



# Maine Forest Products Council

*The voice of Maine's forest economy*

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## Annual Report

*September 2014*

Dear Members,

We've had a fantastic year of activity and the active involvement of the membership is appreciated. Over the course of the past year, MFPC has been focused on providing the maximum amount of value to the membership through effective advocacy and communications on a wide range of issues. Roberta Scruggs has been helping us become a greater voice in Maine policy and Sue McCarthy continues to do an excellent job as office manager.

The 2014 election is fast approaching and we will be investing much energy and effort in candidate forums and a concerted effort to reach out to the legislative candidates. Fortunately we have up-to-date information about the importance of our industry to Maine.

Over the past year we capitalized on the Maine's Forest Economy report in our efforts to "make news" about our industry. We will continue in the next year to make sure our importance to the Maine Economy is not shadowed by the challenges we face. Roberta and I will be working with the new Communications Committee, chaired by Mark Doty, to develop our strategy. We view this as a cornerstone of our major initiative to inform decision-makers, candidates and the public about our industry and the opportunities it provides.

Our agenda for the 126th Legislature was intense, but important policy gains were made (.i.e. outcome-based forestry, energy infrastructure advances, pushing back on UT land zoning changes). We also had some good old-fashioned fights from which, through alliances and sheer lobbying power, we emerged victorious. Challenges remain for landowners interested in mining as these rules were set back. I'm confident, though, that we will continue to make great strides in getting to know not only the many new legislators, but also the new legislative leaders, and will demonstrate to them that we are a credible source of information about the issues facing our industry. Legislators will continue to look to us to provide a vision for Maine's forest economy and that gives us an opportunity to work with them on the steps needed to secure the industry's future.

As always, I appreciate the effort and energy you invest in insuring forest products remain an important piece of Maine's economy and environment.

I look forward to working with you on the challenges ahead.

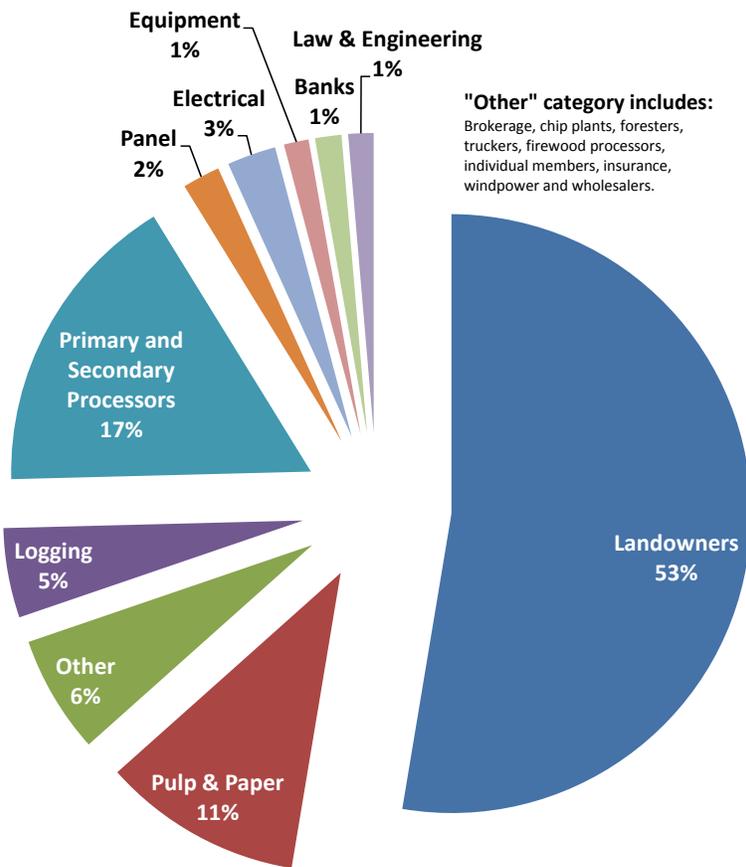
With warm regards,

A handwritten signature in black ink, reading "Patrick J. Strauch", with a long horizontal line extending to the right.

Patrick Strauch  
Executive Director



## 2014 Membership Categories by Dues



## 2013/2014 Financial Report

In 2013, the Board of Directors of the Maine Forest Products Council approved a budget with a dues increase of 3 percent. As of Dec. 31, 2013, we had received \$401,662 in revenues, compared to the budgeted \$363,047. The increase in budget was due to new membership. Our Membership Committee continues to be very active with the success of our ongoing membership recruitment.

Thanks to a great effort by MFPC Office Manager Sue McCarthy and Brian Flewelling from Key Bank and strong support from members, our major fundraising event, the summer golf tournament, netted more than \$20,000 in July .

Our building continues to provide an exceptional work environment and is heavily utilized by members, partners and colleagues, such as the Natural Resource Network and the Maine Forest Service. We hosted a legislative reception in February and continue to collect revenue from outside groups using our conference room.

We continue to market the adjacent property and are trying to capitalize on the potential to use the traffic light as an entrance to the lot. The area is expanding with the addition of the new Maine General Hospital and we expect land values to increase as well.

## New members 2013-2014

- Andrew Irish Logging
- Arey Logging
- Brantner, Thibodeau and Associates
- Camden National
- CES Holdings LLC
- CES, Inc.
- Cianbro
- Daniel Fitzgerald
- Don Mansius
- Double H Contractors
- Dysart's Transportation
- EBS Building Supplies
- Eco-Analysts, Inc.
- Forest Research, LLC – Don MacKay
- Irving Pulp and Paper
- J.D. Raymond Transport Inc.
- JM Cote Company
- Journal Communications
- Lyme Timber Co.
- Orion Timberlands/ Canopy Logging
- Precision Trucking
- Richard Angotti
- Sevee & Maher Engineers, Inc.
- Verrill Dana



# Communications Update

By far the most important communication achievement of the past year was the publication of “Maine’s Forest Economy.” After the review of the draft version at last year’s annual meeting, we made a number of revisions to reflect suggestions and comments from members. Thanks to financial support – and the donation of SFI certified paper – from Sappi, the first 1,000 copies were printed by early October. They proved so popular that we had another 1,000 printed in mid December. We also printed 2,000 copies of the “little book,” a pocket-sized version of the major statistics regarding our industry. We also posted the “big book” on our website and sent it to the media, including business and editorial page editors, legislators, state and county officials and many more people and organizations.

We’re achieving just what we hoped – to become a source of credible, interesting and essential information about Maine’s forest products industry.

We’ve made it very hard for anyone to talk or write about Maine’s Forest Economy, without mentioning that it’s an \$8 billion industry and that those numbers came from a University of Maine study commissioned by the Maine Forest Products Council.

In fact, even when the news is as downbeat as the closing of Old Town Fuel and Fiber last month, John Williams of Maine Pulp and Paper managed to get the Press Herald reporter to include a little upbeat information: “Williams said every paper mill job creates another three to five jobs in related businesses. According to the Maine Forest Products Council, forest products such as pulp and paper contribute \$8 billion a year to Maine’s economy – about \$1 out of every \$16 of the gross state product.”

That all fits in with another important part of our strategy: The Maine Forest Products Council cannot simply react



**Maine's Forest Economy**

**Wood** is the most environmentally sound material on earth. It is renewable, highly versatile, grown with relatively little effort, carbon friendly and it's produced and stored as forests that provide clean air, water, wildlife habitat, biodiversity, recreation and beautiful vistas.

**\$1 out of every \$16** in Maine's gross state product and 1 of every 20 jobs is associated with Maine's forest products sector.

**Total economic impact \$8 billion**

## ‘New forest products study shows industry is far from dying’

**Portland Press Herald, Aug. 14, 2014:** “The pulp and paper industry still employs 7,000 Mainers and is as productive as ever, (John) Williams said, but there is an understanding that mills will have to diversify to remain viable . . . Williams said every paper mill job creates another three to five jobs in related businesses. According to the Maine Forest Products Council, forest products such as pulp and paper contribute \$8 billion a year to Maine’s economy – about \$1 out of every \$16 of the gross state product. Additionally, Maine’s pulp and paper exports generate about \$650 million in revenue each year, the council said.”

**Bangor Daily News, Jan. 3, 2014:** “Earlier this year, another bill sought the same thing: Arm the rangers. LD 297 seemed destined for passage despite opposition from landowners and the Maine Forest Products

Council, which represents Maine’s \$8 billion timber industry.” (*Note: LD 297 was vetoed.*)

**Waterville Sentinel, Oct. 16, 2013:** “The woods have yielded tons of pulp for paper and provided lumber for countless homes and businesses -- and still do. Even today, the forests play a major role in the state’s economy, providing one out of every 20 jobs, nearly 40,000 statewide, and accounting for \$8 billion a year in revenue, according to the Maine Forest Products Council and the University of Maine.

**Bangor Daily, Oct. 13, 2013:** “Maine’s forest products industry contributes \$8 billion in total value to the state’s economy, including 38,789 direct and indirect jobs . . . according to the study released this week by the Maine Forest Products Council.”



to news, we must make news and explain the industry's perspective on what is happening.

Here are just some of the ways that we're spreading the good news about our industry are:

- Our electronic newsletter, which now goes out to nearly 700 people, including members, legislators, state and county officials and others who are interested in our industry. We hope that MFPC members will send it to all employees, colleagues and friends.
- The \$8 billion economic impact of our industry was a major topic on our Woods and Wildlife Tour (in partnership with the Maine Department of Inland Fisheries and Wildlife) for Maine's legislators last October.
- MFPC organized a Hall of Flags celebration of forest products in May, had a table at the Bangor Expo and an ad in the Bangor Daily News special forestry section. We also partnered with the Bucksport Bay Chamber of Commerce on its "Festival of the Forest" celebration in July.
- Patrick has spoken to groups such as the Kennebec Valley Chamber, the Bangor Chamber and the Northern Maine Development Commission about the forest economy.
- We have also worked on videos with a number of groups and, thanks to a grant from Plum Creek, MFPC currently is partnering with the Maine TREE Foundation to produce "This is my office," a video that will show what a great place to work our industry provides.
- MFPC has been working with reporters from publications across the state and beyond, including daily and weekly newspapers, magazines, web publications, television news teams, Maine Public Radio and Mainebiz. We help them find information, set up interviews, provide ideas and perspective on a variety of issues. Patrick has been quoted on everything from federal standards to decisions by the Maine Supreme Court. We also work with our members to express their points of view, whether it's on the proposed national park or how wild turkeys impact our forests.



## Exemplary!

The Society of American Foresters has named Patrick Strauch 2014 winner of its W.D. Hagenstein Communicator Award, which "recognizes an SAF member who displays the ability, talent, and skill to lead

innovative and exemplary communications initiatives and programs that increase the general public's understanding of forestry and natural resources at the local, regional, or national level.

"Mark Doty nominated me for this award," Patrick said. "It's a great honor and truly a product of all the great work we do together."

Patrick has been talking up our industry everywhere from Maine Watch (highlighting the industry's leadership on fish passage), to the "Potato Pickers Special," a show devoted to the harvest of Maine potatoes.

### Quotable quotes

Here are a few samples of his many quotes in the media:

**Sunday Telegram:** "We are still the state's leading manufacturing industry and its largest exporter."

**Sun Journal:** "What we want to do is let people know that manufacturing has been part of Maine and is going to be a big part of its future. We want to attract capital to Maine to build more innovation and technology to bring more opportunities to Maine."

**Bangor Daily News:** By overturning a lower court decision about the public's right to recreate on Goose Rocks Beach, the justices "reaffirmed the long-standing principle of Maine law allowing private landowners to permit public recreational use without concern that they will lose their property rights. The Maine Forest Products Council joined the case as a friend of the court because we were concerned about the broader policy implications of these issues and their possible effect on small and large forest landowners."

**Bangor Daily News:** "A single fact speaks volumes about how well Maine's forest rangers interact with the public and manage risk. They have carried pepper spray for self-defense for many years, yet only one ranger has ever used it – against a threatening dog in 2008."



# Advocacy

**State legislative partners:** A very important part of our strategy is to connect members and their legislators. New faces are appearing at the Capitol every two years and many newcomers have little or no knowledge of the forest products industry. Having members directly educate their lawmakers on their sector of the industry provides firsthand knowledge of business operations and enables legislators to craft more effective laws. Recent efforts have included our legislative reception, forest tour, the Hall of Flags celebration and candidate breakfasts.

**Congressional delegation:** We have a very good working relationship with our congressional leaders and we are considered an important sounding board for national policies. EPA's Tailoring Rule, Forest Roads/ Clean Water Act, International Trade provisions and Critical Habitat issue are all examples of the federal regulations these legislators help us navigate through. We also continue to work with national associations such as FRA, NAFO, AF&PA, to manage national issues. These connections are an important investment for MFPC's members.

**Other Partnerships:** The Council acts as a large umbrella for policy issues, but independent organizations provide focused input into our discussions. John Williams from the Maine Pulp and Paper Association, Tom Doak from SWOAM and Dana Doran from the Professional Logging Contractors are examples of the partners we value as we actively work on issues at the Legislature.

**Coalition-building:** We continue to build alliances among various groups in the natural resource fields in an attempt to strengthen the legislative focus on the larger policy issues. The Natural Resource Network has been a force for more than five years now and it continues to bring together advocates in the forestry, farming, fisheries and fun (recreation) industries. This group continues to meet weekly during the legislative session to discuss bills and issues of common interest

**Keeping Maine's Forests:** This is the fifth year of our participation, which results in constructive dialogue among members of the industry and the environmental community. This group has been supportive of training to improve stream crossings, northern Maine educational brochures and encouraging the benefits of the state's

working forest, plus providing a forum for the Spruce Budworm Report.

**The Sustainable Forestry Initiative:** The efforts of Pat Sirois on the Fisheries Information Network (FIN), are an example of how SFI works with the Council to demonstrate stewardship and sustainability.

**Forest Legacy PAC:** The Forest Legacy PAC is separate from the Council, allowing individuals members to participate in candidate events as campaigns start gearing up for election season. Our participation affords us the opportunity to support legislators representing our interests and keep them informed of issues concerning MFPC members.

## Strategic advocacy focus for 2015

For some, the gubernatorial election is a referendum on the environment and the perceived losses faced by "environmental advocates." Depending on the races and control of the House and Senate, we may see this pendulum swing towards overreaction and a stronger regulatory propensity. Whichever way the wind blows, MFPC has built a solid reputation of being issues-driven and we will continue to speak on behalf of an industry that practices exemplary stewardship of natural resources and remains a significant part of Maine's future economic success.

MFPC will be focusing on our core issues and engaging in a strategy to:

- Continue to build on the reputation of the Council as an issues-driven organization
- Capitalize on our message of economic importance and environmental stewardship
- Educate candidates on our messages and policy for inclusion in their political platforms.

We should be fine, and the political season is an opportunity for us to capitalize on our message and for candidates to associate themselves with the opportunities being created by our natural resource industries.

Sue McCarthy, Roberta Scruggs, Pat Sirois, Michele McLean and I all look forward to providing you with the services you need in the next year.

