



# Maine Forest Products Council

*The voice of Maine's forest economy*

## Testimony in Opposition to LD 1849

### “An Act to Ensure Fair and Timely Payment in the Harvesting of Forest Products”

May 15, 2023

Patrick Strauch, Executive Director

#### 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 & Cartisle  
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.  
Weyerhaeuser  
Woodland Pulp

Good morning, Senator Ingwersen, Representative Pluecker and members of the Committee on Agriculture, Conservation and Forestry. I'm Patrick Strauch, the Executive Director of the Maine Forest Products Council. The Maine Forest Products Council is an organization representing more than 300 members from all facets of the forest products industry. We also have more than 8 million acres of dues paying members.

I am here today to testify in opposition to LD 1849, “An Act to Ensure Fair and Timely Payment in the Harvesting of Forest Products.” We are testifying in opposition to this bill today because we feel that the current law adequately protects all parties involved. PL 2013, c. 154, §1 already stipulates that, in the case of a service contract, the contracting party must notify the contractor of the price per ton to be paid under the contract prior to the contractor providing the harvesting and/or hauling service. The terms of payment for the service would be stipulated in the contract. Under this bill, however, a new requirement to pay a contractor within 15 days of weighing longs (not delivering them) would be established.

The only place in the statute that we are able to find that references 15 days is with regards to wood scaling when weather, time of year or other circumstances prevent the wood from being delivered in a timely manner to reflect the green wood weight. Title 10 ss2363-A says, “When payment is made for services harvesting wood, all weight measurements must be expressed on a green wood basis. Except as otherwise provided by the state sealer, when the wood is not, or will not be, weighed within 15 days of felling, the person performing the services may, prior to hauling, require that the wood instead be measured by butt measure, or other authorized method of measurement.” This takes into consideration that a delay in weighing wood will allow a reduction in weight due to drying.

The only reference to the timing of payment in the statute refers to stumpage transactions in the absence of a written contract between a logger and a landowner, and the clock does not start running on this requirement until the harvested forest products are delivered. Title 17 ss2512 says, “Absent a written contract that indicates different payment terms between the landowner and the person conducting a harvest operation,

the person conducting the harvest operation shall provide to the landowner full payment for each truckload of harvested forest products transported to a handling or processing facility within 45 days of delivery to the

handling or processing facility. In accordance with Title 10, section 2364A, subsection 2, paragraph G, the person conducting the harvest operation shall provide to the landowner a copy of the measurement tally sheet or stumpage sheet for each truckload of forest products transported to a handling or processing facility when the person conducting the harvest operation pays the landowner.”

To our knowledge, there are no significant issues under the current system, which is predominantly covered with terms agreed to by both harvesting and trucking parties under service contracts. We do not see a reason to involve DACF in random inspections, and we aren't clear what authority this bill would give the department to enforce the payment schedule. That said, if there is an issue with the status quo, we would be happy to work with the bill sponsor to find a solution that makes sense for all parties involved.

With that, I would be happy to answer any questions that you may have.