestry-related quarantines in Maine can be found at the MFS website: maineforestservice.gov/idmquar.htm.

Hemlock Woolly Adelgid:

The quarantine area for hemlock woolly adelgid was expanded in August 2007 to include six towns in southern York County (Eliot, Kittery, Ogunquit, South Berwick, Wells and York) and numerous additional counties in states to our south and west. Regulated articles include, but are not limited to products and byproducts of hemlock harvest with bark and hemlock nursery stock and seedlings.



Gypsy Moth:

The quarantine boundary for gypsy moth was last adjusted in October of 2007 to reflect the northern expansion of this insect's distribution. The quarantined area is generally south of a line that runs from Houlton to Parkertown Township. Forest products of all types are regulated by this quarantine, regardless of species. They include, but are not limited to, logs, pulpwood, trees, shrubs, firewood, Christmas trees, and chips.



Pine Shoot Beetle:

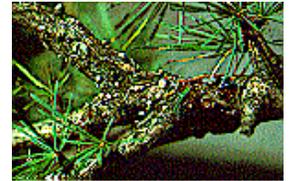
This January, a milestone in MFS's work with PSB regulation was reached. Although Maine counties outside of Oxford and Franklin are not currently infested, the quarantine was expanded to include all of Maine except Aroostook and Washington Counties. This will help promote a year-round pine market for landowners and pine processing compa-



nies in the regions of the State with a substantial pine resource. It also frees up the flow of pine products from regulated states to the west and south. Regulated articles include pine products with bark.

European Larch Canker

Although nothing has changed in the quarantine rules, a new population of infected larch has been found in Brunswick, ME. So far, the infected trees have been restricted to an ornamental setting – but survey work is not yet complete. This is outside the quarantine area and MFS is currently exploring two options for handling this: attempted eradication of the local population of infected larch, or expansion of the quarantine area. Stay tuned for updates—if there is a change it will appear on the MFS website listed above.



If you plan to receive regulated material from a quarantine area or have questions about moving forest products from a quarantine area please contact the Maine Forest Service.



Proudly Serving the Forest Products Industry

- *Timberland Accounting*
- *Multi-State and International Tax Planning*
- *Business and Property Tax Valuation*
- *Business and Strategic Planning*
- *Financial Forecasts and Projections*
- *Management Information Systems Review*
- *Selection and Implementation*

Lee Chick, CPA - Principal --- lchick@bdmp.com

Renee Bishop, CPA - Principal --- rbishop@bdmp.com

Jim Maynard, CPA - Principal --- jmaynard@bdmp.com

100 Middle Street
PO Box 1100
Portland, ME 04104-1100
Tel. (207) 775-2387
Fax (207) 774-2375

36 Pleasant Street
Bangor, ME 04401
Tel. (207) 942-1600
Fax (207) 942-9278

www.bdmp.com

Other offices located in Manchester, NH and Boston, MA

Former Legislator Named to Landowner Relations Position

The Maine Departments of Conservation (DOC) and Inland Fisheries and Wildlife (DIFW) recently announced the appointment of Bob Duplessie to the new position of Director of Recreational Access & Landowner Relations. Duplessie, a former state legislator from Westbrook, began his new duties November 19. He had been serving as Assistant to the DOC Commissioner since February 2007.

The Landowner Relations position was created by the 123rd Legislature in response to increased and ongoing friction between landowners and those wishing to recreate on that land. Landowners have been increasingly concerned over damage to their property, while recreation groups are worried that land will be posted as “off limits”.

Duplessie will work with both landowners and recreation groups to identify problem areas across the state, and to bring a coordinated response from the state’s natural resource agencies to specific incidents or other concerns.

DHHS to Collaborate on Drinking Water Program

The Maine Department of Health and Human Services recently announced that Maine is one of three states selected from a field of 19 applicants to work with The Trust for Public Land and the Smart Growth Leadership Institute, in cooperation with the Association of State Drinking Water Administrators and the River Network and funded by the US Environmental Protection Agency.

The project’s goal will be to improve the coordination of state agencies and other entities whose activities and decisions can influence drinking water quality and availability. The program is entitled *Enabling Source Water Protection: Aligning State Land Use and Water Protection Programs*, and it will focus on implementing Maine’s recently passed legislation, PL 2007, Chapter 353, which directed all state agencies to consider the impact of their decisions and actions on public water supplies. MFPC will keep members apprised of developments moving forward.

Legislature’s 2nd Session Moving Quickly

Given that this is the short session of the 123rd Maine Legislature, MFPC is monitoring and testifying on a number of bills that will be voted on in rapid succession. Among the most critical bills is the Governor’s proposal to consolidate the Departments of Conservation, Agricultural, Marine Resource and Inland Fisheries & Wildlife into no more than two “super” agencies.

Along with many members of the Natural Resource Network, MFPC has spoken out against the bill, largely because its inclusion in the budget limits critical review and focus and the predetermination that consolidation is the appropriate remedy.

To highlight those and other points, the Network held a press conference in the Hall of Flags. In a statement read at the press conference, the Network pointed out that “these departments play critical roles in Maine’s natural resource economy, have been recognized as especially important to rural economies, receive almost no support from General Fund taxes and consequently cannot offer any significant tax relief through a merger, serve large and distinct constituencies, offer a broad range of services and functions that will only be diminished in a single large department, and would not be strengthened by consolidation.”

The Network also pointed out that “this consolidation will also diminish the standing and influence of these departments in the administration and at the legislature, removing any hope that they will be able to achieve the investments needed to help stimulate and grow our natural resources economy.”

Representatives of the Baldacci administration have claimed that the bill is only the beginning of a longer discussion, but the bill essentially determines the outcome of any discussion of the matter by directing the commissioners of the respective departments to develop a plan that will, not might, lead to the reduction of the number of departments from four to two. We are committed to working with the Legislature to establish a process outside of the difficult budget process to achieve this goal. We have many ideas— some of which have been suggested in the past—, that could achieve these goals

(Continued on page 11)

Landowner Perspectives

At the two-hour forum, which took place in December, a number of MFPC members presented their perspective of the issues facing Maine forest landowners, as well as their concerns about how the current draft of the Comprehensive Land Use Plan (CLUP) misrepresents many of those issues.

For example, it was pointed out that while the current draft of the CLUP expresses concern regarding the "changing identity" of landowners in Maine, this concern is misplaced. For one thing, it fails to recognize the fact that while land has changed hands in recent years, the overarching goals of the new landowners have not changed from those of the previous owners. There are still long-term timber supply agreements, ongoing research into forest health and productivity, and sustained enrollment in the Tree Growth program.

MFPC representatives also expressed concern about the perception that incorrect data is leading to inappropriate policy considerations when it comes to managing LURC's jurisdiction. For example, a recent study of development patterns in the jurisdiction has fueled discussion about potential changes to the 2- in - 5 law, but a closer review of the study conducted by MFPC revealed a number of broad assumptions that were unsupported by accurate data.

CLUP Draft Released for Public Comment

Despite the extended conversation at the forum, as well as the extensive written comments presented to LURC staff last fall, the draft CLUP that was released for public workshops included none of the changes suggested by the landowner community.

Moreover, in a recent presentation to the Legislature's Agriculture, Conservation, and Forestry Committee, LURC's Executive Director, Catherine Carroll, discussed revisions to the draft CLUP and portrayed the document as very little changed from the previous CLUP.

Following her presentation, MFPC's Patrick Strauch challenged this assertion. In addition, in an effort to clarify how much land in LURC's jurisdiction is currently protected from development, Strauch presented the committee with a map depicting areas currently off-limits to development, such as protection zones and major water course, then overlaid that map with a map outlining the range of conservation easements currently in place across the jurisdiction. In total, nearly 2 million acres of forestland are formally protected from development, a figure that does not take into account the millions of acres of prime forestland that are not considered high value landscapes for potential development.

LandVest®

Timberland Management & Marketing

Consulting Forestry Services & Timberland Marketing since 1967

Providing a Full Range of Forestry and Real Estate Services across Northern New England and the Adirondacks of New York

Planning, GIS Mapping, Timber Sales, Investment Analysis, Estate Planning and Conservation Easement Consultation

Foresters in Seven Regional Offices, Licensed in New Hampshire and Maine

Licensed Real Estate Sales ME, NH, VT and NY

BANGOR, ME	207-947-2800	JACKMAN, ME	207-668-7777
PORTLAND, ME	207-774-8518	CONCORD, NH	603-228-2020
NEWPORT, VT	802-334-8402	TUPPER LAKE, NY	518-359-2385
LOWVILLE, NY	315-376-2832		

www.landvest.com

Stewardship for Your Timberland Investment

LURC..... (Continued from page 6)

Assessing Maine's "Quality of Place"

While the newly proposed version of the CLUP is still officially not administration policy, it is increasingly being incorporated into other ongoing policy initiatives. For example, the recently released "1st Report of the Governor's Council on Maine's Quality of Place" recommends, in the category "Regional Landscape Conservation", that Maine needs to "recognize and act upon the historic changes faced by LURC."

Indeed, while the report also recommends that Maine "recognize and support private landowners' crucial role in protecting Maine's quality of place", based on the draft CLUP it emphasizes the need for a "critical reassessment of the 'subdivision exemption' under LURC that permits two automatic, un-reviewed subdivisions of a parcel every five years."

In other words, despite the demonstrated fact that LURC has used inaccurate data to raise concerns around the extent of development in the unorganized territories, a Governor's Task Force has thrown its support to LURC's contention.

In response to the concerns MFPC has made, Chairman Barringer has agreed to a presentation by MFPC at the February 25th meeting.

The Need for Action

With the release last year of "Charting Maine's Future", the report from GrowSmart Maine and the Brookings Institution, the future of "open space" in Maine has been the topic of countless conversations among the media, policy makers, and a broad range of stakeholders. No one would deny the critical role that the Maine Woods play in both the economy and culture of Maine, but there are obviously widely diverging opinions on how that role should be maintained and strengthened moving forward.

Members of the forest products community recognize that keeping the forest products industry healthy and thriving will remain, well into the future, the most effective way of keeping the forests healthy, productive, and open to the public.

While, clearly, there are a range of opinions concerning how best to manage the unorganized territories moving forward, at the very least the debate should be conducted using accurate data and perspectives which retain the Legislature's original intent.

We will continue to proceed down all available avenues in order to continue clarifying the facts and making the forest products industry's voice heard, but we cannot do it without your help.

It is critically important that those who know the Maine Woods best be heard at the LURC public workshops! We will keep you apprised of developments concerning the re-scheduled workshops as they occur.

MFPC Co-Sponsoring Green Forest Summit

As the most heavily forested state in the nation, and with the highest percentage of certified forestland, Maine is in a position to lead the way when it comes to responding to the global marketplace's rapidly growing demand for "green", or certified, forest products. On April 17th, 2008, members of Maine's construction, alternative energy, and forest products sectors, including both public and private sector participants, will be meeting in Portland, at the Portland Marriott at Sable Oaks, to hear from an array of speakers who are leading the way in understanding and responding to the rapidly changing marketplace for "green" forest products.

The Summit is being presented by the Maine Forest Products Council, the Maine Pulp & Paper Association, the Small Woodland Owners Association of Maine, the Independent Energy Producers of Maine, the Associated General Contractors of Maine, and the Maine Forest Service.

Speakers will include Neil Sampson, President of the Sampson Group, an international natural resource consulting coalition; Time, Inc.'s David Refkin; Hearst Enterprises' David Schirmer; and Governor John E. Baldacci. Other speakers will include representatives from the alternative energy sector, as well as participants in a range of certification programs.

In recent years, considerations surrounding forest certification have spread beyond just landowners to all participants in forest products-related sectors. Industries such as magazine publishing and construction are being called on to ensure that the raw material going into their products is coming from certified forests, and as alternative energy sources are increasingly sought after, the forest is being looked to as a potential major producer of so-called "green energy" for the decades ahead.

How will the "greening" of the global economy impact Maine, its forests, and the forest products industry?

These and other questions of critical importance to your business will be discussed at the Summit in April. Registration information will be available soon.

Presidents Message.....(Cont. from page 3)

stay in touch with the Council and the Technical Committee to help out as this process goes through workshops and hearings.

Energy issues will remain front and center, and we will be working with the Manufacturing Committee on bills and proposals before the PUC.

Let's hope for cold weather and a safe and productive winter logging season. Although all of us face difficult economic conditions, remember that we work for a great industry composed of great people. Have a good winter!

The current CLUP draft threatens the property value of everyone in the unorganized territory, and this in turn threatens the wood supply and viability of the entire industry.

MFPC Joins Opponents to Expansion of Clean Water Act

MFPC has joined with American Forest & Paper Association in opposing a potential expansion of the Clean Water Act. Under the so-called Clean Water Restoration Act (H.R. 2421 in the U.S. House and S. 1870 in the Senate), the term "navigable waters of the United States" would be changed to simply "waters of the United States." This could mean that any sort of water body on any land in the US would be subject to the authority of the US Army Corps of Engineers, which currently regulates navigable waters under the Clean Water Act.

In a letter to Senator Barbara Boxer (D-CA), Chairman of the Senate's Committee on Environment and Public Works, members of the Forest Industry Association Council (FIAC), including MFPC, articulated their concerns about the adverse consequences of this legislation.

"We believe," the letter stated, that "S.1870 would greatly expand the scope of the Clean Water Act and could require a permit for any wet area in the vicinity of forest management operations, including man-made water management and control features. . . . In our view, additional regulatory restrictions on these operations are unnecessary, particularly given that nearly 90 percent of forestry operations are employing increasingly effective and beneficial best management practices."

The letter went on to point out that "for paper mill operations, water entering waste treatment ponds would have to meet water quality standards, since these ponds would be classified as 'waters of the United States.' These ponds are critical to the water quality treatment process itself. Under this legislation, mills would have to find other extremely expensive, if not impossible, ways to treat their discharges, thereby eliminating ponds as a treatment tool."

In closing, the letter stated that "the U.S. forest products industry is dedicated to employing sustainable forestry practices and meeting and exceeding environmental protection requirements," but that "because the bill would regulate ditches, culverts, and treatment ponds, we believe this legislation is counterproductive and we are unable to support it."

MFPC will keep members apprised of developments moving forward.

Our friends, our neighbors, ourselves.

TD Banknorth is proud to be part of this vital community. Our Commercial Lending team develops strong local ties with meaningful contributions in the cities and towns we serve. It's just another way we go above and beyond.



TDBanknorth.com

207 768-3295, Ext. 5

Member FDIC | TD Banknorth, N.A.

112-3268 ME

MFS Threatened by “Redesign” of USDA Forest Service Programs

By
*Bill S. Williams, Division Director
Forest Protection Division, MFS*

Faced with diminishing Congressional appropriations to support State and Private Forestry programs and continuing diversions of these programs' funds to firefighting efforts in the west, the USDA Forest Service has embarked on a process of “Redesign” of State and Private Forestry.

The Redesign process will change the way all state forestry agencies receive federal funding and could result in significant reductions in state-delivered federal programs over the next several years.

Redesign means that an increasing percentage of federal grants will be allotted by a competitive process instead of a formulaic process. The MFS will be eligible to compete for these funds, but there is no guarantee that they will be received. This uncertainty will require that they be used for “projects” rather than ongoing support of programs.

The percentage of federal grants that will be awarded competitively is 15% in 2008, increasing progressively to 65% in 2012. The potential impacts on current Maine Forest Service programs and the bureau's clients are outlined below.

Although an effort is underway to place the budget for firefighting outside the USDA Forest Service budget, the success of this effort is uncertain, and, in any case, would not fully mitigate the impacts of Redesign.

The following MFS clients may be impacted by the redesign:

- Family forest owners: SWOAM, Maine Farm Bureau
- Loggers: Certified Logging Professional program, Professional Logging Contractors of Maine
- Consulting foresters: Forest Guild, Association of Consulting Foresters
- Forest certification programs: Master Logger Certification, Sustainable Forestry Initiative, American Tree Farm System
- Municipalities: Fire departments, tree boards, conservation commissions, planning boards
- Tree care specialists: Arborists, landscape firms

- Large landowners: Maine Forest Products Council
- Mills/processing facilities dependent on ready availability of raw materials to support their facilities and the surrounding dependant communities

Forest Protection Division Impacts

The Forest Protection Division receives approximately \$400,000 in core funding from the USDA Forest Service annually.

This federal funding is used to supplement the Division's general fund and is used for such things as repair of helicopters and maintaining first line fire response equipment such as tank trucks and fire pumps. These funds are also used extensively for ranger fire training and to pay for out of state travel associated with the maintenance of fire fighting qualifications. These federal funds also pay a significant portion of the Division's laborer workforce (10 positions).

A reduction of 15% in FY 2009 would reduce the Division's federal core funding by \$60,000.

A \$60,000 reduction would reduce the Division's ability to make significant repairs to aircraft, maintain existing fire equipment, provide fire training for rangers or to make final quarter payments to Central Fleet Management for lease of first response ranger vehicles.

The Division would experience gradually increasing cuts to core funding for 5 years. In year 5 the reduction is projected to be 65%.

A reduction of 65% in core funding after the 5th year would result in a \$260,000 reduction in the Division's budget

The impact of a \$260,000 reduction would translate into a loss of 10 seasonal laborers and would severely impact the Division's ability to make repairs to suppression equipment such as helicopters, provide fire training essential to keeping ranger safe on forest fires as well as the ability to pay for first line ranger vehicles. A reduction of this magnitude would also translate into slower response times to reported fires and conceivably larger more damaging forest fires in the future.

Forest Policy & Management Division

The Forest Policy & Management Division receives approximately \$470,000 in State & Private Forestry funding annually. This funding supports delivery of the Forest Stewardship and Urban and Community Forestry programs.

(Continued on page 10)

USDA Forest Service*(Continued from page 9)*

The Forest Stewardship Program (aka WoodsWISE) enables the division to cost-share forest management plans for family forest owners, provide educational programs for family forest owners, loggers, and foresters, and support forest certification efforts.

The Urban and Community Forestry Program (aka Project Canopy) enables the division to support municipal programs to improve and maintain public shade trees and town forests and provide education to community leaders and tree care professionals.

The total potential impact of Redesign is approximately \$70,000 in FY 2009, increasing to about \$385,000 in FY 2013.

The loss of funds in FY 2009, if it were to occur, could require the severance of a long-standing partnership with the Pine Tree State Arboretum, which has helped us deliver the Project Canopy program, and reduce the amount of support we can provide to family forest owners through the WoodsWISE program.

Due to the loss of other federal funding streams, the division also is planning to eliminate two federally funded landowner outreach forester positions and a clerical position by the end of calendar year 2008.

Losses that are possible due to the redesign effort, will likely require the MFS to significantly reconfigure or shut down the Urban and Community Forestry program by FY 2013, including the long-standing program of grants to municipalities. Support for family forest owners will be significantly curtailed. At least one, and possibly two, additional federally funded positions would be eliminated by consolidation of program management. In addition, the division likely will need to eliminate a GIS manager position that is supported by all federal grants to the bureau. Clerical services may also be further impacted.

Forest Health and Monitoring Division

The Forest Health & Monitoring Division receives \$250,000- \$300,000 in State & Private Forestry funding annually, of which approximately \$180,000 is formulaic core funding. These funds underwrite approximately half of the cost of delivering of Maine's Forest Insect & Disease Management Program.

The Forest Insect & Disease Management Program provides forest health monitoring surveillance, predictive evaluations, and both preventative and remedial pest management prescriptions to large and small landowners and municipalities to allow managers to make timely and informed site specific pest management decisions. The Division also implements pest control actions when

justified, and administers state and federal laws pertaining to forest insect and disease quarantines.

The total potential impact of Redesign is approximately \$72,000 in FY 2009, increasing to about \$165,000 in FY 2013.

Some of the other bills that MFPC is monitoring include:

LD 1979: "An Act to Amend the Provisions for All-terrain Vehicles" – (IFW) Sen. Martin- This bill proposes to allow a landowner to decide who can cross the landowner's property with an all-terrain vehicle and still continue to receive the protection of the State.

LD 1969: "An act to Raise the Per Diem Rate for Members of the Board of Environmental Protection and the Maine Land Use Regulation Commission"– (Natural Resources) Sen. Mills - This bill increases from \$55 to \$100 the per diem fees for members of the Maine Land Use Regulation Commission and the Board of Environmental Protection. Although we have issues with eh LURC commission we believe this rate should be adjusted from its 20 year fixed rate.

LD 2016: "An Act to Safeguard Imperiled or Critically Imperiled Natural Communities within Protected Natural Resources"– (Natural Resources) Rep. Percy - This bill provides protection under the Natural Resource Protection Act for imperiled or critically imperiled natural communities, as identified by the Department of Conservation, that are located within protected natural resources. This bill proposed to bring a voluntary program into a regulatory regime and MFPC testified against the bill. The bills sponsor Leila Percy met with MFPC and SWOAM and recognized our concerns. She agreed to taking direction from the committee in the form of a letter directing interested parties to investigate non-regulatory approaches to this issue and the bill received an ONTP.

LD 2056: "An Act to Conserve Gasoline and Preserve Clean Air"– (Natural Resources) Rep. Hinck - This bill sets limits on idling of motor vehicles. It provides that a person who owns a location where a diesel-powered commercial motor vehicle loads or unloads may not cause such a vehicle to idle for a period longer than 30 minutes while waiting to load or unload at that location. It provides that an owner

(Continued on page 11)

Legislative 2nd Session. . . (Cont. from page 10)

or operator of a diesel-powered commercial motor vehicle may not cause or permit such a vehicle to idle for more than 5 minutes in any 60-minute period, subject to certain exemptions, such as while waiting to load or unload a vehicle. It provides that an owner or operator of a gasoline-powered motor vehicle, except a private passenger vehicle, may not cause or permit such a vehicle to idle for more than 5 minutes in any 60-minute period, subject to certain exceptions. It requires a warning to be issued for a first violation and a fine to be adjudged for a subsequent violation. This bill has been worked to allow for numerous exemptions for the trucking community and received support from the MMTA. MFPC was concerned about the loading and unloading provisions that regulated a maximum 30-minute waiting time. This is an impossible directive given the independent nature of wood deliveries, MFPC is advocating for establishing a goal of minimum delays for the purpose of reducing idling times. Taken to the extreme, woodlot owners could be liable for causing delays of log trucks beyond their control!

LD 543 Resolve, To Establish the Maine Tree Growth Tax Law Review Committee – (Taxation) Rep. Saviello - This resolve establishes the Maine Tree Growth Tax Law Review Committee to examine and make recommendations regarding a number of administrative issues related to the Maine Tree Growth Tax Law. The committee is required to submit a report of its findings and recommendations to the Joint Standing Committee on Taxation no later than December 15, 2007. MFPC, SWOAM with the assistance of Dr David Field (UMO retired) met with MMA officials to talk about these issues. It became clear that MMA was challenging the TG formula and interested in shifting tax liability towards forest landowners. The taxation committee recognized this concern and has revised the bill to direct the MFS to research abuses of the TG law and work to evaluate problems. The committee also agreed to work with MMA on a bill reviewing the reimbursement of TG fees to the communities.

LD 2102: “An Act to Allow Road Associations to Determine Assessments According to Majority Vote Cast at a Duly Held Meeting”- (Transportation) Rep. Knight - This bill amends the laws pertaining to road associations formed under the private ways laws by allowing them to make assessments using any method they choose that is endorsed by a majority vote at a duly held meeting. The bill establishes guidelines for notifying lot owners of any meeting scheduled to deal with maintenance and repair of the public easement, private way or bridge. The bill establishes a quorum that is necessary to hold a meeting and to vote on

issues at the meeting. The bill establishes a board to run the meetings. The bill adds maintenance of a road to the laws pertaining to road repairs. The bill also adds public easements to the private ways laws. MFPC expressed concerns about this issue and the inequity that can result from forestland owners sharing a road with an association. The bill is to be reconstructed in a resolve directing further research on the issue.

LD 2155: “An Act to Assist Maine’s Forest Products Industry – (Utilities & Energy) Rep. Marley - This Governor’s bill waives gross vehicle weight violations between 100,000 and 105,000 pounds for 6-axle combination vehicles registered for 100,000 pounds carrying forest products until April 1, 2008. This bill was emergency legislation put forth by Governor Baldacci in order to mitigate high prices of diesel fuel; there is a temporary waiver for gross vehicle weights related to commercial vehicles carrying forest products. “Forest Products” is being defined as “unrefined forest products” such as: logs, pulp, chips, and sawdust, versus refined products such as; lumber, paper, furniture etc.

As of January 22nd tractor trailer combinations, registered to haul 100,000 lbs can haul up to 105,000 lbs on most of Maine’s roads. The limits and restrictions we typically adhere to still apply, such as road postings and load limits for bridges. There are some Critical points to understand if you are going to take advantage of this temporary waiver. First and foremost, it is a temporary measure and doesn’t apply beyond April 1st. Second, DOT has developed a website specifically that identifies bridges where limits exist <http://www.maine.gov/mdot-stage/bridgeinfo/county.php>

Furthermore, the January-February frozen road waiver for axle weights currently does not extend through March, and state agencies, including the State Police, agree only that “Forest Products” applies to raw materials coming from the forest, such as chips, logs, and pulp. Finally, this waiver only applies to tractor trailer combinations that are registered specifically to 100,000 lbs. The intention of this change in the law is to help truckers operate more efficiently during this time of high diesel prices. We appreciate the intent but need to be prudent in our interpretation so as to minimize unintended consequences.

MFPC and FRA Co-Hosts Energy Forum

MFPC and the Forest Resources Association recently hosted an informational forum that was designed to raise awareness and understanding of Maine wood energy policies and initiatives, as well as their potential impacts on the wood supply chain.

More than 60 people attended the forum, which was held at MFPC headquarters in Augusta, to hear an array of speakers from the both the Baldacci administration and the private sector.

Governor's Wood to Energy Initiative

Among the speakers was entrepreneur Les Otten, who was recently named Chairman of the Governor's Wood to Energy Initiative. In his comments, Otten said that, in broad terms, his charge from the Governor is to determine what value Maine's forests have in the state's quest for energy independence.

The working assumption, Otten said, is that heating oil is going to need to be replaced as Maine's primary source of energy for heat, and Maine's forests are being looked to as a strong, potential energy alternative.

Otten went on to say that, in determining how Maine's forests might be utilized as energy, there are a number of considerations. First, one of the task force's challenges is to look at Maine's wood supply and try to determine how much supply is actually available for a transition to energy production while not disturbing, or detracting from, the wood that supports the current range of forest products, including paper and lumber.

At the same time, Otten said that the task force will be considering ways to increase Maine's rate of wood production. To that end, he said that everything must be on the table, including the possibility of changing Maine's forest regulations. Similarly, Otten said that the task force will be looking at ways to streamline investment in emerging forest technologies.

ME Office of Energy Independence and Security

In addition to Les Otten, the administration was also represented by John Kerry, Director of the Maine Office of Energy Independence and Security. In his remarks, Kerry said the Governor's goal is to understand how

Maine can use its natural resources to enhance its position in the global economy.

Part of that vision, Kerry said, includes developing a plan to wean the state off of fossil fuels over the next 50 years. One of the options available as Maine pursues that goal is greater use of the forest resource. Kerry said there would be no precipitous decisions that would have an impact on the forest resource down the line. Rather, he said, the goal is to develop a strategic energy plan with a 50-year horizon, then break that plan down into discrete structural components that include specific 5-year energy action plans.

Kerry said his office is also involved in developing emergency energy plans, and what he called "pre-energy emergency plans". In large part, that effort involves identifying opportunities for greater energy conservation so that Maine can more efficiently utilize its energy dollars.

In closing, Kerry said that the administration was proceeding with a sense of urgency, but that it definitely wanted to work with the forest products industry to determine the best way forward.

Atlantica BioEnergy Initiative

While Les Otten and John Kerry spoke about specific administration efforts, Rosaire Pelletier, advisor to the governor on the forest products industry, and Jack Cashman, a senior aide to the governor, spoke about a joint study in which Maine will be participating, along with Canadian maritime provinces.

According to Cashman and Pelletier, the study has four goals. First, it will assess the capability of the region's available forest resources to support a variety of industry initiatives while operating on a sustainable basis. Next, it will identify the business potential of new bioenergy and biochemical uses of the forest resource. Third, it will analyze the highest and best use of the available resource in light of current research and development efforts and the new industries that the research will produce. Finally, it will evaluate opportunities for forward integration and other changes to the current forest manufacturing industry that will add value to existing production.

The study will be conducted by the Poyry Forest Consulting group, and funding will come from private industry and the state and provincial governments.

(Continued on page 13)

Ongoing Initiatives and Issues

In addition to the specific administration efforts discussed above, other speakers described programs underway within state government and the University of Maine system. The Maine Forest Service's Peter Beringer, along with Bill Bell of the Maine Asso. of Conservation Districts, described the Fuels for Schools program that is attempting to get more Maine schools interested in installing wood to energy systems, either in new or existing schools.

The University of Maine's Professor Bob Wagner gave an overview of the Maine Forest Bio-products Research Initiative. Housed at UMO and supported by a \$10.4 million grant received in 2006, the Initiative's goal is to develop a comprehensive understanding of the potential for forest-based bio-products in Maine.

At the same time, UMO is also involved in coordinating a broad-based stakeholder group that is charged with developing Biomass Harvest Guidelines for the state of Maine. Also grant-funded, that project was described at the forum by UMO's Jeff Benjamin.

Finally, Patrick Strauch, MFPC's Executive Director, gave the audience a brief update on the ongoing discussions coming out of the Regional Greenhouse Gas Initiative. In particular, Strauch reported that MFPC has been involved in monitoring attempts to define "sustainability" when it comes to the matter of biomass harvesting, as well as participating in discussions concerning current biomass uses.

Looking Ahead

Following the general forum, MFPC and FRA members held a closed-door session to discuss the various initiatives that had been described. The group considered a number of ideas concerning how the industry should engage and monitor the initiatives. Clearly, it is too early to determine how many of these efforts will turn out, but there is no doubt that the forest resource will be the focus of increasing attention in the days ahead as energy becomes an ever-large issue confronting Maine and federal policy makers. A forest energy committee is being established to work on these issues.



Maine Forest Products Council Director of Communications Job Announcement

February 2008

Maine Forest Products Council is seeking a full time **Director of Communications** with the primary responsibility of managing internal and external communications on issues regarding the forest products industry. The position will also have project management and legislative advocacy responsibilities. Internal communications responsibilities will require experience in producing a monthly membership newsletter and in providing members with regular updates on regulatory and legislative issues. External communications will involve working with media contacts and identifying promotional opportunities. Experience in researching and reporting on technical issues, project management and group facilitation skills will be important factors in selecting an appropriate candidate. Experience in the natural resource sector is desired. A bachelor's degree is required.

Qualified applicants should send a resume to Patrick Strauch, Executive Director, Maine Forest Products Council, 535 Civic Center Drive, Augusta, ME 04330 or email us at info@maineforest.org



ENERGY ISSUES



Leading the Way to a Brighter Future
Program of the Maine Public Utilities Commission

Save Energy, Save Money, Improve the Environment

The Efficiency Maine Business Program provides cash incentives and free, independent technical advice to help businesses save energy and money and improve Maine's environment. As of 2007, Efficiency Maine has streamlined the application process to make it easier than ever for all Maine businesses to proceed. Since 2003, Efficiency Maine has paid cash incentives to more than 980 Maine businesses to help them purchase and install electric energy saving equipment. This equipment is saving Maine businesses more than 56 million kWh annually. For more information on how they can help your business, check out their website:

http://efficiencymaine.com/business_programs.htm

The Maine Forest Products Council
535 Civic Center Drive
Augusta, Maine 04330

Calendar of Events

FEBRUARY

14 Exec. Committee 9:00am – 12 noon Augusta, MFPC

MARCH

13 Exec. Committee 9:00am – 12 noon Augusta, MFPC
13 MFPC BOD Committee 1:00pm- 4:00pm Augusta, MFPC

APRIL

10 Exec. Committee 9:00am – 12 noon Augusta, MFPC
17 Green Forest Summit 8:00am – 5:00 pm Portland, Marrott

*****SAVE THE DATES*****

- *July 10th, MFPC Summer Golf Tournament - Bangor*
- *Sept. 21 & 22 MFPC Annual Meeting - Bethel, Maine*