

Executive Summary

Building a Sustainable Natural Resource-based Economy

Overview

Even the most cursory examination of Maine history reveals the profound role that fishing, farming, and forestry have played in shaping the culture and the character of our state.

By the time Maine was granted statehood in 1820, its seal and arms, with the mast pine at its center supported by a farmer and seaman, reflected the shared pride in her forests, agriculture, and fisheries. The display of a farmer, a fisherman, and the forest, land, and sea on Maine's state seal were apt choices in 1820, when nearly 80% of Maine's workers were employed in these industries. Wars were fought over Maine's fishing grounds, and its lumber was preferred by kings, even as Maine granite decorated their tombs. It was believed that Maine's prosperity was as permanent as the land and water itself.

The Looming Crisis

No one foresaw the industrial revolution, however. In the century that followed statehood, the number of Maine workers employed in fishing, farming, or forestry fell from 80% at its height to 40% in 1920. By 2000, the number employed in these industries had plummeted to just 8% of the workforce. Total employment in these three industries has been stagnant for three decades. A recent article in the *Bangor Daily News* characterized Maine's "once formidable natural resource-based economy (as) near obsolescence."

While employment in Maine's natural resource industries has fallen victim to global markets, increased domestic competition, and new technologies, it is the land and resource base that supports them that is at greatest risk. Those who earn their living from the land and sea face restricted access, development pressures, struggles to maintain productivity and environmental quality, and scientific and political uncertainty.

Even tourism, which many believe to offer the best hope for economic diversification and community revitalization, does not escape the pressure. Maine tourism depends directly upon her forests, farmlands, and coastal waters as sites for tourist activity and indirectly as its visual and cultural backdrop.

Maine's natural resource-based economy today – including farming, fishing, aquaculture, forestry, and tourism – faces multiple and serious challenges that threaten its long-term viability.

Today's Opportunities

Governor John Baldacci is convinced that these industries are important to Maine's character and culture, and especially, to our rural economies. They must be strengthened. To do so, there are challenges to be addressed and opportunities to be realized. His Administration has embarked on a collaborative effort, in partnership with academia and affected Maine citizens and industries, to unite the natural resource business sectors in common cause, and to "set us on a course that will lift all of

Maine's natural resource-based industries, and place them on the track of truly sustainable development.”

The challenges before this partnership are to create an effective vision for the natural resource-based businesses of Maine's future; to develop practical strategies to overcome the challenges; and to seize the opportunities that the future holds.

Process Leading up to Conference

Eights months of planning and preparation led to a November 2003, Blaine House Conference on Natural Resource-based Industries, with a focus on agriculture, aquaculture, fishing, forestry, and tourism and outdoor recreation. In his 2003 budget address to the Legislature, Governor John Baldacci promised to bring together local residents, industry representatives, conservationists, sportsmen and women, and recreational users to work to address the needs of Maine's natural resource-based industries.

The March Summit

In March 2003, Governor Baldacci convened a Natural Resource-based Business Summit of industry leaders, to identify issues and concerns within each of the natural resource sectors. The summit sparked a dialogue. It became clear that these industries share common problems, such as declining access to the resource base, a lack of sustainable view of development, and the need for credible scientific information; and that the way to tackle them is to stop thinking of the fishing, farming, forestry, and tourism sectors as distinctly different, independent entities. Summit participants realized they needed a strategic analysis of their industries and a shared understanding of the problems that each faces.

The Background Papers

From July to September 2003, six background papers were produced, one for each sector and one on cross-cutting issues, each authored by knowledgeable people in the field, in collaboration with the state agencies. The papers examined economic trends, strengths, challenges, and opportunities of each sector. They were designed to challenge our traditional ways of thinking and to identify new ideas to position fishing, aquaculture, farming, forestry, and tourism/recreation each as a long-term, sustainable natural resources-based industry. The papers also provided a starting point for outreach and discussion with industry representatives.

The Outreach Effort

The state's natural resource agencies then used the papers to engage their important constituencies, to test the assumptions set forth, and to prepare strategies for strengthening each of the sectors. Literally hundreds of business leaders, industry representatives, managers, environmental and trade associations, and others within these sectors offered their best thinking about how government and industry could work together to achieve their goals. The dialogue led to a series of specific action recommendations that the agencies put forward for consideration by the conference participants.

The Blaine House Conference

On November, 17, 2003, nearly 750 people from across the industry sectors met in Augusta. Participants considered specific proposals to enhance each industry sector, as well as an array of issues that spanned all five sectors. The dialogue sparked new ideas, modified proposals, and confirmed many of the new approaches presented. The Governor's goal – that from the conference might emerge a practical plan of action based upon new thinking, integrated policymaking, broad support, and active participation from Maine citizens who make their livings within the natural resources sectors – was realized. The conference shaped 75 proposals to strengthen these businesses that are presented in this report.

Summary of Recommendations for Action

Building upon the facilitated discussions of the Blaine House Conference, the members of the Conference Planning Committee offer the following three sets of recommendations. The first concerns ongoing maintenance of the collaborative effort started at the conference. The second addresses issues that “cut across” industry sectors. The third addresses specific industry sectors. **Before turning to these, we wish to state once again that the challenges facing Maine’s natural resource-based industries today are great and, in many cases, acute. They will not be addressed effectively except through strong, collaborative efforts among Maine’s private, public, and nonprofit sectors. Only these partnerships – combined with imagination and boldness – will be sufficient to brighten the prospects of these industries.**

1. Steering Committee. We recommend that the planning committee for the Blaine House Conference be permanently retained and re-named as a Steering Committee to:
 - Oversee and monitor progress in the implementation of the cross-cutting and sectoral recommendations below, and to report to the Governor on their progress on an annual basis, in November;
 - Create and implement a sustainable indicators and benchmarking project to track the health and well-being of Maine’s natural resource-based industries; to report progress on these indicators to the people of Maine on a biennial basis, in November of the year; and to make recommendations for program and policy changes to keep Maine on track;
 - Lead a coordinated visioning process (which takes into account information coming out of this conference) to develop a clear, comprehensive, balanced natural resource policy for Maine’s natural resource-based industries and goals within and across these sectors to move us towards a common vision;
 - Organize and conduct forums, as appropriate, for discussion and development of the many proposals and ideas put forward in the course of the Blaine House Conference;
 - Strengthen connections among industry leaders and establish a framework for action-oriented, positive discussion to bolster coordination and collaboration;
 - Undertake planning for a second Blaine House Conference, as appropriate, in the fall of 2005; and, in the meantime,
 - Carry out other such responsibilities as the Governor may wish to assign it, to advance the prospects of these industries.

At present the committee is comprised of representatives, one for each of the five sectors, from the cognizant state department and the scholarly community; and, for three sectors (aquaculture, fishing, and forestry), the private business community. We recommend that four additional persons be appointed; one each from private business in agriculture and tourism, and from the University of Maine System and the Community College System. We further suggest that staff support for the Steering Committee continue to be provided by the State Planning Office; and recommend that funding be sought from nonprofit sources for this ongoing monitoring and development effort, especially the indicators and benchmarking project and organization of the forums.

2. Cross-cutting Issues. 31 recommendations “cut across” the industrial sectors addressed at the Blaine House Conference and, frequently, across the responsibilities of several state agencies or departments, the University System, and the Community College System. For this reason, we recommend that the State Planning Office be charged with facilitating and monitoring their implementation; and it’s Director, with reporting on their progress in a timely manner to the Governor and the Steering Committee.
3. Sectoral Issues. The remaining recommendations are put forth by the state departments

involved in organizing the Blaine House Conference, within their areas of jurisdiction, based on the dialogue with industry members before and during the conference. We recommend that these agencies be charged with responsibility for their timely implementation, making good use of your Natural Resources Sub-cabinet as a forum for discussion; and that their commissioners report on their progress regularly to the Governor and the Steering Committee.

Based on the work before, during, and after the Blaine House Conference, we recommend the following:

Cross-cutting Issues

Access to the Natural Resource

1. Create a comprehensive action plan to address the enormous pressures that rising land values are placing on fishing, farming and forestry landowners
2. Support a new Land for Maine's Future bond
3. Strengthen Maine's service center communities as a primary strategy for stemming the ill-effects of sprawl on rural Maine
4. Increase public information on "Right to Farm" and "Right to Fish" laws

Market Development and Branding

5. Explore the possibilities for developing a coordinated marketing theme for all of Maine's natural resource-based industries
6. Develop and formalize strong working relationships with government and industry in Atlantic Canada
7. Create and strengthen links between Maine agricultural entities and fisheries and Maine restaurants

Strengthening Small Business Support

8. Develop a comprehensive, natural resource-based industries education and skill development program
9. Develop affordable workers' compensation, group health, dental, and long-term care insurance options
10. Access adequate seasonal labor
11. Facilitate the development of cooperative and aggregated purchasing options

Objective Data, Research, and Science for Policymaking

12. Enhance and focus the natural resource research and development agenda in Maine's University System
13. Increase the state's capacity to provide certain technical assistance to the natural resource-based industries

14. Continue to support state investment in research and development through bonding, as resources allow

Clear, Predictable Public Policy

15. Develop a clear, comprehensive, balanced natural resource policy for Maine that recognizes the importance of these industries to Maine
16. Establish a benchmarking process for the natural resource-based industries

Tax Policy and Economic Development Incentives

17. Eliminate the personal property tax on machinery and equipment for investments made after April 2004
18. Develop a regulatory support system for all small businesses in these industries
19. Develop a comprehensive plan for reducing energy costs across all industries
20. Improve access to technology and financial assistance by taking development resources to the regions
21. Study the potential elimination or reduction of the sales tax for diesel fuel consumed on fishing vessels and in logging operations

Coordination/Collaboration across Industries & Government Agencies

22. Empower an inter-industry team to develop a long-term plan for developing productive, multi-use forests
23. Foster collaboration among tourism, aquaculture, and other uses of Maine's coast.
24. Create a clearinghouse of natural resource policy initiatives.
25. Formalize the work of the Blaine House Conference on Natural Resource-based Industries planning committee into a standing steering committee to the Governor

Public Infrastructure

26. Give priority to the implementation of the Maine Department of Transportation's *Explore Maine* passenger transportation plan
27. Give priority to the implementation of the Maine Department of Transportation's Integrated Freight Plan
28. Set up an interagency working group to identify the infrastructure and services necessary to support Maine's natural resource-based industries
29. Create a state strategic plan for developing and maintaining public warehousing capacity
30. Continue to support state investment to construct affordable workforce housing
31. Increase the development and placement of historical and interpretive signage

Sectoral Issues

Agriculture

32. Establish a statewide policy on water use for agricultural purposes
33. Expand the Department of Agriculture's existing agricultural water development program
34. Value working farmland
35. Explore options for preserving farmlands
36. Build on current agricultural land protection programs
37. Create a Local Agriculture Development program
38. Help commodity agriculture farms maintain or improve their cost competitiveness

Fisheries and Aquaculture

39. Create the best possible outcomes for Maine fishermen from Amendment 13
40. Support the Groundfish Task Force
41. Restore the balance between conservation and resource use in the Sustainable Fisheries Act
42. Facilitate consensus-building within the recreational and commercial fishing communities
43. Direct the Department of Marine Resources to undertake a long-range planning process
44. Support legislation to add "fisheries" to the list of purposes for which a conservation easement may be established
45. Support additional bond funding for the Small Harbor Improvement Program
46. Support state funds for acquisition of public water access sites through the Land for Maine's Future Program
47. Explore the possibility of an infrastructure bond package to support commercial water access and key working waterfront facilities
48. Set priorities for cold water marine research
49. Expedite the plan for the Maine Institute for Cold Water Aquaculture at the University of Maine
50. Support bond funding for cold water marine research in the Gulf of Maine
51. Support the vision and principles for aquaculture established by the Aquaculture Task Force
52. Carefully review and, if appropriate, adopt Aquaculture Task Force recommendations
53. Develop and implement an aquaculture public information plan
54. Encourage other state agencies to support aquaculture

Forestry

55. Identify strategies to recruit and retain loggers
56. Examine ways to reduce energy costs
57. Examine ways to reduce transportation costs
58. Examine state's tax policies and their impact on investment in forestry
59. Analyze how to make Maine's forest products industry more competitive
60. Determine the attitudes of Maine citizens regarding the forest products industry
61. Develop creative partnerships between managed forests and tourism and outdoor recreation
62. Replenish the Land for Maine's Future Program
63. Use the state's Forest Certification Initiative to enhance marketing of Maine's forest products
64. Focus on the unique attributes and competitive advantages of Maine's wood species to grow this industry
65. Evaluate the potential of carbon trading
66. Create a "Market Development Alliance" to focus the industry on entrepreneurship and develop outreach and education programs and mentoring opportunities
67. Track forestry information needs
68. Examine trade policies that contribute to declines in forestry manufacturing

Tourism and Outdoor Recreation

69. Convene a development committee to develop degree, research, and extension programs in Hospitality and Recreation
70. Broaden the Department of Economic and Community Development's tourism capabilities
71. Improve tourism and recreation business incentives
72. Coordinate recreational land-use management
73. Establish processes to bring sustainable development criteria into tourism planning
74. Increase the state's to provide certain technical assistance to municipalities seeking tourism industry growth
75. Explore a comprehensive Maine branding campaign