Maine Forest Products Council

The voice of Maine's forest economy

Testimony in Support of LD 1313

"An Act to Promote Equity in the Forest Products Industry by Allowing Commercial Wood Haulers to be Eligible for Certain Sales"

April 9, 2025
Krysta West, Deputy Director

Good afternoon, Senator Grohoski, Representative Cloutier and members of the Taxation Committee. I'm Krysta West of Readfield, Maine and I am testifying on behalf of the Maine Forest Products Council in strong support of LD 1313, "An Act to Promote Equity in the Forest Products Industry by Allowing Commercial Wood Haulers to be Eligible for Certain Sales Tax Exemptions and Refunds."

For 65 years, the Maine Forest Products Council has served as the voice of Maine's forest economy, representing more than 300 members from all facets of the forest products industry. Our members include pulp and paper mills, sawmills, secondary wood processors, foresters, loggers and truckers. We also represent commercial landowners sustainably managing more than 8 million acres of forestland.

As a trade organization representing all interests of the forest industry, from the stump to the mill, our members are acutely aware that the success of the entire industry relies on a healthy and robust logging and trucking workforce. We also know that a global pandemic, unusual weather and extreme weather events, an aging workforce, loss of critical markets and increased operational costs have strained this sector of our industry. That is why we would like to thank Senator Farrin for introducing this bill at our request and PLC for working with us to elevate this issue again for you this session.

Every few years the Maine Forest Products Council polls its membership to get a sense of how things stand in the industry. This poll provides valuable cross-sector insight reflective of the industry as a whole. Last September, ¾ of respondents indicated that business income was below the level that it was at in 2022. To provide context, when we asked in 2022 how incomes compared to 2020, 54% were up and 46% were at the same level. Nobody indicated business income reductions. This reflects global market forces such as high interest and mortgage rates and low pulp demand that are (hopefully) temporary, but beyond our control. When asked about the biggest challenges, one of the top answers from our membership in both 2024 and 2022 was logging and hauling capacity.

It is no secret that the cost of doing just about everything has increased in recent years. That is particularly true for our loggers and haulers. Our logging workforce is also aging with 59% being 45 years of age or older. This is an especially concerning demographic considering how central the logging workforce is to every other sector of our $8.1 billion heritage industry.

The high capital investment requirements for equipment purchases are a barrier to entry into the logging workforce, especially for those who are young or first-generation loggers. To retain the current logging workforce, and to make it possible for the next generation to join the ranks, logging and hauling must be profitable. Our members in the industry are taking proactive measures to help by providing longer term

contracts to help stabilize rates and workflow, providing a fuel surcharge to offset the price of diesel when costs unexpectedly increase and working hard to attract more manufacturing capacity to Maine to help strengthen wood product markets. Our members are also advocating for a coordinated spruce budworm outbreak response with the Maine Forest Service and the University of Maine to keep our forests healthy to support current and future logging jobs and markets. But more can and should be done.

Logging is a capital-intensive profession that requires regular equipment upgrades to achieve maximum efficiency. LD 1313 would help reduce the burden of these investments by extending the same tax credit that is available for equipment used for the severance and yarding of trees to the trucks that haul the wood from our forests to the mill.

The bipartisan support for this bill, demonstrated by its sponsors, is a testament to the importance of the forest products industry to our state's economy. We urge the committee to vote ‘Ought to Pass’ on LD 1313. Thank you for your consideration.