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Natural Resource-based Industries: *Charting a New Course*

1st Annual Progress Report and Scorecard

Submitted to Governor John E. Baldacci

By: Governor's Steering Committee on
Natural Resource-based Industries



Acknowledgements

The 1st Annual Report and Scorecard of the Steering Committee to Coordinate and Oversee Progress of Implementation of Recommendations from the Blaine House Conference on Natural Resource-based Industries was prepared in accordance with the Governor's Executive Order 10 FY 04/05, February 9, 2004.

This report is available to download from the Governor's Steering Committee on Natural Resource-based Industries' web site: <http://www.state.me.us/spo/natural/gov/>.

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Introduction

The agriculture, aquaculture, fishing, forestry, and tourism and outdoor recreation businesses that make up Maine's natural resource industry are important to the state's character and culture, and especially to our rural economies. The goal of the Baldacci Administration is to unite these natural resource sectors in common cause and to place them on the track of truly sustainable development.

Governor Baldacci's commitment to strengthening these industries has been steadfast. In his first budget address to the Legislature in 2003, he promised to bring together local residents, industry representatives, conservationists, sports men and women, and recreational users to address the needs of Maine's natural resource-based industries. In March 2003, the Governor convened a summit of industry leaders to identify issues and concerns in each sector. The summit sparked a dialogue. It became clear that the industry shares common challenges and that a better understanding of their mutual issues is needed.

A six-month outreach process to in-

dustry stakeholder groups, trade associations, and nonprofit organizations helped to crystallize issues and to formulate ideas for new approaches by both government and private business. The process paved the way for the Blaine House Conference on Natural Resource-based Industries.

In November 2003, nearly 750 people from across the sectors met in Augusta to consider specific proposals to enhance each industry sector, as well as an array of issues that span all five sectors. Conference participants shaped 75 proposals that were presented to the Governor following the conference.

In the short interval between the conference and this report, it is too early to expect quantifiable outcomes from this initiative. Nevertheless, we have set in motion the processes that are needed to produce tangible results. Progress has been made on almost 90% of the 75 recommendations from the conference. This report describes the priorities set and the actions taken by both government and business.



Steering Committee

Governor Baldacci immediately acted on one of the conference recommendations and appointed a permanent steering committee to maintain the collaborative effort started at the conference and to monitor progress toward implementing its recommendations.

The Steering Committee to Coordinate and Oversee Progress of Implementation of Recommendations from the Blaine House Conference on Natural Resource-based Industries is comprised of 22 members from industry, the scholarly community, and state government. The Chancellor of the University of Maine System and the President of the Maine Community College System also serve as ex officio members.

The Governor asked Richard Barringer from the Muskie School of Public Service at USM and one of his senior policy advisors, Richard Davies, to co-chair the new steering committee. The State Planning Office staffs the committee.

The steering committee is tasked with reporting annually on progress toward implementing the recommen-

dations. It meets quarterly and monitors public and private efforts to strengthen these industries.

In its first six months, the steering committee set priorities and lent its status to give visibility to efforts to enhance the state's natural resource businesses. It has also:

- ✓ developed indicators to track the health and well-being of the industry;
- ✓ produced an e-newsletter to keep conference participants informed of progress; and
- ✓ crafted legislative proposals to implement several of the conference recommendations.

The committee is also responsible for creating a benchmarking system to track the vitality of Maine's natural resource-based industries and for organizing and conducting forums to craft some of the policy proposals that came out of the conference.

Lastly, the Governor asked the steering committee to plan a follow-up conference in 2005 to evaluate progress, make mid-course corrections, and solicit new ideas.



Cross-cutting Issues

The sectors that comprise Maine's natural resource-based industry each is wonderfully unique, fiercely independent, and distinctly separate. Yet, whether logging contractors, commercial fishermen, family farms, bed and breakfast operators, sports camp owners, or aquaculture farmers, there are undeniable commonalities and compelling links among them.

Individually, the sectors represent a relatively small portion of Maine's economy. But collectively, they start to amass political, financial, and market clout.

Many of the problems the individual sectors face are shared. The land from which they make their living is being sold for up-scale development. There is need for good, objective data on which to base business and policy decisions. Their tax burden is high. Their remote locations and small scale make it difficult to secure affordable insurance, to access technical assistance and worker training, and to participate in political processes or gain clout in the market place. The critical mass of support infrastructure on which many of these businesses

depend is fragile. As the world economy changes, the pressures on Maine's natural resource businesses demand a new and coordinated approach.

Conference participants offered 31 ideas to address their shared concerns. The Governor's steering committee selected five on which to focus in the first year. These include:

1. The pressures that rising land values are placing on Maine's natural resource industries.
2. The issues that affect Maine's natural resource industries' ability to compete, including controlling costs and enhancing business know-how.
3. The links between agricultural and fisheries entities and Maine consumers.
4. Market clout be developed through increased coordination, cooperation, and branding.
5. A comprehensive, coordinated higher education program for hospitality, tourism, and recreation be developed to enhance management and entrepreneurial skills.



Agriculture

Maine's farms benefit the public by providing fresh food, open space, wildlife habitat, and maintaining a landscape that has characterized the countryside since the time of European settlers. Maine agriculture is a vital component of rural Maine and a substantial contributor to the state's economy. Nevertheless, farm numbers have declined since the mid-1970s as:

- ✓ Farmers struggle to stay afloat financially.
- ✓ Drought results in significant crop losses and water use is contested among different users.
- ✓ Farmland is sold for residential and commercial development.
- ✓ Maine is at a competitive disadvantage in regional and global food market systems.

A bright spot is direct marketing of locally-grown agricultural products. This is an important and viable option and there are significant

growth opportunities for Maine farmers.

Farmers attending the Blaine House Conference considered these facts and came to consensus around a number of policy proposals.

Priorities include:

1. Local agriculture development represents the best opportunity for maintaining existing farms and for enticing new ones. Local agriculture needs to be recognized as an important component of Maine agriculture and receive appropriate program and policy support.
2. There needs to be a clear policy on agricultural water uses and programs to assure that farmers have adequate sources.
3. It is time to initiate comprehensive policies that help assure the availability of an adequate farmland base for the future.
4. Appropriate state policies can assist Maine's commodity agriculture improve its competitiveness.



Aquaculture and Fisheries

Fishing is important socially and economically to families and individuals who make their living from it and to the communities built around the ports and harbors along the coast. Maine's fishing heritage contributes to its cultural identity.

Today Maine fishing industry is in transition. Some fisheries are growing (shrimp and mussel aquaculture), but some are in decline while stocks rebuild (urchins). Lobster landings are up, but we need to continue to monitor the health of the stock. Groundfish stocks appear to be on the rise, but some important commercial species, such as cod, are in decline.

Fisheries are further stressed by the implementation of the updated Northeast Multispecies Management Plan (known as Amendment 13) that reduces fishing opportunities for Maine's groundfish fleet.

Nevertheless, current trends in groundfish biomass signal hope that groundfish stocks can be significantly rebuilt. Maine must plan ahead for the impacts of Amendment 13 and for a future day when groundfish stocks have returned to abundance.

Aquaculture has great potential for growth, but it remains controversial and symptomatic of increasing conflicts over coastal uses. The chal-

lenge is to accommodate and balance the various interests and concerns for coastal development and preservation.

Participants at the Blaine House conference agreed on 16 recommendations in five areas that need to be addressed:

1. To create the best possible outcomes for Maine fishermen from Amendment 13. Specifically, there is need to build more flexibility and balance into the Sustainable Fisheries Act that assures Maine's place in the groundfish industry.
2. There is need to take a more coordinated approach to fisheries management based on an ecosystem principles rather than a single-species approach.
3. Sufficient coastal access and docks and unloading facilities are needed to support our working waterfronts
4. Maine is a leader in cold water marine research. Funding for basic science, coordination with fishery managers, and awareness of research priorities are three areas that need more development.
5. The state needs to send a strong, clear message that aquaculture is a viable and sustainable industry that it supports for the long term.



Forestry

Maine's people have lived, worked, recreated, hunted, and fished in the woods for many generations. Forestlands provide environmental benefits that support wildlife, reduce pollution runoff to streams and lakes, and remove carbon dioxide found in the atmosphere. Timberlands provide the raw material for sawmills, paper mills, furniture makers, and other forest product businesses.

Maine's forest products industry faces unprecedented challenges in the global marketplace. The number of forest products industry jobs has been in steady decline for several decades. Yet, Maine has many competitive advantages: diversity of species, abundant timberland, low fire hazard, high quality wood and fiber, proximity to markets, an infrastructure to support pulp and paper manufacturing, and a work force that know the woods business.

Further, lumber production levels are 200-300% of 1970s levels. Forestry inventories are on the increase. Salaries are on the rise. Mills and logging operations are becoming more efficient in ways that will keep industry as a whole viable.

Continued capital investment in

Maine's sawmills and pulp and paper mills is critical to the future competitiveness and vitality of the forest products industry in Maine.

Four initiatives will move forward the recommendations of the Blaine House Conference:

1. The Governor's Advisory Council on the Sustainability of the Forest Products Industry, created to consider strategies to improve the competitiveness of the industry, will help implement the conference recommendations.
2. The Governor's *North Woods Legacy* policy initiative will strengthen the connection between economic well-being, conservation, recreation, and cultural heritage in the Maine woods; concepts generated at the conference.
3. The Future Forest Economy Project will identify growth opportunities in existing and potential new wood-using industries.
4. Maine's Forest Certification Initiative will increase forest lands that are sustainably managed and provide market advantages for Maine's forest products.



Tourism and Outdoor Recreation

All Maine tourism depends directly or indirectly on the state's beauty and natural attractions—from our clear mountain lakes to fresh-caught lobsters. Fishing, farming, and forestry supply tourists with appealing settings—active fishing villages, coastal vistas, open farmland, orchards, and a vast forest domain with all its mountains, lakes, and wildlife habitat. Well-managed tourism helps preserve, protect, and restore Maine's natural resources and the industries that depend on them. In turn, tourism will flourish in the future only if this rich and multifaceted natural endowment is sustained.

Commercial tourism is not one industry, but a diverse mix of goods and services. It ranges from motels and sporting camps to whale watching tours and Maine guides, to gas stations and variety stores. New entrepreneurial skills and business management capability can help grow tourism-related businesses into world-class service operations that can compete nationally and globally.

Tourism activity tends to be concentrated along our coastal beaches and the Route 1 corridor and on some of the inland lakes in the summer. One challenge is to manage the overcrowding and environmental impacts of these popular tourist destinations. Another is to attract visitors to Maine's inland lakes and mountains in way that does not overburden the localities where new tourists go.

All conference participants agreed that:

1. Investments in higher education, training, research, and extension for the tourism sector are needed.
2. We must move beyond the limited state role of marketing and promoting Maine as a tourism destination and deliver a range of services and incentives for tourism planning, development, and management.
3. We must improve our understanding of *sustainable* tourism and recreation growth in both highly developed and underdeveloped regions.



Scorecard Summary of 75 Blaine House Recommendations

The scorecard below lists the 75 recommendations from the Blaine House Conference on Natural Resource-based Industries and key activities that have taken place over the past year. We summarize the progress to date for each recommendation as good, some, or none.

Overall, the state and its partners have made good or some progress almost 90% of the recommendations. Good progress is reported on one-quarter of the recommendations and some progress on just over 60% of them. 12% of the recommendations have not yet been tackled.

	<u>Good Progress</u>	<u>Some Progress</u>	<u>No Progress</u>	TOTAL
<u>Cross-Cutting Issues</u>	7 (22)	16 (52)	8 (26)	31 (42)
<u>Agriculture Issues</u>	1 (14)	5 (72)	1 (14)	7 (9)
<u>Fisheries/Aquaculture Issues</u>	3 (19)	13 (81)	0 (0)	16 (21)
<u>Forestry Issues</u>	5 (26)	9 (64)	0 (0)	14 (19)
<u>Tourism/Outdoor Recreation Issues</u>	3 (43)	4 (57)	0 (0)	7 (9)
	19 (25)	47 (63)	9 (12)	75 (100)
	68			
	(88)			

Notes:

- Figures indicated represent raw numbers; figures in parentheses represent percentages.
- Estimates of progress have been made by staff to the steering committee and departmental liaisons. They do not necessarily represent the judgment of the steering committee or its individual members.

Scorecard

Access to the Natural Resource		
Status	Conference Recommendation	Public and Private Activities
Some progress	1. Create a comprehensive action plan to address the enormous pressures that rising land values are placing on fishing, farming, and forestry land owners	<ul style="list-style-type: none"> ✓ The Governor's tax reduction proposal, which includes permitting municipalities to value the homestead land of principle residences at current use, will help lower property taxes on some farms and waterfront homes. ✓ A traditional industries development bond and complementary legislation is under consideration that seeks to preserve farmland and protect working waterfronts, among others. ✓ The Working Waterfront Coalition proposes to purchase development rights for existing working waterfront property. ✓ The Dept of Transportation has proposed "Quality Community" and "Transportation and the Economy" initiatives that support access to the resources.
Some progress	2. Support a new Land for Maine's Future bond	<ul style="list-style-type: none"> ✓ All of LMF's existing funds have been obligated and the Legislature failed to reach consensus on a new bond for LMF in the 121st session. ✓ The Governor has committed to proposing a new bond for consideration by the 122nd Legislature to replenish the LMF program.
Good progress	3. Strengthen Maine's service center communities	<ul style="list-style-type: none"> ✓ The State Planning Office is developing policy options for the Governor for a legislative package to help stem sprawl. ✓ The Governor directed the State Planning Office and the Maine Downtown Center to identify barriers that prevent or discourage downtown development. A resulting report makes recommendations to increase investment in Maine's downtowns. ✓ Efforts to foster regional delivery of local services will help strengthen downtowns. ✓ The Governor's initiative to use public

		funds to stimulate private investment in civic, convention, and cultural facilities will strengthen downtowns.
Some progress	4. Increase public information on <i>Right-to-farm</i> and <i>Right-to-fish</i> laws	<ul style="list-style-type: none"> ✓ The Dept of Agriculture is working to strengthen Maine's <i>Right-to-farm</i> laws. ✓ An educational brochure for new and prospective homeowners describes what it means to live in a working fishing community. Developed by University of Maine Sea Grant, Cooperative Extension, and Washington Co. RPC, the brochure could be replicated statewide and for farming communities.

Market Development and Branding

Status	Conference Recommendation	Public and Private Activities
Some progress	5. Explore the possibilities for developing a coordinated marketing theme for all of Maine's natural resource-based industries	<ul style="list-style-type: none"> ✓ The Dept of Economic and Community Development is researching past and current marketing campaigns and has begun to convene marketing staff from across all the state natural resource agencies to identify collaborative opportunities. ✓ The Governor's Advisory Council on the Sustainability of the Forest Products Industry in Maine will offer recommendations in December 2004 on opportunities to brand Maine's green certified forest products. ✓ The <i>Get Real Get Maine!</i> agricultural marketing campaign has successfully boosted local agricultural sales.
Some progress	6. Develop and formalize strong working relationships with government and industry in Atlantic Canada	<ul style="list-style-type: none"> ✓ Maine participates in bilateral meetings with Canadian agriculture ministers to discuss common issues. ✓ The Dept of Marine Resources actively works with Canada on aquaculture standards and quality control, and on issues related to the science and management of shared fish stocks. ✓ Maine is an active participant in the Gulf of Maine Council on the Marine Environment, a U.S.-Canadian partnership of government and nongovernment organizations working to maintain and enhance environmental quality in the Gulf of Maine.

Good progress	7. Create and strengthen links between agricultural entities and fisheries and Maine restaurants	<ul style="list-style-type: none"> ✓ Agriculture Commissioner Spear and Governor Baldacci appointed a local agriculture task force to develop recommendations to strengthen local agriculture. Recommendations are due in December 2004. ✓ The <i>Get Real Get Maine!</i> agricultural marketing campaign has successfully boosted local agricultural sales. ✓ The departments of Agriculture and Marine Resources are developing promotional opportunities for local fish and seafood, including seeking funding to promote aquaculture products to Maine restaurant owners and chefs. ✓ The departments of Agriculture and Marine Resources are implementing an inspection program of seafood retailers to ensure they meet quality standards.
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Strengthen Small Business Support

No progress	8. Develop a comprehensive, natural resource-based industries education and skill development program	✓ This would be a new initiative. The steering committee will address it in successive years.
Some progress	9. Develop affordable workers' compensation, group health, dental, and long-term care insurance	✓ Dirigo provides access to health insurance for small business and the self-employed.
No progress	10. Access adequate seasonal labor	✓ This would be a new initiative. The steering committee will address it in successive years.
No progress	11. Facilitate the development of cooperative and aggregated purchasing options	✓ This would be a new initiative. The steering committee will address it in successive years.

Objective Data, Research, and Science for Policymaking

Some progress	12. Enhance and focus the natural resource research and development agenda in Maine's university system	✓ The Maine Marine Research Coalition, which consists of state university and research institutions, works to prioritize and increase funding for marine research and education.
Some progress	13. Increase the state's capacity to provide certain technical assistance to the natural resource-based industries	✓ A traditional industries development bond is under consideration that would fund the <i>Farms for the Future</i> program and expand it to the fishing and forestry industries.
No progress	14. Continue to support state investment in research and development through	✓ A traditional industries development bond is under consideration that would

	bonding, as resources allow	<p>include funding for research and development.</p> <p>✓ A bond to increase funding for marine research did not pass the Legislature in 2004. A new marine research bond is under consideration.</p>
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Clear, Predictable Public Policy

Some progress	15. Develop a clear, comprehensive, balanced natural resource policy for Maine that recognizes the importance to these industries to Maine	✓ The Governor's aquaculture task force drafted and the Legislature enacted a vision and guiding principles for sustaining Maine's aquaculture businesses.
Good progress	16. Establish a benchmarking process for the natural resource-based industries	✓ The steering committee has identified a set of indicators to track the health of the natural resource-based industry. It is exploring funding sources to undertake a process to set benchmark targets for each of the indicators.

Tax Policy and Economic Development Incentives

Some progress	17. Eliminate the personal property tax on machinery and equipment for investments made after April 2004	✓ The Governor has committed to repealing the personal property tax on business machinery and equipment.
No progress	18. Develop a regulatory support system for small businesses in these industries	✓ This would be a new initiative. The steering committee will address it in successive years.
No progress	19. Develop a comprehensive plan for reducing energy costs across all industries	✓ This would be a new initiative. The steering committee will address it in successive years.
No progress	20. Improve access to technology and financial assistance by taking development resources to the regions	✓ This would be a new initiative. The steering committee will address it in successive years.
Some progress	21. Study the potential elimination or reduction of the sales tax for diesel fuel consumed on fishing vessels and in logging operations.	✓ The Dept of Marine Resources has researched the impact of eliminating sales tax on diesel fuel for groundfishing vessels.

Collaboration across Industries and Government Agencies

Some progress	22. Empower an inter-industry team to develop a long-term plan for developing productive, multi-use forests	<p>✓ The Governor's Advisory Council on the Sustainability of the Forest Products Industry in Maine will offer recommendations in December 2004 to develop creative partnerships between managed forests and outdoor recreation and tourism.</p> <p>✓ The Governor's Task Force on Traditional Uses and Public Access to Lands</p>
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		in Maine will recommend actions for assuring public access on lands traditionally available for public use.
Good progress	23. Foster collaboration among tourism, aquaculture, and other uses of Maine's coast	<ul style="list-style-type: none"> ✓ A bay management steering committee is studying the potential for local, multi-stakeholder collaboration on uses of coastal lands and waters. The effort will include local pilot projects that will investigate new approaches for managing Maine's embayments and determine methods of resolving user conflicts. ✓ The Working Waterfront Coalition proposes to purchase development rights for existing working waterfront property. Working fishing villages are important tourism draws for many coastal communities.
Some progress	24. Create a clearinghouse of natural resource policy initiatives	<ul style="list-style-type: none"> ✓ The State Planning Office created a web site that lists current projects and initiatives.
Good progress	25. Formalize the work of the Blaine House Conference on Natural Resource-based Industries planning committee into a standing steering committee to the Governor	<ul style="list-style-type: none"> ✓ The Governor appointed a standing committee to oversee the implementation of the conference recommendations. The steering committee meets quarterly and reports progress to the Governor annually. ✓ The steering committee publishes a quarterly newsletter to update conference participants on progress.
Public Infrastructure		
Good Progress	26. Give priority to the implementation of the Maine Dept of Transportation's <i>Explore Maine</i> passenger transportation plan	<ul style="list-style-type: none"> ✓ The Maine Dept of Transportation continues to develop funding programs and invest in transportation needs that support implementation of <i>Explore Maine</i>.
Good progress	27. Give priority to the implementation of the Maine Dept of Transportation's integrated freight plan	<ul style="list-style-type: none"> ✓ The Maine Dept of Transportation continues to develop funding programs and invest in transportation needs that support implementation of the integrated freight plan.
Some progress	28. Set up an interagency working group to identify infrastructure and services necessary to support Maine's natural resource-based industries	<ul style="list-style-type: none"> ✓ The Dept of Marine Resources, the Working Waterfront Coalition, and the Maine Coastal Program help manage coastal development to protect infrastructure and support businesses for the fishing industry. ✓ The Maine Dept of Transportation

		regularly seeks input from state agencies and works with economic development districts to get input on priority investments for transportation infrastructure.
No progress	29. Create a state strategic plan for developing and maintaining public warehouse capacity	✓ Although no formal strategic planning process is underway, the Maine Dept of Transportation's three port strategy identifies and funds warehousing needs to support the viability of businesses at those ports.
Some progress	30. Continue to support state investment to construct affordable workforce housing	✓ A housing bond is under consideration.
Some progress	31. Increase the development and placement of historical and interpretive signage	✓ The departments of Economic and Community Development and Transportation have been working on a statewide tourism signage program.

Agriculture

Some progress	32. Establish a statewide policy on water use for agricultural purposes	✓ The Dept of Agriculture has produced a 5-year water management plan. It is working with an advisory committee to develop a model process to manage water withdrawals during low-flow periods. ✓ The Dept of Agriculture is working with other state agencies to coordinate water withdrawal strategies.
Some progress	33. Expand the Department of Agriculture's existing agricultural water development program	✓ A traditional industries development bond is under consideration that includes funds for the Dept of Agriculture to continue its sustainable water source development grant program.
No progress	34. Value working farmland	✓ This would be a new initiative. The department will address it in successive years.
Some progress	35. Explore options for preserving farmland	✓ The Dept of Agriculture has acquired federal farmland protection funds that requires match from the Land for Maine's Future program. The Governor has committed to proposing a new bond to replenish the LMF program. ✓ The Governor's tax reduction proposal, which includes permitting municipalities to value the homestead land of principle residences at current use, will help lower property taxes on some farms homes.
Some progress	36. Build on current agricultural land	✓ The Dept of Agriculture has worked with individual communities to help

	protection programs	<p>them avoid enacting land use ordinances that would cripple farm operations.</p> <ul style="list-style-type: none"> ✓ The Dept of Agriculture is working to strengthen Maine's <i>Right-to-farm</i> laws.
Good progress	37. Create a Local Agricultural Development program	<ul style="list-style-type: none"> ✓ Agriculture Commissioner Spear and Governor Baldacci appointed a local agriculture task force to develop recommendations to strengthen local agriculture. Recommendations are due in December 2004.
Some progress	38. Help commodity agricultural farms maintain or improve their cost competitiveness	<ul style="list-style-type: none"> ✓ The Dept of Agriculture is working with partners throughout the industry to implement the recommendations of the Governor's Task Force on the Dairy Industry. ✓ The Dept of Agriculture will work with industry leaders to address issues that come out of the Maine Potato Board's summit this summer.

Fisheries and Aquaculture

Some progress	39. Create the best possible outcomes for Maine fishermen from Amendment 13	<ul style="list-style-type: none"> ✓ The state has requested amicus status on behalf of Maine fishermen in the pending lawsuit against Amendment 13. ✓ State and federal government and industry organizations are working to develop management measures for those who presently have no access to the groundfish fishery to enable them to have such access.
Some progress	40. Support the Groundfish Task Force	<ul style="list-style-type: none"> ✓ The Groundfish Task Force sent 31 recommendations to the Governor in summer 2004. Bond proposals are under consideration to address several initiatives.
Some progress	41. Restore the balance between conservation and resource use in the Sustainable Fisheries Act	<ul style="list-style-type: none"> ✓ The Dept of Marine Resources is working with Maine's congressional delegation to reauthorize the Sustainable Fisheries Act to: 1) provide equal weighting among the national standards, 2) provide greater flexibility in rebuilding over-fished stocks, and 3) establish fair and equitable national standards for implementing individual quota systems.
Some progress	42. Facilitate consensus-building within the recreational and commercial fishing communities	<ul style="list-style-type: none"> ✓ The Dept of Marine Resources is working with industry, regional groups, and other state agencies to develop an industry coalition that will build consensus on

		certain matters and provide the fishing industry with a unified voice.
Some progress	43. Direct the Dept of Marine Resources to undertake a long-range planning process	✓ The Dept of Marine Resources has conducted an internal review of its strengths and weaknesses and projections for the future and how it would get there. The department is soliciting public input from stakeholders and its advisory councils.
Some progress	44. Support legislation to add “fisheries” to the list of purposes for which a conservation easement may be established	✓ The Dept of Marine Resources is working with the Working Waterfront Coalition to examine this proposal.
Some progress	45. Support additional bond funding for the Small Harbor Improvement Program	✓ A proposal for bond funding is under consideration that includes funding for the Small Harbor Improvement Program.
Some progress	46. Support state funds for acquisition of public water access sites through the Land for Maine’s Future Program	✓ The Governor has committed to proposing a new bond for consideration by the 122 nd Legislature to replenish the LMF program.
Some progress	47. Explore the possibility of an infrastructure bond package to support commercial water access and key working waterfront facilities	✓ A traditional industries development bond is under consideration that includes funding to preserve working waterfronts.
Some progress	48. Set priorities for cold water marine research	✓ The Maine Marine Research Coalition, which consists of state university and research institutions, works to prioritize and increase funding for marine research and education.
Good progress	49. Expedite the plan for the Maine Institute for Cold Water Aquaculture at the University of Maine	✓ The University of Maine has created the Center for Cooperative Aquaculture Research. The center collaborates with other state, federal, and private researchers and focuses on developing new aquaculture businesses.
Some progress	50. Support bond funding for cold water marine research in the Gulf of Maine	✓ A bond to increase funding for marine research did not pass the Legislature in 2004. A new marine research bond is under consideration.
Good progress	51. Support the vision and principles for aquaculture established by the Aquaculture Task Force	<p>✓ The Legislature enacted the vision and principles laid out by the task force.</p> <p>✓ The Dept of Marine Resources is working with the Center for Cooperative Aquaculture Research to establish model aquaculture operating standards and, together, they are working to ensure that Maine aquaculture businesses meet</p>

		or exceed federal and state health requirements.
Good progress	52. Carefully review and, if appropriate, adopt the Aquaculture Task Force recommendations	<ul style="list-style-type: none"> ✓ The Legislature enacted several task force recommendations that required statutory authorization. ✓ The department is undergoing rule-making to respond to some of the task force's recommendations about the aquaculture leasing process. ✓ A number of additional administrative recommendations will be implemented early next year. ✓ Some of the task force's research priorities are being pursued, although funding is constrained.
Some progress	53. Develop and implement an aquaculture public information plan	<ul style="list-style-type: none"> ✓ The Dept of Marine Resources is working with the state toxicologist to develop an educational brochure about Maine aquaculture. ✓ The Dept of Marine Resources is also working with the Dept of Agriculture and the Maine Aquaculture Association to develop an educational CD about the Maine aquaculture industry for the public and for school children.
Some progress	54. Encourage other state agencies to support aquaculture	<ul style="list-style-type: none"> ✓ The departments of Agriculture, Economic and Community Development, Environmental Protection, and Marine Resources are working to identify the needs of the industry and to create opportunities for addressing concerns. ✓ The departments of Economic and Community Development and Marine Resources traveled to Norway to examine new aquaculture methods.
Forestry		
Good progress	55. Identify strategies to recruit and retain loggers	<ul style="list-style-type: none"> ✓ The Governor's Advisory Council on the Sustainability of the Forest Products Industry in Maine will offer recommendations in December 2004. ✓ The Professional Logging Contractors of Maine has launched a master's logger program to certify loggers.
Some progress	56. Examine ways to reduce energy costs	<ul style="list-style-type: none"> ✓ The Governor's Advisory Council on the Sustainability of the Forest Products Industry in Maine will offer recommen-

		dations in December 2004.
Some progress	57. Examine ways to reduce transportation costs	✓ The Governor's Advisory Council on the Sustainability of the Forest Products Industry in Maine will offer recommendations in December 2004.
Some progress	58. Examine state tax policies and their impact on investment in forestry	✓ The Governor's Advisory Council on the Sustainability of the Forest Products Industry in Maine will offer recommendations in December 2004.
Good progress	59. Analyze how to make Maine's forest products industry more competitive	✓ The Dept of Conservation is developing a strategic plan for what Maine state government can do to support the industry and what industry can do to improve its economic strength. The department contracted with Innovative Natural Resource Solutions, Inc. to assess the health of the sector and initial findings are promising. A report will be delivered to the Governor's Advisory Council on the Sustainability of the Forest Products Industry by the end of the year.
Some progress	60. Determine the attitudes of Maine citizens regarding the forest products industry	✓ The Future Forestry Economy report, due to be completed by year-end, will assess how citizens view Maine's forest products industry.
Some progress	61. Develop creative partnerships between managed forest and tourism and outdoor recreation	✓ The Governor's Advisory Council on the Sustainability of the Forest Products Industry in Maine will offer recommendations in December 2004.
Some progress	62. Replenish the Land for Maine's Future Program	✓ The Governor has committed to proposing a new bond for consideration by the 122 nd Legislature to replenish the LMF program.
Good progress	63. Use the state's forest certification initiative to enhance marketing of Maine's forest products	✓ 6.6 million acres of Maine forest are certified. Six mills and one sawmill are certified or soon will be. ✓ IP and Mead/Westvaco have announced a preference for certified wood and guaranteed a market. Time, Inc. increased purchases in Maine 11% in 2003 because of certification.
Good progress	64. Focus on the unique attributes and competitive advantage of Maine's wood species to grow this industry	✓ Under the Dept of Conservation's Future Forestry Economy Project, due to be completed at year-end, research is being conducted about Maine's competitive advantages.
Good progress	65. Evaluate the potential of carbon trading	✓ The Dept of Environmental Protection is preparing a carbon sequestration

		<p>study to present to the 122nd Legislature.</p> <ul style="list-style-type: none"> ✓ The Dept of Conservation is developing a plan to connect good forestry practices to carbon sequestration on a voluntary basis.
Some progress	66. Create a “market development alliance” to focus the industry on entrepreneurship and develop outreach and education programs and mentoring opportunities	<ul style="list-style-type: none"> ✓ The Governor’s Advisory Council on the Sustainability of the Forest Products Industry in Maine will offer recommendations in December 2004.
Some progress	67. Track forestry information needs	<ul style="list-style-type: none"> ✓ The Governor’s Advisory Council on the Sustainability of the Forest Products Industry in Maine will offer recommendations in December 2004.
Some progress	68. Examine trade policies that contribute to declines in forestry manufacturing	<ul style="list-style-type: none"> ✓ The Governor’s Advisory Council on the Sustainability of the Forest Products Industry in Maine will offer recommendations in December 2004.

Tourism and Outdoor Recreation

Good progress	69. Convene a development committee to develop degree, research, and extension programs in hospitality and recreation	<ul style="list-style-type: none"> ✓ The Dept of Economic and Community Development has worked with state, university, and community college officials as well as tourism industry representatives to explore the need for additional educational offerings. ✓ The University of Maine System, University of Maine, and University of Southern Maine propose to develop, pending funding, a Center for Tourism Research and Outreach that will provide objective research and high-quality information to assist with tourism development. ✓ The Maine Community College System proposes to create a Tourism Education Investment Fund to support changing workforce needs and new opportunities in the tourism industry. Pending funding, it would support: seed money to start or expand academic programs, customized training, industry surveys or other research on workforce education, on-line courses and programs, and entrepreneurial training targeted to tourism-related businesses.
Some progress	70. Broaden the Dept of Economic and Community Development’s tourism capabilities	<ul style="list-style-type: none"> ✓ The Office of Tourism has begun to look more broadly at tourism infrastructure planning and tourism strategic planning, including partnerships and planning of

		destination resort infrastructure.
Some progress	71. Improve tourism and recreation business incentives	✓ The Governor's initiative to use public funds to stimulate private investment in civic, convention, and cultural facilities will assist tourism-related arts and cultural events.
Some progress	72. Coordinate recreational land-use management	✓ The Governor created the Task Force on Traditional Uses and Public Access to Lands in Maine to formulate recommendations about how best to address the issues relating to access to land for traditional uses. A final report and recommendations will be produced by September 1, 2005.
Good progress	73. Establish processes to bring sustainable development criteria into tourism planning	✓ The University of Maine System, University of Maine, and University of Southern Maine propose to develop, pending funding, a Center for Tourism Research and Outreach that will provide objective research and high-quality information to assist with tourism development.
Good progress	74. Increase the state's capacity to provide certain technical assistance to municipalities seeking tourism industry growth	✓ The Dept of Economic and Community Development has contracted with Fermata, Inc., a nationally-recognized consulting firm, to enhance nature tourism in three demonstration areas: 1) Western Mountains, 2) Downeast/Calais, and 3) Greenville, Millinocket, The Forks, and southern Piscataquis County.
Some progress	75. Explore a comprehensive Maine branding campaign	✓ The Dept of Economic and Community Development is researching past and current marketing campaigns and has begun to convene marketing staff from across all the state natural resource agencies to identify collaborative opportunities.

Governor's Steering Committee on Natural Resource-based Industries

Members

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Richard Davies, Senior Policy Advisor, Office of the Governor, **Co-Chair**

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