



PINGREE ASSOCIATES, INC.

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Maine Department of Environmental Protection
Attn. Jeffrey Crawford
17 State House Station,
Augusta, ME 04333

**Testimony in Support of DEP petition #176 to withdraw much of Maine from the Ozone Transport
Region**

Dear Jeffrey Crawford,

Pingree Associates, Inc. supports petition #176 to withdraw much of Maine from the Ozone Transport Region, as it avoids costly standards, while maintaining Maine's exemplary track record for environmental standards. Pingree owns approximately 820,000 acres of commercial timberland in Maine, which we have owned since the 1840's. Our forest provides wood to numerous mills, particularly in rural regions of Maine where the forest products industry is the major employer. We also own a hardwood sawmill with kilns, and a chipping facility, all of which are subject to air quality standards and regulations. When we operated a flooring plant in Ashland from 2012 to 2017 we had to send the flooring to Canada to be finished. Maine's prohibitively costly VOC standards were out-weighted by the inefficiency of additional transportation costs. In the end neither proved cost effective.

Our sawmill has a biomass boiler that utilizes saw dust, chips, and other residuals produced from the sawmill to create steam to heat the buildings and to utilize in the dry kilns. Under certain circumstances under the OTR any additional kilns added to the facility could require the utilization of VOC or NOx offsets under LAER. Utilizing BACT emissions controls would not require the capital required under LAER, while still maintaining Maine's high air quality standard. Maine has been in attainment with ambient air quality standards for ozone for many years, even though the acceptable level has been lowered over time. We get bad air from points to our south and as DEP's petition -- based on the EPA's own data and models -- shows, sources in Maine do not significantly or meaningfully contribute to ozone problems.

Maine's forest products industry is the largest industry in the state with far reaching economic implications for the entire region. The economic juggernaut that is pulp and paper in the state is growing once again after shrinking with several mill closures two years ago. Woodland Pulp and St. Croix tissue have made significant investments in Washington county, and are in the process of investing further capital. The OTR is a constraint on their growth potential, even though the regulations do not further or improve their environmental excellence. They were able to generate offsets in the past, but other companies do not have that luxury and have to purchase these VOC offsets in a convoluted and high price marketplace.

The State of Maine and our Federal delegation in conjunction with the forest products industry have been working hard to grow and evolve Maine's forest economy. EPA's data clearly show Maine has been in attainment with ambient air quality standards for ozone for many years. Maintaining that high standard is necessary, but the OTR has not aided and is a detriment to the states economic growth potential. Industry will still have to maintain a high standard of environmental controls but requiring the purchasing or utilization of offsets is counterproductive. Our forest economy is the closest and most sustainable natural resource to the largest consumer market on the planet, the northeastern seaboard of the United States. The closer you are to market, the more efficient and environmentally friendly the logistics become. This is exemplified by LEED certified buildings, that give beneficial ratings to any raw material procured and produced within close proximity to the building site.

It is incredibly important for the future of the Maine forest economy to not be limited by regulations that do not create a meaningful difference environmentally. Maine has an excellent track record and current facilities are meeting and exceeding the environmental standards that are in place. By opting out of the OTR Maine will continue to maintain and improve its excellent environmental standards but would have an increased ability to attract capital investment that can grow the Maine economy as a whole. A recent report by the Maine Department of Labor projects less than 100 jobs to be added to the Maine economy by 2026 under current conditions. Maine should be doing all that it can to improve the prospects of the Maine economy, opting out of the OTR will remove excessive costs from our state's already high barrier of entry to new and growing businesses.

Thank you for your consideration.

Sincerely,



Alexander R. Ingraham

