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STATE OF MAINE

DEPARTMENT OF THE ATTORNEY GENERAL

AUGUSTA, MAINE 04333

September 24, 1978

Honorable Jasper S. Wyman Webb Road, R.F.D. 1 Pittsfield, Maine 04967

Re: Relationship of Crown Limitation and An Act Relating to the Transportation of Primary Wood Products.

Dear Representative Wyman:

This responds to your request for an opinion on the applicability of An Act Relating to the Transportation of Primary Wood Products, P.L. 1977, c. 676, to the so-called "crown lumber limitation" of wood products of Quebec, RSQ 1964, c. 93, and whether Chapter 676 is applicable to the crown lumber limitation.

Chapter 676 enacted 35 M.R.S.A. § 1560, sub-§ I, the last paragraph. For the purposes of this opinion, the new paragraph provides that if any province prohibits in any way, the transportation of wood, pulpwood or logs from that province to Maine, then similar restrictions shall be imposed by Maine on the residents of that province who transport wood, pulpwood or logs from Maine to that province. The limitations of the new paragraph do not apply to sale of sawlogs and pulpwood but do apply to transportation and methods of transportation of sawlogs and pulpwood.

The crown lumber limitation is adopted by RSQ 1964, c. 93.* It provides that all wood derived from the public domain in the Province of Quebec must be processed in Quebec. C. 93, § 2. The Quebec Government may, under certain circumstances, waive this rule and authorize shipment of incompletely processed wood derived from a public domain to another province in Canada but not, apparently, to any State in the United States. C. 93, § 3. Further, the Quebec Government may impose such other limits on the quantities of wood that may be harvested from the public domain as it deems necessary. C. 93, § 4. The provisions of the Forest Products Act apply to all forest concessions issued by the Province of Quebec, C. 93, § 7.

The effect of the crown lumber limitation, in this context, is to prohibit the export from Quebec to Maine of pulpwood, sawlogs and tree length logs which were cut on the public domain in Quebec.

* A copy of Chapter 93, the Quebec Forest Utilization Act, is attached to this opinion as an appendix.

Resolving the questions you have posed requires determination of three issues:

1. Whether the crown lumber restriction imposed by RSQ 1964, c. 93 is a restriction on transportation, subject to the reciprocal requirements of Chapter 676 or a restriction on sales which is exempt therefrom.

2. Whether, if the Quebec restriction is a restriction on transportation, the reciprocal provisions cause the Maine law to become a control on exports and thus invade the exclusive prerogatives of the United States in areas of control of foreign policy and foreign commerce pursuant to Article I, § 8, Clause 3, of the United States Constitution?

3. If the reciprocal restriction imposed by Maine is one which is permissible under the United States Constitution, what is its impact on the current commerce between Maine and the Province of Quebec?

TRANSPORTATION OR SALES RESTRICTION

Our review of the crown lumber restriction law convinces us that it is, indeed, a restriction on transportation of unprocessed wood within and out of the Province of Quebec. We base this conclusion particularly on the provisions of C. 93, § 3, which notes that the Quebec Government may make exceptions to the rule to authorize "shipments" to another province of Canada. If it is the "shipment" which may be authorized by the exception, not the sale of the wood product, then it is the shipment of the product which is restricted and such a restriction is a transportation restriction subject to application of the reciprocal provisions of 35 M.R.S.A. § 1560, sub-§ I, last paragraph.

FOREIGN AFFAIRS AUTHORITY:

The United States Constitution at Article I, Section 8, the Third Clause, specifies that:

"The Congress shall have power . . . to regulate commerce with the foreign nations, and any of the several States, and with the Indian tribes."

Since its enactment, this clause has been interpreted to vest in the United States Government the exclusive authority to regulate the foreign affairs and foreign commerce. Gibbons v. Ogden, 22 U.S. 1, 196-222 (1824); Henderson v. Mayor of New York, 92 U.S. 259 (1875); Board of Trustees of Univ. of Illinois v. United States, 289 U.S. 48 (1932); United States v. Arjona, 120 U.S. 479 (1887); Chy Lung v. Freeman, 92 U.S. 275 (1875); United States v. Elliott, 266 F. Supp. 318 (S.D.N.Y., 1967). For reasons discussed below, we do not view the reciprocal restrictions imposed by P.L. 1977, c. 676, as violative of the Federal Constitution's exclusive reservation of foreign policy and foreign commerce control to the United States Government. Further, we would note that any impact on foreign policy and foreign commerce occasioned by implementation of the provisions of Chapter 676 would only have incidental effect on Foreign commerce, and such incidental effects have been allowed in cases such as Portland Pipeline, Inc. v. Environmental Improvement Commission, 307 A.2d 1, 31 - 36 (Me., 1973).

IMPACT ON CURRENT COMMERCE WITH QUEBEC:

The effect of the crown lumber limitation is to prohibit the export from Quebec to Maine of pulpwood, sawlogs or tree length logs grown on the public domain in Quebec. Because this limitation is a transportation restriction, as discussed above, and because, in our view, there is no violation of the foreign policy and foreign commerce powers of the United States by Maine imposing a reciprocal restriction on Quebec, the provisions of law enacted by P.L. 1977, c. 676, are operative to impose reciprocal restrictions on unprocessed wood grown on the public domain of the State of Maine. This does not, however, have a significant effect on the commerce between Maine and Quebec because of the very limited amount of unprocessed wood originating on state owned land in Maine.

The State of Maine would be perfectly within its rights in adopting a statute saying that wood grown on state-owned land could only be processed in Maine. Similarly, by reciprocal effect of 35 M.R.S.A. § 1560, sub-§ I, the State can adopt such a restriction on sales of wood grown on state land.

It must be emphasized, however, that the restriction imposed by the reciprocal enforcement of RSQ 1964, c. 93 upon the sales of wood from public domain land in Maine is limited to state owned land, such as the State parks, Baxter State Park and other State owned facilities. It would not apply to sales of wood from privately owned land in Maine. Nor could the State of Maine in any way restrict sales or transport of wood from federal reservations in Maine, such as the White Mountain National Forest or the Moosehorn National Wildlife Refuge.

However, as long as the crown lumber restrictions of c. 93 remain in effect, wood cut on the public lands of the State under any license, agreement, commission from the State, or any other source of authority, should not be transported to Quebec in an unprocessed state as pulpwood, sawlogs or tree length logs. The State should amend any forms permitting cutting of wood on state property to include this provision. Further, in the same manner as provided in § 7 of Chapter 93, existing contracts allowing cutting of wood on State-domain should be considered amended to prohibit export of the unprocessed wood to the Province of Quebec.

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The State would not have authority to restrict transportation of unprocessed wood from private lands, nor do the provisions of Chapter 676, reciprocally enforcing the crown lumber limitations, purport to apply such restrictions. Any restrictions which the State of Maine attempted to impose on export from the State of wood cut from privately owned land would be violative of the exclusive power of the Federal Government to regulate interstate and foreign commerce, as indicated in the cases noted above. This problem would apply regardless of whether the restriction was placed on wood being cut and sold for transport to a foreign nation, such as Quebec and Canada, or wood cut and sold for transportation to another state of the United States.

Further, it must be emphasized that application of this restriction to sales of wood from publicly owned land in no way affects the transport of unprocessed wood into Maine from Quebec to the extent such transport presently occurs as a result of operations on privately owned lands in Quebec or operations on lands in Maine where the wood carriers travel from Maine through Quebec to processing facilities in Maine.

Because of the much larger percentage of public domain land (land under the ownership or contractual control of the Province of Quebec) in Quebec than state-owned or controlled land in Maine, the impact of the crown lumber restriction, now reciprocally applied to Maine, is and remains more significant on transport and availability of wood in Quebec for transport to Maine than it does on availability of wood in Maine for transport to Quebec. However, this is the effect of reciprocal application in terms of the law, and such reciprocal application cannot be extended beyond the terms of the law to sales and shipment of wood from privately owned land in Maine, which is where the great bulk of commerce in unprocessed wood from Maine to Quebec originates.

I hope this information is helpful.

Sincerely,

DONALD &. ALEXANDER Deputy Attorney General

DGA:jg

cc: Hon. John Martin Hon. Donald Hall Richard Barringer Charles Wyman Maj. Albert Jamison Robert True - P.U.C.



CHAPITRE 93

Loi de l'utilisation des ressources forestières

SECTION I

DÉFINITIONS

1. Dans la présente loi, à moins que Laserpréta son: les termes suivants signifient:

convention de quelque nature que ce soit, farming-out, or agreement of any kind accordant à une personne, société ou cor- granting to any person, firm or corpora-poration, sous l'empire d'une loi quel- tion, under any law, the right to cut wood conque, le droit de couper du bois sur un on any land or lands of the public domain ou des terrains du domaine public de la of the Province; province:

Consemb) « consommateur »: toute personne, société ou corporation ayant son domicile corporation having his domicile or its ou, selon le cas, son siège d'affaires dans place of business, as the case may be, in la province de Québec et y publiant ou the Province of Quebec and there pubimprimant, ou y faisant publier ou im- lishing or printing, or there causing to be

lares

lans le Québec.

C produit tier) bois par des procédés mécaniques, chimi- pulp by mechanical, chemical or other ques ou autres. 4-5 Eliz. II, c. 26, a. 1 processes. 4-5 Eliz. II, c. 26, s. 1 (part). (partie).

SECTION II

UTILISATION DES RESSOURCES FORESTIÈRES AU BÉNÉFICE DE LA PROVINCE

Bois doit etre ouvré de la concession forestière dont dépende forest concession on which the right to le droit de coupe, doivent être entièrement cut the same is based, must be completely ouvrés dans le Ouébec.

1. In this act, unless the context indi-Interprele contexte n'indique un sens différent, cates a different meaning, the following tation: terms mean:

CHAPTER 93

Forest Resources Utilization Act

DIVISION I

DEFINITIONS

a) « concession forestière »: tout permis, (*a*) "forest concession": any license, "forest concession" and the concession and the concession and the concession and the concession and the concession" any license and the concession a

(b) "consumer": any person, firm or "con-

primer, un journal; c) « produit forestier »: le bois à l'état brut ou transformé en pâte ou pulpe de state or transformed into pulp or wood-product":

DIVISION II

UTILIZATION OF FOREST RESOURCES FOR THE BENEFIT OF THE PROVINCE

2. Nonobstant toute disposition lé- 2. Notwithstanding any legislative Wood must be gislative inconciliable avec la présente, provision inconsistent herewith, all wood processed tous les bois provenant du domaine public derived from the public domain of the in Quede la province, quelle que soit la nature Province, whatever be the nature of the bec. processed in Ouebec.

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Bois entièrement ouvré.

Le bois est entièrement ouvré au sens traitements et procédés de fabrication et passé par toutes les phases de transformation nécessaires pour le rendre propre à l'usage auquel il est finalement destiné, de telle sorte que ses produits aient acquis la forme définitive dans laquelle la marchandise doit être livrée au consommateur. 4-5 Eliz. II, c. 26, a. 27.

Exception.

3. Le lieutenant-gouverneur en conseil peut toutefois, par exception, autoriser l'expédition, dans une autre province du Canada, de bois non entièrement ouvré provenant du domaine public de la province de Québec, lorsqu'il le juge dans l'intérêt de cette dernière ou d'une de ses régions, en raison de conditions industrielles, économiques ou sociales particulières.

Permis spéciaux.

conseil.

de permis spéciaux, pour la quantité et aux conditions que détermine le lieutenant-gouverneur en conseil. 4-5 Eliz. II, **c**. 26, a. 28.

Cette autorisation est donnée au moyen

Pouvoirs 4. Le lieutenant-gouverneur en condu ltseil peut: gouv. en

a) limiter, pendant telles périodes qu'il spécifie, les quantités de bois qui peuvent être coupées sur les terres du domaine be cut on the lands of the public domain public de la province faisant l'objet d'un of the Province which are subject to droit de coupe en vertu d'une concession cutting rights under a forest concession; forestière;

b) imposer à toute personne, société ou corporation qui exploite une industrie forestière ou une entreprise dans laquelle sont utilisés des produits forestiers, l'obligation de faire des rapports attestés sous serment concernant les bois coupés, les bois ouvrés et ceux qui ont subi une transformation quelconque, et déterminer la reports and the time when they must forme de ces rapports, ainsi que le temps be filed; où ils doivent être produits;

c) déterminer les conditions, la forme et le mode d'émission des permis spéciaux mode of issue of the special permits accordés en vertu de l'article 3, ainsi que granted under section 3 and the fees les honoraires payables sur l'émission de payable on the issue of any such permit; tout permis de cette nature;

d) décréter toutes autres dispositions conciliables avec la présente loi qu'il juge sistent with this act as he deems expedient

Wood is completely processed within . de la présente loi lorsqu'il a subi tous les the meaning of this act when it has undergone all the treatments and processes of manufacture and has passed through all the phases of transformation necessary to render it suitable for the use to which it is intended finally to be put, in such manner that the products thereof have acquired the definitive form in which the merchandise is to be delivered to the consumer 4-5 Eliz. II, c. 26, s. 27.

> 3. Nevertheless, the Lieutenant-Gov-Eernor in Council may, by way of exception tion, authorize the shipment to another Province of Canada of incompletely processed wood derived from the public domain of the Province of Quebec, whenever he deems it in the interest of the Province or of a region thereof, by reason of particular industrial, economic or social conditions.

Such authorization shall be given by means of special permits, for such quantity and on such conditions as the Lieutenant-Governor in Council may determine. 4-5 Eliz. II, c. 26, s. 28.

4. The Lieutenant-Governor in Coun-I---cil may:

(a) limit, for such periods as he may \tilde{a} specify, the quantities of wood that may

(b) oblige any person, firm or corporation operating a forest industry or undertaking in which forest products are used, to make reports under oath respecting the wood cut, the wood processed and the wood that has been transformed in any manner, and determine the form of such

(c) determine the conditions, form and

(d) enact such other provisions con-

Utilisation des ressources forestières

opportunes pour l'application des dispo- for the application of the provisions of this sitions de la présente section. 4-5 Eliz. Division. 4-5 Eliz. II, c. 26, s. 29. II, c. 26, a. 29.

5. Quiconque viole ou tente de violer 5 -4 x03 sente section ou d'un décret adopté en any provision of this Division or of any vertu de l'article 4 ou une condition d'un order made under section 4 or any condipermis accordé en vertu de l'article 3 tion of a permit granted under section 3 commet une infraction et est passible, is guilty of an offence and liable, for the pour la première infraction, d'une amende first offence, to a fine of not less than two d'au moins deux mille dollars et d'au plus thousand dollars nor more than five cinq mille dollars et, pour toute infraction thousand dollars, and for any subsequent subséquente, d'une amende d'au moins offence to a fine of not less than ten dix mille dollars et d'au plus cinquante thousand dollars nor more than fifty mille dollars, en outre des frais dans tous thousand dollars, in addition to the costs les cas

Si l'infraction est commise par une corprécédent.

Sans préjudice des sanctions ci-dessus, il y a lieu de croire qu'il sera expédié en which there is reason to believe that any contravention de l'article 2 ou en viola- will be shipped in contravention of section des conditions d'un permis accordé tion 2 or in violation of the conditions of en vertu de l'article 3, peut être saisi et, a permit granted under section 3, may sur preuve de la contravention, la confis- be seized and, on proof of the contravencation doit en être prononcée au profit tion, shall be confiscated in favour of the de la couronne. 4-5 Eliz. II, c. 26, a. 30. Crown. 4-5 Eliz. II, c. 26, s. 30.

6. Les poursuites résultant de l'arpoursuites. 4-5 Eliz. II, c. 26, a. 31.

SECTION III

CONDITIONS ESSENTIELLES DES CONCESSIONS FORESTIÈRES

7. Nonobstant toute disposition lésous son empire par le lieutenant-gouver- the Lieutenant-Governor in Council shall neur en conseil sont réputés être des con- be deemed to be essential conditions, ditions essentielles et sinc qua non de sine qua non, of every forest concession toute concession forestière et en faire and to form an integral part thereof, as partie intégrante, comme si elles y étaient if they had been expressly incorporated expressément incorporées. 4-5 Eliz. II, therein. 4-5 Eliz. II, c. 26, s. 32. c. 26, a. 32.

5. Whosoever infringes or attempts Infrigeou aide à violer une disposition de la pré- to infringe or assists in the infringement of penalty. in all cases.

If the offence is committed by a corpo-Corpoporation, ces amendes sont portées au ration, such fines shall be increased to ration. triple des montants spécifiés à l'alinéa thrice the amounts specified in the preceding paragraph.

Without prejudice to the aforesaid Seizure, tout bois en cours d'expédition, ou dont penalties, any wood in transit, or of etc.

6. Proceedings resulting from section Proceedticle 5 sont intentées sur autorisation du 5 shall be brought on the authorization ings. procureur général devant un juge des of the Attorney-General before a judge of sessions ou un juge de district. Seule, the sessions or a district judge. Part I la première partie de la Loi des poursuites only of the Summary Convictions Act sommaires (chap. 35) s'applique à ces (Chap. 35) shall apply to such proceedings. 4-5 Eliz. II, c. 26, s. 31.

DIVISION III

ESSENTIAL CONDITIONS OF FOREST CONCESSIONS

7. Notwithstanding any legislative Condigislative inconciliable avec le présent provision inconsistent with this section, forest article, les dispositions de la présente loi the provisions of this act and of every conceset de tout décret et règlement adoptés order and regulation made thereunder by sions.

SECTION IV

DIVERS

S. Relativement aux matières qui en Priorité. font l'objet, les dispositions de la section with, the provisions of Division II shall II prévalent sur celles de toutes autres lois prevail over those of all other acts and et de tous règlements adoptés en vertu of all regulations made under such acts de ces dernières. 4-5 Eliz. 11, c. 26, a. 33 4-5 Eliz. 11, c. 26, s. 33 (part). (partie).

DIVISION IV

MISCELLANEOUS

S. As regards the matters therein dealt Na

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