

REFINED DRAFT – May 14, 2009

Understanding Between Members of the Panel on Optimizing Wood Harvesting (and Utilization) in Maine ~~and Pellet Producers~~

We, the undersigned, after careful consideration of the facts, recognize the following:

- The legitimacy of competing public policy objectives regarding the use of wood resources in Maine. These include:
 - Generating returns for forest landowners that reward them for keeping forests as forests and encourage the practice of sound silviculture;
 - Creating employment opportunities and generating economic activity in the state; and
 - Reducing Maine’s dangerous and economic disadvantageous dependence on fossil fuels.
- The demand for timber and biomass from Maine’s forests is increasing , creating greater competition for wood among Maine’s forest products industries.
- As outlined in the Maine Forest Service report entitled, “Absolute Supply is not the Issue,” the potential for an increased supply of wood from Maine is substantial; for example, almost as much wood dies in the forests of Maine each year as is harvested. Further, we recognize that increased supply can result from:
 - Improved utilization during existing harvests;
 - Harvesting in stands not considered commercially viable in the past;
 - Increasing imports from surrounding jurisdictions;
 - Increasing the productivity of Maine’s forest stands.

We also understand that capitalizing on these potential increases in potential supply will require changes in harvesting operations and harvesting equipment, investments in transportation infrastructure, and investments in improved silviculture. We see this as a challenge for the entire forest products industry and forest landowning community.

- The importance of sustainability in not only maintaining Maine’s forest resources, but also in creating a special niche for Maine’s forest products by demonstrating responsible management to consumers.
- The interdependence of the forest products industry as a whole – for example, the entire industry, not just one component of it, is dependent upon the logging infrastructure which enables the harvesting and movement of wood from the forests to the mills. In addition, the cost effective harvesting of low-value products is, in many cases, dependent on the availability of higher value products being harvested at the same time. Finally, managing for higher value products is dependent upon having markets which allow the removal of low value materials such that stands can be managed for improving both the quality and quantity of timber in the future.

Given these understandings, for our common good, we agree to mutually support efforts to:

- Expand the supply of wood available from Maine’s forests by assisting in capitalizing on the opportunities stated earlier. ~~Our sectors of the industry can a~~ssist in by creating a stable environment for logging contractors so they can purchase equipment capable of improving utilization during existing harvesting operations, and harvesting in stands not considered commercial up to this point, assisting in efforts to improve transportation infrastructure, and supporting efforts to improve forest productivity – e.g., including, but not limited to, research on this topic.
- Supporting third party certification of Maine’s forests by collaborating with other sectors of the industry to promote certification (see attached proposal entitled, “*Expanding Forest Certification in Maine*”; by encouraging suppliers to provide wood from certified forests; and by contributing financially to efforts to increase certification in Maine.
- Track and publicly report the proportion of wood harvested from sustainably managed forests being used in Maine mills.
- Contribute financially to efforts to provide free forestry advice from licensed professional foresters for family forest landowners in Maine. This effort will help protect the forest environment, improve productivity, and help family forest landowners maximize the value that they receive from managing forest lands; as well as, directing products to their highest value use.
- Engage stakeholders in the dialogue on how to strengthen the forest products industry as a whole, and each of the linkages between sectors – e.g., the linkages between the mills and loggers, and between loggers and landowners.
- Maintain or expand pulp and paper production in Maine, and work to increase the value added for Maine paper production.
- Convert a substantial proportion of Maine’s homes, institutions and business to wood heat – including, but not limited to pellets.
- Maintain or expand sawmill production in Maine.
- Expand secondary processing of wood and paper products in Maine.

These agreements are explicitly intended to govern public and private communications and positions on these topic, including, but not limited to, advocacy to both state and local governments on how to enhance the prospects for our industry, both individually and collectively.

Signature

Date

Signature

Date

Signature

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Signature

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