



ENVIRONMENTAL
HEALTH
STRATEGY CENTER

15 June 2015

Board of Directors

Ryan Bouldin, PhD

Lalla Carothers

Carla Dickstein, PhD

Ken Geiser, PhD

Marie Gunning, MBA

Ginger Jordan-Hillier

Mark Hyland, MS

Bettie Kettell, RN

Jeannie Mattson

Sharon Rosen, PhD

Michael Belliveau
Executive Director

P.O. Box 2217
6 State Street, Suite 504
Bangor, ME 04402

565 Congress Street, Suite 204
Portland, ME 04101

(207) 699-5795

www.ourhealthyfuture.org

The Honorable Amy Volk, Senate Chair
The Honorable Erin Herbig, House Chair
Committee on Labor, Commerce, Research and Economic Development
100 State House Station
Augusta, Maine 04333

Re: **The New Markets Capital Investment Program (LD 297)**

Dear Senator Volk and Representative Herbig,

I'm writing as a long-time advocate of sustainable economic development in Maine to encourage you to increase the program cap by \$50 million in capital investment, while you also seek necessary reforms to the New Markets tax credit program.

Maine has a huge opportunity to attract investment in biobased manufacturing to meet growing global demand for more environmentally sustainable products. Advanced technology can now convert renewable biomass from forest, farm and sea into value-added biobased chemicals, bioplastics, advanced biofuels, and new biomaterials such as nanocellulose, to replace volatile climate-changing oil and gas. Financial incentives can help leverage Maine's assets including abundant biomass, industrial infrastructure, world-class research capacity and a dedicated workforce.

Last year, Old Town Fuel and Fiber demonstrated the future promise of biobased manufacturing in Maine by successfully converting wood chips into high quality sugars, which are nature's chemical building blocks. Although that mill's previous owner was not a patient investor, other pulp and paper mills in Canada and Scandinavia are bringing online new biobased chemical production from forest biomass with government assistance. For example, Cascades recently announced a similar \$26 million investment at a Quebec pulp mill to extract sugars from wood.

The federal New Markets Tax Credit program has spurred successful investment in biobased manufacturing that's creating new jobs. For example, Maine's own CEI Capital Management helped broker an investment of \$20 million in ZeaChem, one of the first companies in the United States to convert woody biomass to cellulosic ethanol, an advanced biofuel, at a demonstration plant in Oregon.

You're already aware of the success of the New Markets tax credit program in assisting the Woodland mill in attracting direct foreign investment in tissue manufacturing, a competitive niche that enabled 80 new jobs in Washington Co.



www.ourhealthyfuture.org

I understand and support the need for some fixes to the state New Markets Capital Investment program. I also want to strongly encourage you to increase the program cap by \$50 million for the program. Without such an allocation, existing authority will expire and Maine will have lost an important tool in attracting capital investment in new sustainable manufacturing jobs.

For more information on Maine's opportunity to seize market share in the emerging global bioeconomy, I encourage you to visit the website of the Biobased Maine trade association at www.biobasedmaine.org.

Thank you for your leadership in helping to revitalize our distressed rural economy. By supporting investment incentives you can help grow advanced manufacturing to meet rising global demand for more sustainable biobased products made in Maine.

Sincerely,

Mike Belliveau
Executive Director