



Testimony of

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Before the Committee on Transportation regarding LD 236 – An Act to Amend the Definition of “Reportable Accident”

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Senator Diamond, Representative Martin and members of the Committee on Transportation, my name is Dana Doran and I am the Executive Director of the Professional Logging Contractors of Maine. The Professional Logging Contractors of Maine (PLC) is a trade association that represents logging and associated trucking contractors throughout the state of Maine. The PLC was formed in 1995 to give independent contractors a voice in a rapidly changing forest industry.

As of 2017, logging and trucking contractors in Maine employed over 3,900 people directly and were indirectly responsible for the creation of an additional 5,400 jobs. This employment and the investments that contractors make contributed \$620 million to the state’s economy. The PLC membership, which includes 200 contractor members and an additional 100 associate members, employs over half of the individuals who work in this industry and is also responsible for 80% of Maine’s annual timber harvest.

Thank you for providing me the opportunity to testify on behalf of our membership regarding LD 236 – An Act to Amend the Definition of “Reportable Accident”. While the PLC appreciates the intentions of Representative Hepler and the other co-sponsors of this legislation, we cannot support the inclusion of “domestic animals” in the current statute as it will have unintended consequences upon our industry at a time when timber harvesting and hauling businesses are reeling.

The forest products industry in Maine was in the midst of a reinvention process until the onset of COVID 19 and the digester explosion at the Jay mill in April 2020. From 2011 to 2016, Maine experienced the closure of five pulp and paper mills and the periodic idling of two wood energy electric facilities. As a result, Maine lost 50 percent of its softwood pulp market and has also seen a two-million-ton reduction of biomass utilization. Between 2014 and 2016, the total economic impact of the forest products industry fell from \$9.8 billion to \$8.5 billion, and more than 5,000 jobs were lost.

Forest Products Industry

	2011	2014	2016
Total Economic Impact	\$8.5 billion	\$9.8 billion	\$8.5 billion
Total Jobs	38,789	38,956	33,538

However, the forest industry was in the midst of a comeback. From 2017-19, there was over \$1 billion of new investment in manufacturing upgrades. New markets were being announced from cross laminated timber to wood insulation made out of wood.

Maine's loggers and truckers harvest the raw material to support over \$8 billion in value-added wood and paper product manufacturing annually. Their work is so important that the U.S. Department of Homeland Security deemed the forest products industry as part of the essential critical infrastructure workforce during the COVID-19 response. Given how vital this workforce is to the Maine economy, it is alarming that loggers in Maine have reported 40-50 percent losses this past year due to COVID-19.

The negative impacts of the pandemic on the forest products industry began here in the state one year ago as a result of reduced export capability and have steadily worsened. In mid-March 2020, COVID-19 crashed lumber markets as housing starts ground to a halt. In the months since, paper mills across the state have shut down for periods of time or drastically cut output in response to reduced global paper consumption.

As a result of mill closures and curtailments due to COVID 19, it led to a 30% reduction in harvesting capacity and the layoff of nearly 1,000 people in harvesting and hauling. This means that over 11,000 truckloads of wood were not delivered to a Maine mill in 2020. Further, for an industry that is responsible for over \$620 million of direct economic impact each year, it will mean a direct loss of over \$186 million of economic activity as a result.

I provide all of this context because now is not the time to add burden and cost to contractors in our industry. The bill before you, while well intentioned, will create economic catastrophe for almost all of our membership with any type of automobile exposure. Not only could it increase their insurance rates immediately as result of this new reportable exposure, but it also has unknown tangential consequences.

To illustrate the tangential consequences, I would like to raise two issues, knowing that they only scratch the surface with the impacts of this bill.

First, what is the definition of a "domestic animal"? This is quite subjective and may be different in various parts of the state and even more so in the eye of the beholder. In our industry, would the commercial timber hauler need to report the death or injury of any animal strike if it is deemed to be "domestic"? Would they be held liable if they didn't notice that there was an animal strike that perhaps occurred outside of their sight line?

Second, what will be the impact be upon commercial vehicle investigations. In the current statute, 29-A MRSA §2251, if any accident results in bodily injury or death, it triggers a Commercial Vehicle investigation, if the vehicle weighs in excess of 10,000 lbs. Thus, if "domestic animal" is included in the statute and an animal strike causes a death to the animal, as it reads now, it will trigger a commercial vehicle investigation. This one small change could trigger devastating economic losses to the company, to the supply chain and it could also lead to increased pressure on an already strained commercial vehicle inspection group in the state police.

There are a myriad of other unintended issues with this bill, but at this point in time when logging contractors are already economically challenged because of the pandemic and the explosion at the Jay mill, this is not a time to add further cost, confusion or market disruption. For these reasons, we ask the committee to vote ought not to pass on this legislation and I would be happy to answer any questions you might have.