Maine Forest Products Council

The voice of Maine's forest economy

Testimony in Support of LD 798

"An Act to Authorize a General Bond Issue to Fund Mass Timber Manufacturing"

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Good morning, Senator Rotundo, Representative Gattine and members of the Appropriations and Financial Affairs Committee. My name is Krysta West. I am a resident of Readfield, and I am here today to testify on behalf of the Maine Forest Products Council in strong support of LD 798, "An Act to Authorize a General Bond Issue to Fund Mass Timber Manufacturing."

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.

Before we dive into the specifics of the bill, we would first like to thank Representative Sam Zager for his support of the forest products industry, and for his determination to bring mass timber manufacturing to Maine. We share his passion and his vision and appreciate his ongoing efforts.

For the last eight years, the Maine Forest Products Council has worked collaboratively with the Maine Development Foundation on a unique cross-sector collaboration called the Forest Opportunity Roadmap, also known as FOR/Maine. This project brings together industry, communities, government, institutions of higher education and non-profits to help Maine strategically adapt and capitalize on changing markets to maintain our leading role in the global forest economy.

As part of FOR/Maine, the Council has been involved with efforts to develop markets and capacity for CLT in Maine for several years because we see it as a beneficial value-added product that could help diversify our industry and provide much-needed resiliency.

The use of CLT for the construction of buildings up to 25 stories tall has been increasing around the world and in other areas of the country as a replacement for carbon-intensive materials such as concrete and steel. In addition to its superior strength and fire resist properties, CLT is a renewable resource that sequesters carbon. It is also aesthetically pleasing, making this product increasingly popular. However, one of its strongest selling points is that it can be constructed in a modular way that decreases construction time and labor costs. This kind of innovation in the building industry is an important factor in meeting current and future housing.

CLT is gaining attention in Maine, with projects underway or built at Bowdoin, the University of Southern Maine, the University of New England, the University of Maine, College of the Atlantic, Portland Museum of Art and others. While highlighting this innovative green building material, these projects are also helping to establish a demand for the product, which is necessary to attract a potential manufacturer to our state. But, despite growing demand, there are no current CLT manufacturers in our region, which makes it difficult for

CLT to compete with traditional building materials, especially once tariffs are considered. For many reasons, now is an ideal time to support this budding sector of our industry.

Last session, the Legislature passed a resolve directing the University of Maine to study the barriers to mass timber use on a strong bipartisan basis. The final report [1]included several recommendations including "Revise and refine Maine's mass timber market attraction strategy." According to the report, this "should include a strategy from the state to de-risk investment for establishing operations in Maine."

LD 798 is intended to do just that by providing a one-time $50 million bond to "help finance the design and construction or the retrofitting of a manufacturing facility to produce mass timber in the State using sustainably harvested Maine forest products."

This bill is also consistent with the goals laid out in Governor Mills' 5th Executive Order titled "An Order to Lead by Example in State Owned and Leased Buildings."[2] Here are a few excerpts from this Order we would urge you to review as you consider LD 798:

> **WHEREAS,** a changing climate, and the need for new, more efficient technologies offers tremendous opportunities for Maine's wood products sector, and Maine is poised to be a leader in innovative construction products;
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> **WHEREAS**, the Climate Action Plan committed to advancing the design and promotion of climate friendly building products, including the support of innovation, incentives, building codes, and marketing programs to increase the use of efficient and climate-friendly Maine forest products, including mass timber and wood fiber insulation;
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> **WHEREAS**, Maine should promote the use of building materials such as mass timber and wood-fiber insulation, which reduce greenhouse emissions in construction, as wood products have lower embodied carbon values compared with steel, concrete, and many insulation products, while storing carbon for the life of the product. These products, if produced in Maine, also support economic development opportunities in Maine's forest-products sector;

5. Use of Mass Timber and Maine-Grown Materials

A. Within 6 six months of the issuance of this Order, BGS, in collaboration with other state agencies as appropriate, shall develop criteria and guidance for incorporating: (1) advanced wood products including but not limited to mass timber, cross laminated timber, wood cellulose fiber insulation, and related materials, and (2) Maine-sourced advanced wood products into designs for new building and substantial renovation projects when the use of such products is suitable to the facility and agency operational needs; and

[1] https://www.legislature.maine.gov/doc/10520

[2] https://www.maine.gov/governor/mills/official_documents/executive-orders/2024-01-executive-order-5-order-lead-example-state-owned-and

B. Within two years of the issuance of this Order, BGS shall identify two new construction or major renovation projects that are appropriate to utilize advanced wood products and ensure that in-state subcontractors and suppliers are notified about bid or other procurement documents.

How great would it be for Maine to not only lead in promoting this innovative and economical building material, but to also be able to showcase CLT and mass timber products manufactured right here in Maine from our very own sustainably harvested forests.

When it comes to mass timber, it is a real chicken and an egg conundrum. Demand is suppressed due to the cost of imported materials and until that demand is unleashed it has proven to be too risky for a manufacturer to make the significant investment required to establish the first facility on the east coast. LD 798 would de-risk that investment, allowing Maine to lead on the domestic production of this innovative new building material.

We are fortunate to have a strong forest industry with proximity to the sizeable east coast market of the United States. If we are successful in our efforts to become the first location to tap into this emerging market, the potential is huge for our heritage industry and the rural economies that it supports. For these reasons, we urge you to vote 'Ought to Pass' on LD 798. Thank you and I would be happy to answer any questions that you may have.