

Maine Forest Products Council

The voice of Maine's forest economy

Companies represented on the MFPC Board

A & A Brochu Logging American Forest Mgmt. Baskahegan Co. BBC Land, LLC Columbia Forest Prod. Cross Insurance Family Forestry Farm Credit East Fontaine Inc. H.C. Haynes **Huber Resources INRS** J.D. Irving Katahdin Forest Mgmt. Key Bank Kennebec Lumber LandVest Inc. Louisiana Pacific Maibec Logging ND Paper **Nicols Brothers Pingree Associates** Prentiss & Carlisle ReEnergy Richard Wing & Son Robbins Lumber Sappi North America Southern Maine Forestry Stead Timberlands St. Croix Tissue St. Croix Chipping TD Bank **Timber Resource Group** Timberstate G. Wadsworth Woodlands Wagner Forest Mgt.

Weyerhauser

Woodland Pulp

Testimony Neither For Nor Against LD 191

"An Act to Amend the Laws Regarding Certain Business Equipment Tax Benefits"

February 14, 2023

Pat Strauch, Executive Director

Senator Grohoski, Representative Perry and members of the Committee on Taxation, my name is Patrick Strauch, and I am here today to present testimony on behalf of the Maine forest Products Council neither for nor against LD 191, "An Act to Amend the Laws Regarding Certain Business Equipment Tax Benefits."

The intent of LD 191, to protect Maine's heritage industries from boycotts and bans based on unaffiliated third-party certifications, makes sense considering recent events involving the lobster industry. Our members certainly would not want to be subjected to bans or boycotts based on outside certifications of our industry or practices, which are regulated by the state of Maine.

However, we would like to bring your attention to voluntary third-party certifications our industry has developed and invested heavily in over the last three decades to promote and enhance sustainable forest practices. Maine is a leader in sustainable forest certifications with the second-highest level in the country. Between the two primary systems, Sustainable Forestry Initiative and Forest Stewardship Council, there are 8.3 million acres of forestland certified under at least one of the two nationally recognized programs. The attached map demonstrates the extent of commitment made by landowners in Maine to seek certification.

Landowners and wood using mills participate in a certification program by agreeing to be audited to the standards of the certification program. Third party independent auditors regularly audit participants to ensure program compliance. Commitments to these certification standards require considerable investment and due diligence.

Not all landowners and mills seek to be certified for various reasons, and that is why it is voluntary. One interesting trend in Maine is that while lumber mills may not see a strong demand for certified lumber, they are considering certification to qualify their waste chips from slab wood destined to papermills who have a higher market-driven demand for certified sources of wood.

Participation in these certification programs is voluntary, but the positive impacts on Maine's forests, wildlife and ecosystems has been significant. These certifications provide an important way for

our members to communicate with consumers about the practices and values used to produce Maine timber products.

LD 191 specifically states that, "This exclusion does not apply to products when certification systems are in place at the consent or request of the producer, manufacturer or grower." The Council believes this language is important and wants to ensure that this bill, as drafted, will not change and have a detrimental effect on the progress our industry has made over the last 30 years in developing these important marketing tools.

Thank you for your consideration. I would be happy to answer any questions the committee may have.

