



Maine Forest Products Council

Maine's woods are working

Maine Forest Products Council Testimony in Opposition to:

LD 1103, An Act To Encourage Development in the Logging Industry

April 8, 2013

Patrick Strauch, Executive Director

Senator Patrick, Representative Herbig, distinguished members of Labor, Commerce, Research and Economic Development Committee, I am Patrick Strauch, executive director of the Maine Forest Products Council (MFPC). I am speaking today in opposition to LD 1103.

The MFPC is a trade association formed in 1961. We have more than 350 member companies, which represent all segments of our state's forest industry. We speak for Maine's logging contractors, sawmills, paper mills, biomass energy facilities, pellet and furniture manufacturers, and on behalf of more than nine million acres of commercial forestland. The council's membership is broad; we have Canadian companies that work closely with landowners and Canadian companies that own Maine sawmills. Northern Maine is a strong trading partner with Quebec, and New Brunswick with southern Maine.

I wish we had gathered here today to discuss ways to encourage development in the logging industry. That's a discussion MFPC would welcome. But this bill is not about encouraging development in the logging industry, it's about discouraging Canadian loggers from working in Maine. So we strongly oppose LD 1103, which proposes to punish landowners – with penalties and suspension from the Tree Growth program – for hiring logging contractors who comply with federal and state laws. That is unfair, unconstitutional and unnecessary.

Items in this resolve were part of a bitter legislative debate in 2010, and Gov. Baldacci refused to sign the bill that connected Tree Growth to the bonded labor program

LD 1103 again attempts to target landowners in the Tree Growth program for a social and economic purpose that clearly falls outside the program's structure and purpose. The State of Maine, like many other states, has long recognized the necessity and desirability of encouraging landowners to practice good, long-term forest management. Tree Growth is the most successful conservation program in Maine's history and it works well for landowners, municipalities and the people of Maine. It helps keep Maine's lands forested and productive. It's a vital tool in the battle against unwanted sprawl and helps preserve forestland for everyone to enjoy. We strongly object to changes in the program to accomplish other social objectives.

On a practical note, landowners often contract with professional logging firms to harvest wood as required by their management plan. They have no control over who the firm employs. So it is wrong to subject them to penalties and fines for the legal actions of contracting entities.

LD 1103 also is a clear interference with the U.S. Constitution's Commerce Clause, which prohibits interference with interstate and foreign commerce. The U.S. Supreme Court has clearly stated that state laws must not discriminate against interstate or foreign commerce.

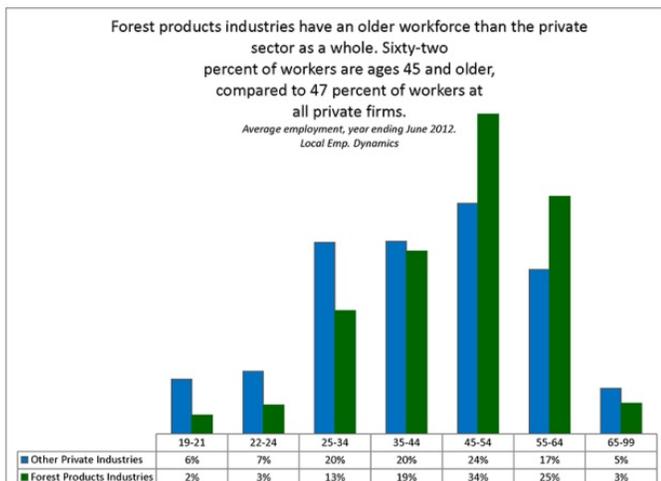
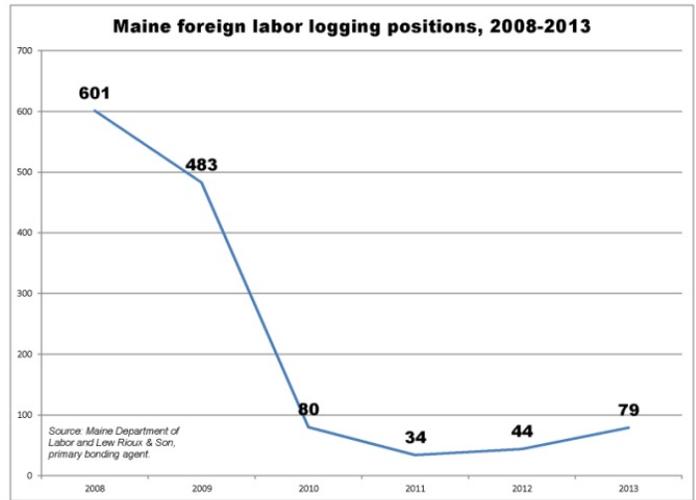
Finally, this bill is unnecessary. Strong safeguards already are in place to insure qualified Maine workers have the opportunity to fill available jobs. The federal bonded labor program is designed to insure U.S. workers are not displaced, so preference is given to qualified U.S. workers. Maine's Department of Labor works to bring employers together with qualified Maine workers to fill these positions. Only when those efforts prove futile – only when Maine workers cannot be found who want to fill these jobs – are employers allowed to hire foreign workers.

Maine imposes additional hurdles for Canadian loggers. Sen. Jackson was convinced that the federal program did not take into account advantages Canadians had when they brought their own equipment, so Maine created an additional set of equipment ownership laws. The Legislature also removed Canadian access to unemployment insurance.

We've already sent a strong message to our Canadian colleagues that they are not wanted here (unless they have green cards). Penalties have been increased, rules have been tightened, contractors have been audited – to the point of harassment – and yet some contractors continue to adapt to the new federal rules and comply with Maine standards as well. Yet each year, there are fewer employers and fewer positions filled by Canadians.

In 2008, 47 employers filled 601 positions in Maine with foreign workers – mostly loggers and log truck drivers, but some support personnel, such as mechanics, administrative workers, etc. In 2012, there were only 10 employers and just 44 positions filled. This year that number has risen to 79.

Perhaps you're wondering why any contractors or loggers are willing to make such an effort to cross Maine's border. They come because they are needed. Working in the north Maine woods requires a special kind of logger – from Maine or Canada. They endure a long commute, hard work and separation from family for four or more days a week. The winter weather is, to say the least, a challenge and summer is no stroll in the park, with biting bugs that can drive moose mad.



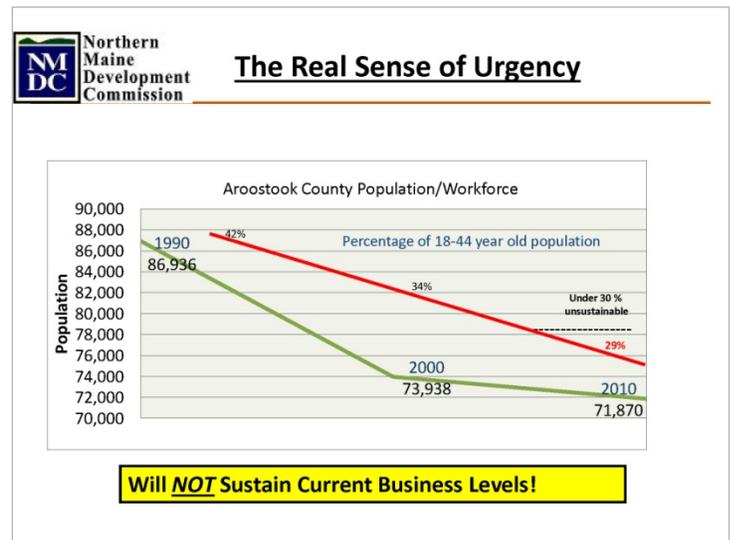
So it's not so surprising there aren't enough qualified Mainers willing to fill those tough jobs and the shortage is only going to increase. Despite the worst recession in decades, logging has a "skills gap" in Maine, in the United States and even in Canada. In February, the Forest Products Association of Canada kicked off a nationwide campaign to recruit forestry workers. Experts predict Canada's forestry companies will need to hire at least 60,000 people over the next seven years – 40,000 to replace retiring baby boomers and 20,000 to fill new positions created as a stronger U.S. housing market brings more work to saw mills.

Recent research in Maine and New England shows the same trends. In a Logger Training Survey last fall, 73 percent of contractors surveyed saw a need for an equipment operator-training program in Maine. MFPC recently requested a labor analysis of the Maine's forest products industry from the state Department of Labor. It shows forest products industries have an older workforce than the private sector as a whole, with 62 percent of workers ages 45 and older, compared to 47 percent of workers at all private firms. Loggers already are aging out of the workforce.

It is important to note, however, that Maine is harvesting about the same amount of wood each year with far fewer people. Logging jobs declined about 10 percent from 2001-2011, from 2,558 to 2,304, but average annual wages for loggers have risen by 4 percent, to \$40,173. In fact the average annual wage in Maine’s forest product industry overall has risen 24 percent since 2001, to \$49,773.

Aroostook County is faced with a dual dilemma – an aging and declining population. When Robert Clark, executive director of the Northern Maine Development Commission testified before the Joint Select Committee on Maine’s Workforce and Economic Future in February, he told them that Aroostook County’s population “will NOT sustain current business levels.”

So if we truly want to encourage development in the logging industry, Maine should end efforts to eliminate legitimate competition in remote areas of the state and stop trying to punish landowners or contractors who legally employ Canadian loggers. In 2010, similar provisions were proposed by Sen. Jackson and former Rep. John Martin to penalize landowners who employ independent contractors to harvest wood on their land. Ultimately Gov. Baldacci rejected the concept of linking Tree Growth taxation and the commercial forestry tax to the use of bonded laborers. I thought we had reached a truce in the 125 Legislature and agreed to focus on how to build a strong U.S. logging workforce.



Since then we have kept our part of the bargain and taken steps in that direction, including requesting the labor analysis; exploring training options such as apprenticeships with other stakeholders, including the Maine Logger Education Alliance, and partnering with Sen. Tom Saviello, ReEnergy and Foster Technology Center to borrow simulators so forestry students could get the feel of operating a forwarder and harvester. Sen. Jackson knows how valuable that effort was because he came to Farmington March 4 to take part in the three-day event.

We want to continue and expand those efforts by:

- Continuing to examine options for educating and training to potential foresters and loggers.
- Developing education programs that inspire young kids to seek outdoor jobs in forestry
- Encouraging development of scaled-down equipment designed to thin new stands of spruce and fir for the marketplace,
- Maintaining logger safety, sustainability and business management programs to better ensure a qualified work force

Our focus should be on understanding labor needs and promoting opportunities. We face an urgent challenge: Recruiting and training enough loggers to sustain the forest products industry and all the economic benefits it brings to our state.

Please vote ought not to pass on LD 1103.