

MAINE STATE LEGISLATURE

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Majority Report

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Date: 6/20/17 Majority

L.D. 1626
(Filing No. H-524)

INLAND FISHERIES AND WILDLIFE

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
128TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 1121, L.D. 1626, "Resolve, Authorizing the Bureau of General Services within the Department of Administrative and Financial Services To Assume Ownership of the Forest City Project"

Amend the resolve by striking out the title and substituting the following:

'Resolve, Authorizing the Department of Inland Fisheries and Wildlife To Assume Ownership of the Forest City Project'

Amend the resolve by striking out everything after the title and before the summary and inserting the following:

'Sec. 1. Forest City Project. Resolved: That, if the provisions of sections 2 and 3 are met, the Department of Inland Fisheries and Wildlife is authorized to assume ownership from Woodland Pulp LLC of that portion of a dam and water storage project known as the Forest City Project, together with associated flowage rights, easements and related facilities, located on the East Branch of the St. Croix River in Washington County and Aroostook County and referred to in this resolve as "the facility." The authorization under this section is limited to that portion of the Forest City Project that is located within the territorial limits of the United States; and be it further

Sec. 2. Federal Energy Regulatory Commission contingency. Resolved: That the Department of Inland Fisheries and Wildlife may not assume ownership of the facility pursuant to section 1 unless the Federal Energy Regulatory Commission issues a written determination that no license issued by the Federal Energy Regulatory Commission to own or operate the facility will be required if the State owns the facility; and be it further

Sec. 3. Operation and maintenance agreement contingency. Resolved: That the Department of Inland Fisheries and Wildlife may not assume ownership of the facility pursuant to section 1 unless the State and Woodland Pulp LLC execute an agreement that provides that Woodland Pulp LLC and its successors will operate and maintain the facility at the direction of the State and in accordance with all applicable laws, rules and regulations and prudent industry practice, except to the extent that

COMMITTEE AMENDMENT

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1 Woodland Pulp LLC or its successors are prevented from doing so by an unforeseen
2 extraordinary event. The agreement must ensure that Woodland Pulp LLC and its
3 successors operate and maintain the facility in accordance with the agreement required
4 under this section at no cost to the State for a period of 15 years from the date the State
5 acquires the facility; and be it further

6 **Sec. 4. Project management. Resolved:** That the Department of Inland
7 Fisheries and Wildlife shall oversee the management of the facility if the facility is
8 acquired pursuant to this resolve.'

9 **SUMMARY**

10 This amendment provides that the Department of Inland Fisheries and Wildlife,
11 rather than the Department of Administrative and Financial Services as provided in the
12 resolve, may assume ownership of the dam and water storage project known as the Forest
13 City Project, together with associated flowage rights, from Woodland Pulp LLC if certain
14 contingencies are met. The contingencies that must be satisfied before the department is
15 authorized to assume ownership of the Forest City Project are that the Federal Energy
16 Regulatory Commission must determine that, once ownership is transferred, the State will
17 not be subject to a licensing requirement by that commission and that the State must enter
18 into an agreement with Woodland Pulp LLC that provides that Woodland Pulp LLC and
19 its successors will maintain and operate the Forest City Project, at the direction of the
20 State and with certain limited exceptions, for a period of 15 years from the date of the
21 transfer at no cost to the State. The amendment also removes the emergency preamble
22 and emergency clause.

FISCAL NOTE REQUIRED
(See attached)

COMMITTEE AMENDMENT



128th MAINE LEGISLATURE

LD 1626

LR 2356(02)

Resolve, Authorizing the Bureau of General Services within the Department of Administrative and Financial Services To Assume Ownership of the Forest City Project

Fiscal Note for Bill as Amended by Committee Amendment

Committee: Inland Fisheries and Wildlife

Fiscal Note Required: Yes

A(H-524)

Fiscal Note

Potential future biennium cost increase - General Fund

Fiscal Detail and Notes

The transfer of ownership of the dam and water storage project known as the Foresty City Project to the Department of Inland Fisheries and Wildlife (IF&W) is contingent on an agreement with current owner Woodland Pulp LLC to maintain and operate the Facility for a period of 15 years at no cost to the State. During that period any costs to IF&W are anticipated to be minor and can be absorbed within existing budgeted resources. The bill does not indicate what will happen after 15 years and the fiscal note assumes the State's ownership would mean it would assume all costs of operation and maintenance, which have been estimated between \$55,000 and \$80,000 annually.