



Testimony of

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Before the House and Senate Committees on Appropriations Regarding the FY25 Budget

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Senator Kitchell, Senator Perchlik, Representative Lanpher, Representative Scheu and members of the Senate and House Committees on Appropriations, my name is Dana Doran, and I am the Executive Director of the Professional Logging Contractors of the Northeast (PLC). It is a pleasure appearing before you today and thank you very much for inviting me to testify on the FY25 Budget.

As background, the PLC is a trade association that was created in 1995 to represent logging and associated trucking contractors throughout the state of Maine. In May 2023, the membership voted to expand its presence to become a regional trade organization and begin representing contractors in the region, including the state of Vermont. The PLC now has three Board Members from Vermont, Sam Lincoln, Lincoln Farm Timber Harvesting, Randolph Center; Jack Bell, Longview Forest, Inc., Hartland; and Gabe Russo, Southwind Forestry, LLC, Pawlet and has also accepted 15 new contractor members from the state of Vermont since early October. The PLC is also excited to begin representing VT harvesters and haulers during the 2024 legislative session.

Timber harvesting and hauling are distinct and impactful components of Vermont's rural economy. Occupations from this industry are inextricably linked to the health and long-term management of Vermont's forests, which cover 75% of the state. The state's reliance on healthy forests requires focus and engagement on policies and programs that support a strong and vibrant forest economy.

Vermonters use and benefit from forest products in many aspects of their everyday lives. They frequent public and private forests for outdoor recreation and much of the access to this land is enabled and enhanced by forest operations. Continued management of Vermont's forests, and the revenue generated by the hardworking harvesting and hauling contractors, will allow these traditions to continue and will keep Vermont's forests forested for generations. Local wood = local good and Vermont's goals for housing, climate resiliency and workforce investment can be met by supporting timber harvesting and hauling both now and for the future.

Policy and Funding Priorities for the FY25 Budget

Over the past four months, the PLC and a steering committee of 12 logging companies has been working to develop policy initiatives that would help Vermont contractors deal with highly variable weather conditions and also set the stage for future investments and workforce development strategies. Also, during this time, the PLC has been working with Representative Katherine Sims, Representative Jed Lipsky, the House Agriculture, Food Resiliency and Forestry (HAFF) Committee, staff in the Scott Administration, including the Department of Forests, Parks and Recreation and the Department of Environmental Conservation to develop and implement these priorities. I will review the overall platform with you today, but these priorities have and will come before both of your Committees later this session in the form of BGAP recommendations HAFF and in the form of H.624, An Act Relating to Providing Financial Assistance to the Forest Economy, a bi-partisan effort championed by Rep. Sims and Rep. Lipsky.

Flood Relief for Logging Contractors

- Due to excessive precipitation, including the floods in July and December of 2023, and a lack of frozen conditions over the last two winters, logging contractors have experienced 16 consecutive months of unsuitable ground conditions for harvesting and hauling timber from Vermont's forests.
- Many timber harvesting operations were shutdown entirely for weeks before and after the July flooding and only worked sporadically in a four-month (July-October) period. Logging contractor damages have primarily been revenue loss (as opposed to property damage) which is uninsurable.
- These small rural businesses have experienced as much as a 30% revenue loss for 2023, with the total revenue loss in the hundreds of thousands of dollars per business.
- A survey of logging and trucking businesses conducted by VFPR in July 2023 noted that losses exceeded \$2.5 million, with nearly 96% of reported losses from economic damage (business interruption).
- The administration was asked to include losses for logging contractors in the BEGAP relief program in July but were told that revenue loss was not being included in any of the programs. The federal delegation was also approached, but there are no federal programs for logging contractors without new legislation, therefore they could not offer any relief.
- HAFF voted unanimously previously this session to support a relief effort, with a request for \$1 million to be appropriated for a **one-time (not ongoing)** logging contractor relief program among the priorities they sent to House Appropriations for BAA, but it was not included in the BAA.
- The General Assembly should fund this relief program in the FY25 budget.

Harvesting Adaptation and Resilience Incentives

As a result of the severe rain events and prolonged periods of saturated soils in VT during 2023, the unprecedented warm winter of 2022/2023, and an ever-changing climate, the cost of water quality protection is rapidly increasing for forest operations. Logging contractors are expected to absorb these costs for pre-harvest preparation that will protect soils and infrastructure and reduce and/or eliminate sedimentation and phosphorous runoff, during and after harvests. They

need financial assistance to ensure the most durable practices are consistently implemented at the beginning of any harvest.

A decades old program that is operating successfully, close to Vermont, which could act as a model for implementation, is the New York Watershed Agricultural Council (WAC)'s forest management implementation program. WAC incentivizes logging contractors to implement best management practices to enhance water quality protection measures during forest operations in the Catskill Mountains.

H.624, as introduced in the HAFF Committee by Reps. Sims and Lipsky, proposes to create the Harvesting Adaptation and Resilience Program (HARP), a new program that replicates similar work successfully carried out in the New York City watershed to use forest operations to protect water supply. HARP will provide payments to logging contractors for specific materials and practices that can be utilized for forest road construction, land preparation, culverts and sediment control in advance of harvest implementation. Examples include erosion control measures on skid trails (mulch, seed, waterbars, straw wattles); right sized culverts, geotextile fabric, and gravel or stone on access roads and landings; and bridges for temporary stream crossing structures during logging. This program will ensure logging contractors can continue to affordably implement water quality protection measures and enhance ecosystem protection.

If funded, HARP would also provide parity for logging contractors in working lands programming. Millions of dollars each year are spent on necessary agricultural water quality protection programs, but only tens of thousands are spent to assist forestry operations. HARP funding for statewide implementation would cost \$2.5 million annually. Each dollar invested in this resiliency program is also a dollar invested in clean water, the working lands, and rural economy.

Thank you for the opportunity to provide background on our organization and an overview of our policy priorities to be include in the FY 25 Budget. We would respectfully ask that funding for flood relief and HARP be included in the 2025 Budget once recommendations are moved forward from HAFF.