

SEPTEMBER 2023

MONTHLY NEWSLETTER

Official Newsletter of the Maine Forest Products Council



Message from the Executive Director

PAT STRAUCH

It's been a few months since our last newsletter, and boy oh boy how things have changed. In April, [I wrote about](#) how the lack of logging and trucking capacity, paired with a healthy demand from the mills, resulted in high fiber costs. At the time, I wrote that while our trees are plentiful and forests are managed sustainably, there was a great need to get people back into equipment seats.

Well, after an unseasonably wet summer with several serious flooding events, loggers have faced significant challenges getting equipment into the woods, creating even more turmoil for our loggers and truckers following a challenging winter season with unseasonably warm temperatures. It rained nearly every day in June, and it hasn't been much drier since. The ground is saturated and roadways around the state have washed out.

To quote an oldie but goodie by [The Manhattan Transfer](#), "Trickle, trickle, splash, splash. Tell me how long this rain will last. The rain keeps dropping, there aint no stopping. Tell me how long this rain will last!"

While loggers and truckers have dealt with challenges on the supply end, our pulp and paper mills and sawmills have grappled with issues on the demand side of the equation. [Cont. page 2]

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Executive Director message (cont.)

Pulp has lost significant value since the beginning of the year with demand for paper products softening as well. As a result, mills in [Maine and across the country have cut back on production](#) and reduced wood purchases, resulting in lower fiber prices for loggers and landowners. Year-over-year, paper and paper board production has dropped by 9%, print and writing paper production dropped by 16%, newsprint is down 4%, packaging is down 9% and tissue is down 2%.

These reductions are concerning; however, they are expected to be temporary and are driven by high inflation, which in turn caused reduced demand and destocking. In other words, these trends aren't permanent and market demand for these products is expected to recover in the short term.

The Federal Reserve's attempt to lower inflation by rapidly increasing interest rates to a [22-year high](#) has had a chilling effect on solid wood markets by slowing the demand for housing starts. Fewer housing starts has translated to a lower demand for structural lumber, siding, hardwood flooring, panels and other solid wood products. [As our board member Eric Kingsley explains in a recent article](#), despite high interest rates, there is a pent-up demand for new housing that will hopefully be unleashed once interest rates decline.

Also relevant to our region, but not to Maine specifically, ReEnergy recently closed the Black River facility in New York after losing the ability to participate in the state incentive program for renewable energy. This illustrates the profound impact that policies set by lawmakers can have on our industry and rural economies. This is why the Maine Forest Products Council was established more than 60 years ago. As an organization, we bring all facets of our industry together to serve as one strong, unified voice in Augusta and Washington.

Speaking of coming together, I hope that you all can join us on September 17 and 18 in Bangor at the Cross Center for our 63rd annual meeting. This event is always a crowd favorite, and it is usually around this time that staff begins to fret over the final details – including the RSVP list! Now is the time to register, if you haven't done so already, and to sign up for sponsorships. This year's lineup includes some really exciting speakers and tours, so I hope you can join us. For more information, and to register, visit maineforest.org/63rd-annual-meeting. We hope to have RSVPs finalized by Friday, September 8. See you soon!

Pat


RSVP BY SEPTEMBER 8!




SIXTY THIRD ANNUAL MEETING

Agenda:

BBQ, Annual Membership Meeting, Speakers, Manufacturing Tours, Annual Awards Banquet, and more!

 September 17-18, 2023

 Cross Insurance Center, Bangor

Register now at :

maineforest.org/63rd-annual-meeting/

THE SPEAKER LINEUP



SPEAKER 1

Heather Johnson

Commissioner, Maine DECD

Market Development in the Forest Industry



SPEAKER 2

Mark Savage

Teacher, Brewer High School Forestry Immersion Program

Building Opportunities for Careers in the Forests of Maine



SPEAKER 3
(TENTATIVE)

Honorable Janet Mills

Governor, State of Maine

MANUFACTURING TOUR LINEUP

TOUR 1



TOUR 2





Legislative Wrap-up

This session proved to be a challenging one for the Council and businesses throughout Maine. An unusually high volume of bills were introduced, with many in the form of concept drafts (titles with no associated language), making the tracking process even more difficult than usual. Our Policy Committee met every Friday during session to review legislation and, when all was said and done, opted to [take positions on 73 bills](#), with many more in the ‘monitor’ category. This kept our team busy, representing members in 15 different committees on subject matter ranging from nuisance beavers to constitutional amendments. Many thanks to Krysta West, Michele MacLean and Bill Ferdinand who worked the Statehouse halls while Stacy kept the membership informed.

We were successful in guiding much of the legislation into a better position through collaboration with the broader business community, executive and legislative members, but there is an undeniable force of social and environmental activism focused on pushing hard for change, no matter the consequences. It seems that the rural regions of the state are most at risk, making collective voice increasingly important.

Some of the most consequential bills of the session weren’t released until the very end of the committee process, allowing very little time for review and public input. Two examples of that were LD 2004, “An Act to Restore Access to Federal Laws Beneficial to the Wabanaki Nations” and LD 1964, “An Act to Implement the Recommendations of the Commission to Develop a Paid Family and Medical Leave Program.”

LD 2004 contained very complex subject matter with sweeping implications. It was hastily written,

incomplete and the process cut off full consideration and public participation. The bill itself was problematic for our industry because it would have authorized tribes to develop their own environmental standards that could be stricter than those of the State of Maine. The U.S. EPA would have then adopted those standards and enforced tribal air and water quality standards beyond the tribe’s patchwork of lands, making them binding on the State, municipalities, wastewater treatment plants, businesses and private individuals. The Council is thankful to Governor Mills for vetoing this hastily passed legislation. The Council looks forward to working with the tribes and all other parties to now move forward in the spirit of negotiations and review of the original settlement acts that considered the regulation of shared natural resources. To read Governor Mills’ veto message, [click here](#).

The Council joined forces with several business organizations, including the Maine State Chamber of Commerce, to [voice concerns with LD 1964](#), the Paid Family Medical Leave bill. Unfortunately, after waiting the entire session for language to become available, legislators were left with very little time to work through this consequential proposal, and the concerns voiced by the business community ultimately were not addressed. With the signing of the budget, this proposal became law, creating one of the most benefits rich PFLM programs in the country that will cost Maine employers and workers roughly \$400 million annually with the potential for annual tax increases.

The Department of Labor will begin the rulemaking process this fall for the program, which will begin in 2026. More information about the rulemaking process can be found on our



Legislative Wrap-up (cont.)

Regulatory Calendar’ under the ‘Legislative Action’ section of our website, and within this newsletter.

With the slow pace of the session, committees were unable to work on a number of important bills, with many being carried over to the next legislative session. Beginning in January, legislators will consider issues such as environmental justice, a constitutional right to a clean environment (see recent Montana court decision), tribal sovereignty, a labor bill specifically targeting pulp and paper mills and more. Legislators will also have the opportunity to submit new legislation, but unlike in the first session, the Legislative Council will have to deem them as “emergency” bills for consideration.

Once session begins, our Policy Committee will resume meeting every Friday morning. All members are invited to participate in these virtual meetings. We will send instructions on how to join when the time comes.

In order to see the full list of bills we took positions on, testimony and final disposition of the legislation, click our ‘Bills of Interest’ tab under the ‘Legislative Action’ section of our website ([here](#)).

Maine DOL to Start Rulemaking Process in the Fall for Paid Family Medical Leave Program

On July 11, Governor Mills [signed](#) a [budget](#) that includes the creation of a paid family and medical leave program, making Maine the 13th state to establish one. Beginning in 2026, eligible workers in the private and public sector will have 12 weeks of paid time off available to them for family or medical reasons including illness, to care for a relative, or for the birth of a child.

When the budget goes into effect in October 2023, the Department will begin the rulemaking process. Initial rules necessary for implementation must be adopted by the department by January 1, 2025.

The rulemaking process will include an informal period for collecting information prior to the formal process required by the Maine Administrative Procedures Act (MAPA). MAPA requires the Department to post draft rules for public comment for a period of at least thirty days. During this comment period, the Department intends to hold a public hearing in order to gather feedback on the drafted rules as well as collect written comments. Final adoption of the rules requires the Department to provide a response to all public comments.

Contributions to the Paid Family Medical Leave fund will begin January 1, 2025, and benefits are scheduled to begin on May 1, 2026.

As information becomes available, it will be posted on the Departments website here: maine.gov/labor/pfml/.



MEMBERS: MFPC seeking members interested in serving on the Communications Committee



Following an extended hiatus, and with Krysta's return from maternity leave, the Maine Forest Products Council looks to reestablish a Communications Committee comprised of members with an expertise or interest in messaging and communications. Staffed by our Deputy Director, Krysta West, this committee will meet on a quarterly basis (or as needed), to provide insight and direction. If you're interested in serving in this capacity, please email Krysta at kwest@maineforest.org.

RULEMAKING NOTICE: Board of Foresters to hold public hearing, comment period on Chapter 100, Code of Ethics

The Department of Professional and Financial Regulation, Office of Professional and Occupational Regulation Board of Foresters proposed changes to Ch. 100, Code of Ethics, with a comment period that ended on June 5. Upon review of the comments, the Board wanted to adopt several comments and is soliciting comments from the public, as necessary to adopt those comments. For a copy of the proposed rule and related documents, please direct your request to the contact person for this filing or visit: maine.gov/.../profe.../board-licensure-foresters, and scroll down to "What's New."

- WHO: Board of Foresters
- WHAT: Adoption of several comments regarding proposed changes to Chapter 100, Code of Ethics
- WHEN: Public hearing on Friday, September 15 at 1:00 pm; comment period through Monday, September 25 at 5:00 pm
- WHERE: In-person at 221 State Street in Augusta and online. Instructions on remote access and a link will be posted on the board's webpage in advance of the public hearing at maine.gov/.../home/board-meeting-information
- RULEMAKING LIAISON: Kristin.Racine@Maine.gov

FOR/Maine Coalition Wins Grant to Boost Maine's Forest Products Sector Workforce

The [FOR/Maine](#) (Forest Opportunity Roadmap) Coalition, which the Council is a part of, is pleased to announce a grant of \$113,243 to develop and offer a 10-week, virtual course that will enable Mainers to obtain micro-credentials or college credits needed for many jobs in Maine's burgeoning forest sector. The Growing Maine's Forest Product Sector Workforce funds are made possible by a private trustee's group and are administered by the [Maine Business Education Partnership](#).

The course will be called "The Business of Maine's Forestry Products Sector" and will leverage strong industry and workforce partnerships to link Mainers with job opportunities, job support resources, education, and industry experts. FOR/Maine, which is staffed by the Maine Development Foundation, will partner with Sunrise County Economic Council to develop and implement the course. It will be offered through Washington County Community College and available virtually to Mainers statewide.

FMI: maineforest.org/2023/08/15/for-maine-coalition-wins-grant-to-boost-maines-forest-product-sector-workforce/

Board of Environmental Protections Petitioned to Adopt California Advanced Clean Trucks Rule

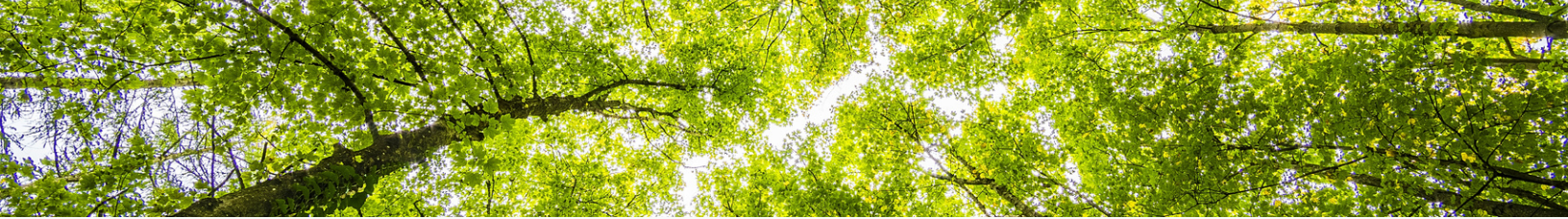


With the submission of 150 signatures, environmental advocates launched an effort to control the type of medium- and heavy-duty trucks that can be sold in Maine. BEP held a packed public hearing in Augusta on August 17 with a comment period through August 28. Our official comment can be viewed on the 'Regulatory Calendar' section of our website, and [here](#). If adopted, this California policy will disrupt Maine's market-based approach to reducing greenhouse gases. Maine's forest industry is dependent on heavy duty trucks for moving over 15 million tons of wood to mills and then shipping wood products to consumers up and down the East Coast.

[MFPC joined the Mainers for Smart Energy Coalition](#) in strong opposition to the adoption of these rules for a number of reasons including:

- Maine's grid cannot sustain Medium and Heavy-Duty (M&HD) vehicle electrification without significant investment – [we would need to increase generation by at least 60%](#) according to the American Transportation Research Institute (ATRI.)
- Maine's charging infrastructure is not even close to being ready for Zero Emission Vehicles (ZEV's.)
- The cost of M&HD ZEV's is significantly greater than the diesel equivalent.
- Range anxiety. For M&HD users who are critical to the supply chain, this will create unnecessary chaos.
- Truck availability continues to be problematic and is a major consideration before investing in expensive charging and utility upgrades.
- Reliability is a concern. Our cold weather climate and heavy-duty applications are not well suited to electrification technology.
- Many commercial truck uses will require an additional power source.

For more information, [view the fact sheet here](#).



SFI Maine Implementation Committee Wins Award for Collaboration on Climate Smart Forestry, Fire Resilience and Forests of Exceptional Conservation Value



Vancouver, BC — The Sustainable Forestry Initiative (SFI) announced the winner of the 2023 SFI Implementation Committee Achievement Award at the 2023 SFI Annual Conference in collaboration with PEFC Week today. The Maine Committee was selected for its collaborative leadership in addressing key enhancements to the SFI Forest Management and Fiber Sourcing Standards related to climate smart forestry, fire resilience, and forests of exceptional conservation value.

This award recognizes [SFI Implementation Committees](#) for outstanding work in fostering community engagement by strengthening the connections between sustainable forests, thriving communities, and responsible purchasing. The award recognizes SFI Implementation Committees for implementing SFI Standards and programs locally, making a difference on-the-ground to advance sustainable forestry and promote the benefits of SFI certified forests and forest products. The award is designed to provide a positive incentive for SFI Committees to go above and beyond required efforts to increase SFI’s visibility across the U.S. and Canada.

“The Maine Committee has raised the bar on collaboration through the SFI network, working with SFI-certified organizations, state officials, conservationists, harvesters, and landowners to maximize the impact of enhancements to the SFI Forest Management Standard and Fiber Sourcing Standards,” said Nadine Block, Senior VP of Community and Government Relations, SFI. “This makes an important contribution to shared priorities like addressing climate change, wildfire, and conservation of biodiversity.”

FMI: forests.org/maine-sfi-implementation-committee-wins-award-for-collaboration-on-climate-smart-forestry-fire-resilience-and-forests-of-exceptional-conservation-value/

Articles of interest



LOG CUTTING MARKS
START OF 'SOMETHING
REALLY BIG' AT
MADISON INSULATION
MILL



WHERE THERE'S A
MILL, IS THERE A
WAY?



WEEKS IN THE MAINE
WOODS ARE BREWER
HIGH SCHOOL'S
ANSWER TO
ABSENTEEISM

Thank You, Golfers!



Most of you probably already know this, but we held our annual golf tournament on Thursday, July 13th. It would be an understatement to call it a success. We had a whopping twenty-eight teams representing thirty-one companies and organizations show up to compete.

For those of you who missed the festivities, let's just say it was amazing. Not only was there great company to be had, but there were a ton of laughs, a lot of winners, and great food. Best of all, the gloomy weather we have endured for over a month now broke – seemingly just in time for the tournament – and we enjoyed a bright, sunny (albeit brutally humid) day, from beginning to end.

To view photos and learn more about the event, [click here](#).

MFPC Regulatory Calendar

maineforest.org/regulatory-calendar/

Issue/project	Agency	Comment period deadline
Agency Rulemaking Proposal: Chapter 100 Forester Classifications and Code of Ethics (repeal and replace)	Professional Forester Licensing Board	September 15 public hearing at 1:00 pm (in person and remote options); comment deadline September 25 at 5:00 pm
Paid Family Medical Leave	Maine DOL	TBD
Extended Producer Responsibility Program for Packaging	Maine DEP	Ongoing
PFAS in Products	Maine DEP	Ongoing

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