

**Panel on Optimizing Wood Harvesting in Maine**  
**Notes of February 13, 2009 Meeting**  
**Bolton Hill, Augusta**

**Attending**

Sandy Brawders  
Nick Bennett  
Chip Bessie  
Bruce Bornstein  
Jim Contino  
Gordon Gamble  
Alec Giffen  
Nathan Hebel

John Kerry  
Tony Lyons  
Kevin McCarthy  
Les Otten  
Rosaire Pelletier  
George Soffron  
Pat Sirois

**Call to Order**

Chairman Giffen called the meeting to order at 1:15 p.m. Chairman Giffen introduced Bill Bell who was sitting in for Les Otten until he arrived. Panel members briefly introduced themselves.

**Review of Previous Meeting**

Chairman Giffen reviewed with panel members the document he constructed, "*Potential Recommendations from the Panel on Optimizing Wood Harvesting Utilization in Maine*," based on ideas presented by the panel at the February 9, 2009 meeting. Ideas were consolidated into seven areas based on the purpose they served.

Chairman Giffen suggested the Panel review all of the areas with the hope of reaching a consensus on the package. He suggested reviewing the items and, consistent with a request from Sandy Brawders, conducting a roll-call-vote where consensus is not achieved.

Tony Lyons commented that if the Panel did not address New Page's interests, they may have to independently seek other solutions.

**Item One: An aggressive effort to increase the supply of wood** that is affordably available to all of Maine's wood-using industries.

Sandy Brawders expressed concern about "incentives" being deliverable. She also would like see language included referencing silvicultural purposes.

Pat Sirois suggested changing "f" to read "Encourage voluntary coordinated wood movement to reduce costs." He also suggested combining items "d" and "e" to "Incentives for improving forest management."

Panel members agreed to adding a sentence regarding silvicultural purposes as part of the overall goal of the Panel's charge. The Panel also agreed to make changes as suggested by Pat Sirois.

**Item Two: Increasing Maine's commitment to sustainable management**

Chairman Giffen advised the Panel that the Governor's goal was to increase certified forests to 10 million acres.

Tony Lyons commented that land in "Tree Growth" was "begging" to become certified.

Chairman Giffen reviewed the Tree Growth Program and commented that there were provisions in Maine's Constitution that if a landowner took land out of the Tree Growth program, they would be charged 5 years of back taxes.

Pat Sirois commented that changing the Tree Growth Tax Law was unacceptable.

Nick Bennett asked why more landowners don't certify their forests. The Panel discussed what additional incentives might be required to encourage landowners to seek certification.

Chairman Giffen suggested that interested Panel members including Tony Lyons, Sandy Brawders, and Nathan Hebel to discuss this item and report back to the Panel at the next meeting.

**Item Three: Guiding wood to its highest use.**

Chairman Giffen reviewed the suggestions which included having foresters work with landowners to identify best use and providing "real time" information on current wood prices.

Nathan Hebel expressed concern with the term "highest use" and suggested substituting, "Optimizing value to landowners."

Tony Lyons stated that New Page would pursue independent avenues to promote "white wood to white wood markets" and "brown to brown."

Sandy Brawders asked, "What do loggers do when they have wood and mills won't take it?"

Bruce Bornstein suggested that the solution to the problem was better projections on market demands.

Nathan Hebel commented that the system works better when there is a choice of markets.

**Item Four: Modernize Maine's policy on using biomass for producing electricity.**

Chairman Giffen introduced this item as the Governor's primary interest.

Nathan Hebel commented that he agreed with "A" and "F" but that everything else was objectionable.

Tony Lyons commented that New Page support all of Item Four.

Les Otten gave an overview of why he believed this was the Governor’s primary focus which focused on efficiencies and subsidies creating an unlevel playing field.

Nathan Hebel disputed Les’ comments. He commented that not only were paper mills having a difficult time, but everyone was, including the biomass industry.

A discussion followed about Renewable Energy Credits.

Since it was clear that no consensus existed, Chairman Giffen called for a roll-call vote to accept Item Four in its entirety:

Member	Yes	No	Abstain
Nick Bennett	X		
Chip Bessey	X		
Bruce Bornstein	X		
Lance Boucher			
Sandy Brawders		X	
James Contino			
Gordon Gamble		X	
Alec Giffen			X
Nathan Hebel		X	
John Kerry			X
Anthony Lyons	X		
Kevin McCarthy	X		
Les Otten	X		
Rosaire Pelletier			
George Soffron	X		
Pat Sirois		X	
Pat Strauch		X	
John Williams	X		

Chairman Giffen suggested that Panel members who wished to further discuss item four and propose an alternative to the Panel should meet before the next meeting. Chairman Giffen asked Nathan Hebel to lead a discussion regarding this issue and reach out to other Panel members for their thoughts.

**Item 5: Provide incentives for individuals and businesses to convert to wood for heat.**

Les Otten commented that there should be a broader discussion about incentives for renewables. He commented that incentives should include all renewables.

George Soffron commented that incentives were a tool to prevent people from becoming complacent again.

Nick Bennett disagrees with the premises that wood needs to be subsidized.

**Item 6: Develop a rational process for analyzing the adequacy of wood supplies**

Chairman Giffen commented that the prediction of future wood supplies and demand is not always as good as it could be and that new tools needed to be developed to better predict both the supply of and the demand for wood into the future.

Tony Lyons commented that there needs to be a more intelligent planning process used when a wood consumer is proposing a project to insure that the resource isn't stretched too far.

Sandy Brawders asked if the state Economic Development Office would be involved.

Pat Sirois commented that he would not support a process where the state picked winners and losers in terms of wood supply. He supports the current law only and would not support 6(c).

Les Otten commented that he agrees with 6(a) and 6(b) with some questions

Nick Bennett commented that he agrees with 6(b) and 6(c)

Chairman Giffen asked for a poll on who disagreed with 6(c). Those disagreeing were: Nathan Hebel, Pat Sirois, Gordon Gamble, Nick Bennett, Sandy Brawders and Chip Bessey.

Chairman Giffen suggested that Panel members who wished to further discuss item six and propose an alternative to the Panel should meet before the next meeting. Chairman Giffen asked Tony Lyons to lead a discussion regarding this issue and reach out to other Panel members for their thoughts.

**Item 7: A commitment to a relationship among landowners, loggers, and mills that is mutually supportive, provides a fair rate of return for all efficient operations, and builds the health of the industry as a whole.**

Pat Sirois commented that he did not support the wording of this item but instead supported a free market system.

George Soffron asked if there was a listing of wood on the commodity market and if listing wood on the market would address the issue of supply and demand.

Chairman Giffen commented that this could potentially help, but that Wisconsin had done some work on this and the findings showed that it didn't work well.

Sandy Brawders stated that she would prefer to see a cooperative approach statement in the preamble which eliminated references to "transparency" and "a fair rate of return."