

February 26, 2009

Senator John M. Nutting, Chair
Representative Wendy Pieh, Chair
Joint Standing Committee on Agriculture, Conservation & Forestry
100 State House Station
Augusta, Maine 04333-0100

Re: *Study of Statewide Market for Forest Products Harvesting and Hauling Services*

Dear Senator Nutting, Representative Pieh and members of the Joint Standing Committee on Agriculture, Conservation and Forestry:

I am pleased to submit the Study of the Statewide Market for Forest Products Harvesting and Hauling Services authorized by Resolve Chapter 189 of the 123rd Legislature.

We were asked to examine competition within the industry and determine what, if any, changes are necessary to ensure reasonable rates of compensation for loggers and haulers. We were unable to undertake a traditional antitrust market analysis, due to an inability to obtain comprehensive data about market participants and contract rates. It was clear to us that the forest products industry is facing substantial pressures, both global and domestic. As you will see, our recommendations are more in the nature of general suggestions rather than specific proposals for legislative action.

The Study is a culmination of months of research, including numerous interviews with forest products harvesters, haulers and landowners. My staff was assisted in this endeavor by representatives of the State Planning Office, Maine Forest Service and the Maine Department Labor, and retained the consulting services of the Irland Group of Wayne, Maine.

Please feel free to contact me if you have any questions regarding this study.

Sincerely,

(signed)

JANET T. MILLS