



Testimony of

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Chairman Golden, Ranking Member Hagedorn and members of the Committee on Small Business, Subcommittee on Underserved, Agricultural, and Rural Development, my name is Dana Doran, and I am the Executive Director of the Professional Logging Contractors of Maine (PLC). The PLC is the voice of independent logging and associated trucking contractors throughout the state of Maine. The PLC was formed in 1995 to provide contractors with a voice in a rapidly changing forest industry.

As of 2017, logging and trucking contractors in Maine employed over 3,900 people directly and were indirectly responsible for the creation of an additional 5,400 jobs. This employment and the investments that contractors make contribute more than \$620 million to the state's economy. Our membership, which includes 210 contractor members and an additional 100 associate members, employs 2,500 individuals who work in this industry and is also responsible for 80% of Maine's annual timber harvest.

Thank you for providing me the opportunity to testify on behalf of our membership and the state of Maine regarding sustainable forestry's role in climate solutions. Thanks, as well for recognizing the work of our national partner, the American Loggers Council, to discuss the role that timber harvesting companies play nationally. Whether it's in Maine or across the United States, the timber harvesting community is a vital part of the responsible management of our nation's forests as well as a vital partner in creating solutions for preservation of our nation's climate.

Many on this committee might find it odd for a trade association that represents loggers and truckers in the state of Maine, typically a conservative group, to stand before you today to discuss how timber harvesting can be part of the solution and not part of the problem in terms of climate change. With that in mind, I can say with great honesty that this perception is not reality when it comes to Maine's logging and trucking community. Over the last twenty years, we have learned to recognize and prepare for our role in climate mitigation through our work on the ground. Loggers have become accustomed to wildly changing weather patterns, mud seasons that extend not just weeks but months, and the influence of invasive species and pests in the forest. As a result, we have been required to adapt quickly, but also develop a broad

perspective and plan for change.

Two decades ago, Maine's logging community could work between 46 and 52 weeks a year. Mud season was restricted to April and May and employees could count on steady work and more consistent operating conditions. However, that has changed considerably, and now, the expectation is that between 38 and 44 weeks per year is all we can expect for durational work time. It is clear to Maine's legacy industry that climate and weather patterns have indeed changed, and this change is adding cost and lowering profitability for our membership.

During this same time frame, there has been an ad hoc approach to both technology and public policy, at both the state and federal levels, which has attempted to bring about change for the improvement of the climate. While well intended, policy changes with respect to mandates have brought about positive change on one side, but they have also had a dramatic negative impact upon our industry.

One primary example of this is in the mandated use of Tier IV engines by the federal government. While this technology has been positive in terms of curbing emissions, it was not implemented with a tremendous amount of thought as to how it would impact the supply chain. Unfortunately, it has negatively impacted our industry by increasing cost on every piece of equipment used in logging and trucking today. The law of unintended consequences has increased the cost of all equipment about 25-50% over the last ten years. Loggers and truckers are price takers and have no ability to charge more for the work that they do, thus, this has steadily bled many of their businesses to death. It is our opinion that changes like this can have a positive impact, especially upon our climate, but the consequences must be balanced with the benefits. It is vital for loggers and truckers to have a seat at the table in deliberations that affect our member's businesses so exponentially.

From a state perspective, I would like to say that Maine is taking a leadership role in how it will manage climate change and utilize the positive role of forests to do so. In the last two years, Maine Governor Janet Mills created a Climate Council, as well as a Forest Carbon Program Task Force, to come up with plans for how the state would mitigate climate change, but also to study how Maine's forests can be utilized as a part of the long-term solution. I am a member of the Natural and Working Lands Working Group of the Maine Climate Council, which was created in statute in 2019, as well as the Maine Forest Carbon Program Task Force, which was established by Executive order on January 13, 2021.

In both the Mills' Administration Climate Action Plan as well as the Governor's Executive Order that created the Forest Carbon Task Force, there is tremendous recognition of the role that Maine's forests play in carbon storage and climate mitigation. At their core, both efforts establish firmly that if Maine is going to achieve both goals through the use of its forests, Maine cannot harvest less wood in the future than it has in the past, it must have markets for low grade wood to grow more high-quality saw log timber and the role that harvesting contractors can play in the process is monumental.

With respect to the work done by contractors, both initiatives reference identifying incentives to promote high-quality, on the ground performance by loggers and investment in low impact harvesting equipment. To achieve both goals, contractors must work to reduce emissions and minimize impacts to the residual forest ecosystem at the point of harvest. Both are expensive ideas that will not be incentivized by the traditional wood procurement system. Therefore, they will require financial incentives to implement both climate solutions and we feel that there

should not only be recognition of this cost, but that federal and state policy should help to incentivize their implementation.

To minimize compaction and disturbance of forest soils, contractors must purchase and utilize low ground pressure harvesting equipment with tracks. However, all harvesting equipment today is extremely expensive with most tracked equipment carrying a sticker price in excess of \$500,000 per piece. The Maine Forestry Direct Link Loan Program was created in 2007 within the Maine Department of Environmental Protection, the Maine Bond Bank and the Department of Agriculture, Conservation and Forestry to incentivize the purchase of this equipment with low interest loans for logging companies. The program was created with US EPA Clean Water State Revolving Fund resources and has dedicated \$12 million to the program since that point in time. However, because of how expensive equipment is today, the current pool of funding cannot adequately serve the purpose that it was intended for and the program needs to be expanded to encourage new investment in the future. This will take federal resources and should be emulated across the country.

Lastly, we feel strongly that both state and federal resources should be invested to support higher level on-the-ground performance to encourage climate friendly timber harvesting. In 2000, our organization created the Master Logger Certification Program (MLCP) as the world's first point-of-harvest certification program, offering third party independent certification of logging companies' harvesting practices. MLCP was recognized with the world's first SmartLogging Certificate in 2005. The SmartLogging certificate is a third-party, performance-based audit and certification program of timber harvesting practices. It represents an independent and global recognition of the integrity of the MLCP Standard. SmartLogging surveillance audits occur every year and full audits are conducted on a five-year basis by the global certifying body NEPCon.

The MLCP performance standard is guided by nine goals: Harvest Planning, Protecting Water Quality, Maintaining Soil Productivity, Sustaining Forest Ecosystems, Managing Aesthetics, Ensuring Workplace Safety, Demonstrating Continuous Improvement, Ensuring Business Viability, and Upholding the Integrity of the Certificate. To become a certified company, a candidate must go through a series of interviews, background and reference checks, and a rigorous field audit of current and past harvest sites. The field audits are performed by independent licensed foresters that have participated in initial and on-going training. This detailed information is then sent to the Certification Board for review. The Certification Board consists of state representatives, university faculty, retired loggers, and an environmental attorney.

Once certified, a company must submit annual business/harvest data and is required to be field audited after two years and then every four years thereafter. There are also random audits and an anonymous 800-number that the public can call to report any concerning activity. The Master Logger application and recertification process provides crucial on-the ground verification of criteria that is critical to the integrity of the image of the industry to the public and environmental groups, including: identification and protection of rare, endangered, and threatened species; demonstration of Best Management Practices; and analyzation of visual impacts and forest aesthetics. These are important issues and the MLCP provides the verification mechanism to prove that they are being incorporated in practice on the ground.

Currently, there are 130 MLCP companies in the seven-state region of the northeast. However, MLCP is not just a regional program. MLCP has also been recognized in 13 other states in the

US in partnership with the American Loggers Council, and it has been adopted in Canada, Columbia, Japan, and Estonia, with future growth in Australia, Finland, New Zealand, South Africa and Sweden on the horizon. MLCP, similar to forest certification programs such as the American Tree Farm System, Forest Stewardship Council (FSC), and the Sustainable Forestry Initiative (SFI), has an impact upon sustainability and responsible forest management, and it started right here in the state of Maine. It must not only be recognized by the federal government, but encouraged and facilitated throughout this country to ensure that harvesting can occur with integrity as a solution and not a problem within our climate framework.

In closing, Maine's loggers are a vital part of the state's forest products sector and the state's economy. They should be recognized and celebrated for the work they do as a vital part of a solution to our climate issues.

Thank you for the opportunity to provide the opinion of our membership before you today and I would be happy to answer any questions you may have.