1979

Great Northern Public Affairs Department Newsletter, 1979

Great Northern Paper Company

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Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine 04462  

Dear Bob:  

The newsletter of the Public Affairs Department for the week ending January 5 follows:  

**CHANGES IN AUGUSTA**  

Maine has a new Governor and a new Legislature.  

In his inaugural speech, Governor Brennan had kind words for state employees, politicians and the press -- all maligned at one time or the other by outgoing Governor Longley. He proposed no new programs although saying "government does more than tend to a cash register."  

Besides listening to the inaugural speech, legislators selected constitutional officers -- Attorney General Dick Cohen, Secretary of State Rod Quinn and Treasurer Jerry Speers.  

Everybody in Augusta had a rumor, or a draft of a bill. Only 26 of the 1,500 to 2,000 bills to be considered by July were printed. Next week committee appointments will be announced and after that step is taken the legislative machinery will start rolling, slowly at first.  

**THE BRENNAN CABINET**  

The new administration is taking shape. The Governor has named four members of his own staff and nominated several department heads. The business community is up in arms over the choice of David Bustin as commissioner of manpower affairs. Bustin, now assistant director of the Maine Teachers Association, is a liberal Democrat. As chairman of the Labor Committee of the Legislature, he was considered pro-labor. He'll deal with matters such as unemployment compensation insurance and the processing of applications for bonded Canadian wood harvesters. Hank Warren has been renominated as environmental protection chief. Brennan has taken no action on the post of conservation commissioner. Incumbent Dick Barringer wants another term. Names heard in Augusta as possible nominees besides Barringer are those of former Secretary of State Mark Gartley and University of Maine Professor Malcolm Coulter.
TREE GROWTH TAX LAW

Donald Perkins, who represents the paper industry on the tree growth tax law, says the State Bureau of Taxation is considering proposing a change in the law. The Bureau reports only 30 towns have experienced a tax shift of more than five percent. It would require $500,000 for reimbursement. That's possible within existing revenues. There's also a report that a legislative staff report will call for $3 million in reimbursement.

ASSOCIATED INDUSTRIES OF MAINE

The Government Affairs Committee of Associated Industries of Maine meeting January 4 in Augusta was told that the association's legislative program will include over 30 different bills dealing with tax, unemployment compensation and workers' compensation. The bills include a proposal to broaden the investment tax credit used to attract Pratt & Whitney to Maine.

THE ATTORNEY GENERAL

Brennan's successor was a surprise. Cohen moves up from deputy attorney general in charge of the criminal division to head the department. Cohen, 41, was nominated by Republicans after Charles Cragin, the Portlander who ran unsuccessfully for a gubernatorial nomination, quit the race. Republicans couldn't get the Supreme Court to clarify a law which apparently would prevent Cragin's firm from doing business with the State if he became attorney general. John Patterson, the deputy attorney general who handles the Indian lands claim case, is expected to stay on with Cohen.

WASHINGTON

When the government affairs committees of the American Paper Institute and the National Forest Products Association met jointly in Washington on January 4, Congress had not yet reconvened. Charles Dickey, chief executive of Scott, took over as chairman of the API group. Robin Swift, a lumberman from Alabama, heads the NFPA committee. Over 60 attended.

Most of the meeting was devoted to speculation over issues facing the 96th Congress. Wage and price controls, motor carrier and rail deregulation and international trade matters got the most attention. All three will come up early in the session.

Sid Hawkes of Mead Corporation reported that the Council on Wage and Price Controls expects to publish its first list of companies and unions violating the guidelines in late March or early April. API will oppose the President's wage insurance program in hearings opening in late January.

Keith Hundley of Weyerhaeuser said proposals to deregulate the rail and trucking industries can be expected within a month after the session opens. Along with administration bills, both industries are preparing revisions. Sears-Roebuck's Washington representative is taking the lead in organizing information meetings on the subject according to Hundley. API supports deregulation but will caution against disruptions in service. There is a Norfolk & Western strike possible January 15 and if it triggers a nationwide strike, Congress could change its timetable.
Washington (continued)

Dudley Haupt of St. Regis and Irene Meister of API told the committee that international trade negotiations will climax with a necessity for Congressional approval. The paper industry's goal is lower tariffs. The last hitch in negotiations is the European Common Market's refusal to lower tariffs on U.S. paper which must compete against Scandinavian products which will become duty free by 1984.

**HEARD IN AUGUSTA**

The Maine Forest Products Council has again hired Doug Smith, a Dover-Foxcroft attorney as a lobbyist....People who attended a meeting in the Office of Energy Resources say several bills can be expected which will seek to control water levels behind dams....Hank Magnuson says a bill is in the works to restrict the use of herbicides....Herb Hartman says the Department of Conservation will seek funds to restore the position of campsite coordinator in the Bureau of Forestry. The coordinator would be active in the Penobscot region.

**STATISTICS**

In 1978, we answered 175 letters requesting one kind of information or another. The Great Northern slide-tape show was shown 38 times. The clipping service (which now goes to 40 people) circulated 1,425 clippings, etc.

**PUBLIC RELATIONS**

After two articles on waferboard appeared in the Bangor News, a letter clarifying information in the stories was prepared. I also asked a representative of mining companies active in Aroostook County to explain their plans to the News' staff.

Bob Shinners and I, with guidance from Joe O'Handley, answered questions from Maryanne Lagasse. She is preparing a story on a law suit and a National Labor Relations Board charge, both stemming from the strike.

Dale Phenicie discussed the Great Northern plan for dealing with accidents involving hazardous chemicals in nearby communities at a meeting of the East Millinocket Chamber of Commerce.

A safety campaign in the Millinocket mill was expanded to include taped radio messages by Jim Giffune and Roland Russell. Newspaper advertising is also being used to promote a contest designed to stimulate interest in safety.

Jim Carson, who spoke at a Millinocket Chamber of Commerce meeting January 2, will also discuss zoning by the Land Use Regulation Commission on a WMKR-WKTR roundtable January 8.

Ad-Media's final report on the public opinion survey on the spruce budworm issue was presented January 4 and an education program proposed with emphasis on Portland television stations.
COMING EVENTS

January
9  - Directors, AIM, meeting, 9:30 a.m., Augusta

10  - Land Use Regulation Commission, public hearing, 10 a.m.,
     Room 100, Nutting Hall, University of Maine-Orono
     State Air Quality Implementation Plan, public hearing,
     7 p.m., Forum Room, Bangor Auditorium

11  - Board of Environmental Protection, public hearing, 10 a.m.,
     Millinocket

16  - State Air Quality Implementation Plan, public hearing,
     1 p.m., Preble Hall, Room 3159, University of Maine-Presque
     Isle

19-20 - Paper Industry Information Office, annual meeting, 2 p.m.,
         South Portland

Sincerely,

pmc/b

Distribution:

E. E. Allain    J. M. Giffune    D. J. Krohn    C. H. Reed
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T. H. Flanagan  T. W. Kelly    P. P. Paul    D. W. Westfall
                  T. S. Pinkham    P. F. Yacavone
Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine 04462  

Dear Bob:  

This was a week of public hearings involving Great Northern, first before the Land Use Regulation Commission and then before the Board of Environmental Protection. The newsletter of the Public Affairs Department for the week ending January 13 follows:  

**THE MILLINOCKET HEARING**

Members of the Board of Environmental Protection returned to Millinocket on January 11 to wind up a public hearing on Great Northern's air emissions license. It turned out to be another long day for the BEP members, state and company representatives and for the fifty, or so, people in the audience. Just before the hearing came to an end in early evening, two union leaders criticized working conditions in the Millinocket mill and six others complained of the air pollution in the community. Radio, press and television reports centered mostly on Peter Yacavone's lead-off statement in which he discussed what the economic impact would be if the Company were to be required to use low sulfur oil.

After projecting added costs of $4.5 to $5 million if the Iranian crisis doesn't result in further price increases, the Great Northern president told the BEP:  

"That amount of cost increase would be extremely harmful to our Millinocket and East Millinocket mills as I said before. Based upon 450,000 tons of paper we produce at Millinocket each year, it would add at least $10 per ton to our cost of production. Obviously, we cannot sell our product for $10 more, and if we must reduce our margins by $10 on each ton sold, this mill's profitability would be significantly impaired. If that should happen, I can assure you that our Board of Directors will not spend money on upgrading it. We could not compete within our company for refurbishment funds. Without a constant infusion of capital for refurbishment and replacement, this mill would be totally non-competitive and go out of business."
Millinocket Hearing (continued)

Yacavone was photographed making that statement on the evening news on WLBZ-TV in Bangor. His statement also was the basis for the headline in the Bangor Daily News story on the hearing --- and half of the text quoted from it. The newspaper story also reported the complaints by the union leaders and Millinocket residents. John DiCentes, president of the Machinists local, was quoted as saying, "most mill employees do not dare speak out about the air quality for fear of losing their jobs." Mrs. Janice Grant, a housewife who lives in the "little Italy" area, complained of a "blue haze" and of allergies and respiratory problems encountered by her family. Others complained of gardens in which plants died, paint peeling off homes and damage to shrubbery. Environmental Protection Commissioner Henry Warren, chairman of the BEP, told one union leader that working conditions in the mill were "not our domain" and suggested he go to OSHA or another such agency.

Warren told reporters that BEP action on the Great Northern license can be expected early in February.

And The Orono Hearing

The day before the Millinocket hearing, Orono was the scene of a zoning hearing conducted by the Land Use Regulation Commission. LURC was considering proposals for zoning over four million acres of unorganized territory north and west of Millinocket. While there was the usual differences between the landowners and state agencies over deer wintering areas and remote trout ponds, this chapter in the life of LURC had a new twist. The staff of the Commission has proposed special remote recreation zoning for the East and West Branches of the Penobscot and for the St. John River. When the hearing started on the University of Maine campus, there were some 70 people on hand but twice that number appeared when the controversial river zoning issue came up on the day's agenda.

The staff proposal for a remote recreation zone had the support of the Maine Audubon Society, the Natural Resources Council, Wayne Hockmeyer of Northern Whitewaters, Inc., a rafting company, the State Department of Fish & Wildlife, the Henry Thoreau Fellowship, Trout Unlimited, the Penobscot Paddle & Chowder Club and the State Bureau of Parks & Recreation. Bill Stearns, the canoeist from Stillwater, talked of "love" for the Penobscot in urging that LURC expand the primitive recreation zone. Parks & Recreation Director Herb Hartmann talked of the "outstanding primitive recreation values" and called the staff proposal a "reasonable and prudent step."

With effective support from Dave Carlisle of Prentiss & Carlisle, the Bangor firm which represents owners with substantial land in the area, Great Northern led the opposition. Bob Bartlett led off charging the LURC staff was trying to create its own version of "wild & scenic" rivers. He said the way to solve problems on the Penobscot is by agreement between the landowners and state agencies. Great Northern, he stressed, supports sensible land use regulation.
Orono Hearing (continued)

Bartlett was interviewed on WABI-TV the night of the hearing. He was also quoted in the Bangor Daily News. The next day a follow-up story in the News focused on a paragraph in a statement by Jim Carson that "perhaps the company should revise its open door policy." Dave Platt of the News talked with Bartlett on the subject during the hearing. The follow-up story was picked up by the Associated Press and widely heard on radio stations throughout the state. I answered questions on the subject from Tracy Lyons of WABI radio and taped a report. Copies of the statements by Bartlett and Carson were sent to over 125 opinion leaders.

Dan Boxer, a Portland attorney, represented Great Northern in both the Orono and Millinocket hearings.

**The Legislature**

Lynwood Hand, Great Northern's legislative counsel, reports that most of the second week of the legislative session was devoted to bickering over the composition of committees. Hand says the more aggressive Republican leadership is frequently clashing with House Speaker Martin. Committee chairmen were finally announced Friday. Senator James McBreaity, a strong supporter of spruce budworm control programs and a harsh critic of Conservation Commission Barringer, was named chairman of the Energy and Natural Resources Committee. It appears that Representative Marshall of Millinocket will be named to the Taxation Committee. Representative Peltier of Houlton will probably be appointed to the Appropriations Committee. The full makeup of the committees will be announced in the week ahead. Hand expects hearings to start the following week. The Great Northern legislative counsel came to Millinocket this week to brief Bob Hellendale and Yacavone on the legislative outlook.

**Legislation**

Copies of bills of interest filed in Augusta will be distributed to managers by the Public Affairs office in Millinocket where a complete file will be maintained. We'll also have available a weekly computer index of legislation. Lynwood Hand is again staying at the Senator Motel in Augusta (telephone: 622-5804). During the days, he can be reached by calling 623-1220 at the State House.

**Public Relations**

An advertisement for the Stamford, Conn., newspaper was drafted by Ad-Media and approved by Yacavone and John Staples.

An advertisement promoting the safety contest in the Millinocket mill was prepared for the Katahdin Times.

The 1979 community relations advertisement pointing out the wide ownership of Great Northern Nekoosa stock in Maine was scheduled for 15 Maine publications, including the monthly magazine Maine Life for the first time.

Arrangements were made for a mill tour and discussions on energy for a Wall Street Journal reporter who visited Millinocket with John Godfrey.
John Joseph was reappointed head of the State Energy Office. Joseph has toured the Great Northern power systems. The Maine Forest Products Council will make the Tree Growth Tax Law its top priority in 1979. The State Department of Conservation is filing a bill to require permits for gas stoves used in unorganized towns. Legislation also will be filed to retain the present 64,000 pound limit on three axle trucks. Ed Sprague and Bill Butler are reportedly seeking a Republican senator as the sponsor for the timber harvesting regulations bill they support. They are telling people the Senate will hold the key to the bill's fate. There will be another attempt to seek legislative approval for a referendum on a constitutional amendment limiting new taxes. Less than 50 bills have been printed. Usually 1,500 to 2,000 bills are considered during a regular session of the Legislature. The Associated Industries of Maine legislative program includes a bill which would make mechanical harvesting equipment exempt for the sales tax.

THE BUDWORM

Hank Magnuson of the Paper Industry Information Office was scheduled to discuss the spruce budworm program with Conservation Commissioner Barringer at 6:30 p.m., Sunday, January 14, on WABI-TV in Bangor and on the Maine Public Broadcasting Network on January 18 at 7:30 p.m. John Sinclair of Seven Islands may also appear on the MPBN stations.

The Great Northern slide-tape show on the spruce budworm situation will be shown January 20 at the annual meeting of the Paper Industry Information Office at South Portland.

On Tuesday, January 16, John Christie of Ad-Media will work with a dozen representatives of the Woodlands Department on establishing a speakers bureau to present the slide-tape show.

Jim Case of Senator Muskie's staff says that he would expect no problems with Federal funding if there is support for the program in Augusta from the Governor and the Legislature.

THE UNIONS AND GNP

After a story by Mary Anne Lagasse in the January 9 editions of the Bangor Daily News reported on the law suits and National Labor Relations Board charges, I talked with her about an omission from the text: The fact that both sides had agreed to drop all such matters in the agreement ending the strike. She complained that it had been edited out of the story she wrote. I also provided a copy of the mediator's report to Anne Erickson of the Katahdin Times and asked her to include it in any story she did as a follow-up to the News.

Sincerely,

pmc/rr
Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine 04462

Dear Bob:

The newsletter of the Public Affairs Department for the two weeks ending on January 26 follows:

**THE HYDROPOWER ISSUE**

Five legislators, including the Senate and House chairmen of the Public Utilities Committee, are planning to attend a January 31 conference in Boston on small scale hydroelectric power developments. Senator Dana Devoe says the number of people going to the meeting reflects the considerable interest among legislators in the subject. The staff of the committee has made articles on the subject recommended for reading for the committee. While Great Northern Paper Company has abandoned for the time being consideration of a new hydroelectric facility, management is concerned that there may be legislation proposed which would regulate water flows.

One staff member said he expects the hydro issue to be a major one, adding "there are all kinds of drafts of bills kicking around. I have seen at least eight."

Several groups and agencies are involved. The Congress of Lakes represents people interested in maintaining satisfactory water levels for recreation. Biologists of the Department of Fisheries & Wildlife are interested in adequate water levels for fish populations and in fishways on dams. The State Department of Environmental Protection is tentatively saying the site selection law governs hydro developments. Both the Maine Audubon Society and the Natural Resources Council of Maine are tracking the issues. The aggressive Maine Chapter of Common Cause is quoted in newspapers as saying changes are needed in the Mill Act (the old law under which a dam can be built and up-river owners compensated for damages resulting from flooding).

We are obtaining copies of an analysis of the Mill Act and a report on legal obstacles to Maine dams prepared by the Franklin Pierce Law Center of Concord, N.H. which have been circulated to members of the Public Utilities Committee.
Directors of the Paper Industry Information Office on January 19 voted to retain Attorney Daniel E. Boxer to complete drafting legislation designed to relax restrictions on bark burners now in operation in Maine paper and lumber mills. Pollution abatement specialists were asked to advise Boxer and also consider establishing a standing PIIO committee to deal with such issues. In the past they had considered such matters as members of a committee of Associated Industries of Maine. The new committee met January 25 in Augusta with Patrick H. Welch representing Great Northern.

Ninety people attended the annual meeting of PIIO in South Portland with Dick Noyes, Bob Shinners, Peter Yacavone and I representing Great Northern. Earland Sleight of Diamond International was re-elected president, Bob Cope of St. Regis vice president and Wayne McMullin of Keyes Fibre treasurer.

Intensive forest management was discussed by a panel composed of Cope, Dr. Maxwell MacCormack of the University of Maine, Dr. Charles Webb of International Paper Company and David R. Schumann of the U.S. Forest Service. The state air quality implementation plan was discussed by a second group composed of Sleight, Dana Dolloff of International Paper, David Tudor of the State Department of Environmental Protection and David Stonefield of the Environmental Protection Agency.

The new spruce budworm slide-tape show was shown and introduced by Yacavone.

**Legislative Tempo Picking Up**

Legislators go on a four-day work week starting January 30 -- a sign that the the tempo will be picking up in Augusta. Nineteen committee hearings are scheduled for next week. Lynwood Hand and I attended a January 24 meeting of the Government Affairs Committee of Associated Industries of Maine where the bills scheduled for hearings were discussed. The schedule includes:

The Business Legislation Committee on January 30 will consider revisions in laws governing foresters and surveyors. The Local and State Government Committee the same day will consider a bill placing additional requirements on trees cut along roadsides. Taxation on Wednesday will consider a bill removing the limit on the fire protection tax on two Aroostook County towns (T17, R4 and T17, R5) in which Great Northern has major interests.

**Spruce Budworm**

Lloyd Irland will brief staff members of the Maine Congressional delegation on the spruce budworm picture at a meeting on February 5 in Washington, D.C. Caroline Nightengale of Congressman Emery's staff is arranging the meeting which I also plan to attend. The next day Tim Westbay of St. Regis and I are arranging a breakfast briefing for paper industry lobbyists. I have also discussed the budworm problem with Tom Heyerdahl of the staff of Senator Cohen and Mike Aube of the staff of Senator Muskie.
MAINE CONGRESSIONAL DELEGATION

The juggling of office space has been completed and new House and Senate directories published. Listings of the Maine Congressional Delegation follow:

<table>
<thead>
<tr>
<th>Name</th>
<th>Building &amp; Room Number</th>
<th>Telephone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senator William S. Cohen</td>
<td>Dirksen - 1251</td>
<td>202-224-2523</td>
</tr>
<tr>
<td>Senator Edmund S. Muskie</td>
<td>Russell - 145</td>
<td>202-224-5344</td>
</tr>
<tr>
<td>Representative David F. Emery</td>
<td>Cannon - 425</td>
<td>202-225-6116</td>
</tr>
<tr>
<td>Representative Olympia J. Snowe</td>
<td>Longworth - 1729</td>
<td>202-225-6306</td>
</tr>
</tbody>
</table>

Congressman Emery is chairman of the delegation for this year and his staff will assume the responsibility for arranging the group's monthly meetings and taking the lead on matters of uniform interest.

Mrs. Snowe, the attractive 32-year-old Auburn widow elected to represent the northern two-thirds of the state, has been getting lots of attention in Washington. She was one of nine freshmen members of Congress picked to speak at a meeting of the Washington Press Club -- and left them laughing, and impressed, according to the Post. She also was picked by Republican leaders in the House to join in the January 27 response to President Carter on national television (ABC).

It is a time of change also for the senior member of the delegation, Senator Muskie. He has given up a seat on the Government Operations Committee in favor of Foreign Relations and his staff is undergoing a change to reflect Muskie's move. Senator Cohen will serve on Government Operations and Armed Services -- joining First District Congressman Emery on the panel which will deal with matters such as the closing of giant Loring Air Base in Northern Maine. Emery was named to head an all-Republican task force to develop a party energy policy. Emery also is on the Fisheries committee. Mrs. Snowe joins Senator Cohen on Government Operations and also will be on the Small Business Committee.

LABOR LEGISLATION

At the meeting of the Associated Industries of Maine government affairs committee, it was reported that Senator Pray of Millinocket would be filing a bill which is an outgrowth of the Great Northern strike. The Committee was told that the bill would require Unemployment Compensation be paid to workers willing to work, but unable to work because of a strike by others. Members of the United Paperworkers International Union were denied unemployment during the strike although their locals approved a contract.

PUBLIC RELATIONS

Frank Peters, chairman of the trustees of Husson College, and Bill Cook, the college's development director, came to Millinocket January 15 to present a proposal for a Great Northern Nekoosa Foundation gift....
Public Relations (continued)

On January 19 I answered questions from Dick Strippel of Foster & Wheeler who had been asked for information by a Wall Street Journal reporter doing a story on Great Northern....Sam Enfield of Senator Muskie's staff called on January 22 asking material for a speech on energy the Senator is drafting....On January 25, I answered questions from John Keys of WMKR and Anne Erickson of the Katahdin Times regarding the meeting of the State Board of Environmental Protection the previous day when the Great Northern sulfur dioxide matter was on the agenda....The 1979 annual, a special edition of Down East Magazine, appeared on the newstands late in January featuring an article on the forest industries of Maine and special photographs provided by Great Northern....Arrangements were completed for Soren Lindberg, a writer, to come to Millinocket on February 8 to do an article on Number 11 paper machine and its product for Paper Age.

Sincerely,

[Signature]

Distribution:
E. E. Allain  T. H. Flanagan  O. J. Lombard  C. H. Reed
R. F. Bartlett  J. M. Giffune  V. F. Mattson  D. R. Roop
J. A. Blickle  J. E. Godfrey  E. V. Maxfield  W. A. Saucier
P. Cannella  J. W. Griffith  P. F. Mendola  E. M. Schwerin
S. A. Casey  L. E. Hand  F. C. Morrison  J. H. Staples
A. L. Clark  R. Hellendale  C. L. Nelson  W. W. Tolley
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F. J. Dunne  T. W. Kelly  P. P. Paul  D. W. Westfall
B. P. Ellen  D. J. Krohn  T. N. Pendleton  H. Willets
P. I. Firlotte  W. E. Lloyd  T. S. Pinkham  P. F. Yacavone

pmc/b
Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine 04462  

Dear Bob:  

The newsletter of the Public Affairs Department for the week ending February 2 follows:  

**Workers’ Compensation**  

That's what the insurance program is now officially known as in state government. But the press hasn't caught up. It was still described as Workmen's Compensation in stories reporting that the Maine Insurance Superintendent on January 31 had turned down a request for a 39 percent average rate increase. Superintendent Frank Hogerty, in his final decision before retiring, said the proposal was "excessive."

The economic impact of Workers' Compensation on Maine business was indicated in the press. Employers, hit by a 20.9 percent increase in February of 1978, paid $51.5 million in for insurance the year before that boost. Costs have climbed from $14.3 million in 1971. Tom Flanagan, manager of insurance, says the cost of Workers' Compensation paid by Great Northern and Pinkham Lumber to cover employees of the two companies in 1977 was approximately $1,750,000. Because premiums are adjusted following the end of the year to reflect the company's loss record, the 1977 total is the last firm figure available. The cost has gone up since then.

Now solidly entrenched in the American way of life, workmen's compensation was the nation's first social legislation and the original "no fault" insurance. It's also one of the most sophisticated and complex forms of insurance. From the employer's viewpoint, it's one of the most expensive, but for the Maine worker its benefits are among the highest in the country.

The idea that a disabled worker is entitled to compensation, regardless of negligence, is relatively new. Agitation for compulsory compensation came in the mid 19th century. Germany adopted the first law in 1884. It was 1908 before an American state enacted legislation. Maine's law was passed in 1915. A Waterville attorney wrote in 1915 "The theory is that the cost of properly caring for (victims of) industrial accidents shall be charged to the cost of production."
Workers' Compensation (continued)

The first law was elective, rather than compulsory, and applied only to employers of five or more persons. Total disability, just to cite one benefit, was one-half the victim's average weekly wage for 500 weeks, but not more than $10 or a total of $3,000.

Over the years, coverage has broadened, benefits have escalated sharply and these factors, plus inflation, have resulted in costs that many employers call astronomical. In private industry all employees are covered. So are those who work for state, county and municipal governments and quasi-municipal agencies. A 1977 revision brought under the tent the self-employed, including professionals such as doctors and lawyers.

In compensating victims of accidents, and since 1946, occupational disease, costs of care -- medical, surgical, hospital and nursing; medicines, mechanical and judicial aids -- come "off the top" and are virtually unlimited. Additional compensation depends on how severely a worker is disabled. There are benefits for total, permanent and partial disability -- and death. Weekly benefits for total and partial are the same; the amount collected depends on duration. The minimum is $25 and the maximum, since July, 1978, is $231.79. The latter is 133 1/3 percent of the state average weekly wage -- $173.79 in 1978. It will go up to 166 2/3 this year and to 200 percent in 1981.

The Industrial Accident Commission, an independent state agency, administers the law.

With the costs going up at an alarming rate, the Paper Industry Information Office retained Attorney Donald W. Perkins to challenge a proposal for an average 38.3 percent increase in 1977. It was reduced to 20.9. According to Great Northern's Flanagan, that represented a saving of approximately $350,000 going into 1978 for Great Northern. In 1978, after a proposal for a 39 percent increase was filed, a coalition was organized to retain Perkins again and an outside expert. In addition to PIIO and Associated Industries of Maine which took the lead in organizing the group, the members included Associated General Contractors, Maine Forest Products Council, Maine Hospital Association, Maine Merchants Association, Maine Municipal Association, Maine Poultry Association and the Maine School Management Association.

In the aftermath of the Insurance Superintendent's decision this week rejecting the increase, Perkins is planning to file with the Acting Superintendent a request that a public hearing be held before an increase is granted. There is some sentiment within the department to authorize an increase of approximately 20 percent. In addition, the coalition is going to the Legislature asking that the laws be changed to require better justification for increases.

Maine Forest Products Council

Directors of the Maine Forest Products Council voted at a meeting on February 1 in Augusta to publicly oppose the nomination of Conservation Commissioner Barringer if he is the choice of Governor Brennan. Great Northern was not represented at the meeting. Council President Rand Stowell has been writing members, urging them to telephone the Governor to express their opposition to Barringer. Directors continued working on strategy on the tree growth tax issue. They also saw the new Great Northern spruce budworm slide-tape presentation.
THE CLASS I ISSUE

"...to preserve, protect, and enhance air quality in national parks, national wilderness areas, national monuments, national seashores, and other areas of special national or regional natural recreation, scenic or historic value...."

That was the way Congress summed up one of its reasons for including a pristine Class I category in the Clean Air Act of 1977.

When the staff of the State Department of Environmental Protection prepared a draft of a state plan to incorporate the provisions of the 1977 law, they suggested designating most of the Northwest Maine Air Quality Region as Class I. That includes several million acres of privately owned timberlands north and west of Millinocket. Knowledgeable people say economic development will be difficult, if not impossible, in Class I areas. Further, existing industries on the fringe of such regions (such as Great Northern in Millinocket or Pinkham Lumber in Nashville Plantation) might find it difficult and much more complicated to obtain licenses for expansions or modernization projects.

The staff of the DEP backed off from the proposal last week. A subcommittee of the Board of Environmental Protection will study the matter. Newspaper reports indicate that the staff may decide to ask Class I designation for the Allagash Wilderness Waterway and Baxter State Park.

Great Northern opposes any further Class I designations as unnecessary until the implications of the law are understood. That'll require rulings from the courts in several cases now under way.

A letter written by Pat Welch outlining Great Northern's position was mailed to 117 people, including legislators, the news media, members of Congress, businessmen, regional planners and others interested in the subject.

THE GUESSING GAME

With the Legislature still plodding along, many people at the State House this week were speculating on Conservation Commissioner Barringer's future. There were lots of rumors, few facts. One fact disturbing to Barringer's opposition, led by House Speaker Martin and Senator McBreairity, was a lack of candidates for the job. The best bet to give Barringer a race at week's end was Professor Malcolm Coulter of the School of Forest Resources at the University of Maine. Coulter formerly was chairman of the Land Use Regulation Commission.

COMMUNITY RELATIONS' ADVERTISEMENT

Attached is a reprint of the 1979 community relations advertisement which will be used in the Portland Press Herald, Lewiston Sun-Journal, Kennebec Journal, Central Maine Morning Sentinel, Bangor Daily News, Maine Life, Katahdin Times, Presque Isle Star-Herald, Houlton Pioneer-Times, St. John Valley Times, Lincoln News, Piscataquis Observer (Dover-Foxcroft), Aroostook Republican (Caribou), Ellsworth American and Rockland Courier-Gazette. It'll appear in the industrial editions of the dailies and in the weeklies during the last week in February.
We provided Bob Tweedie of the Eastern Maine Development District with copies of information on the Company's position on improving air quality in Millinocket. He was drafting comments on the state air quality implementation plan. Elizabeth Sisson of the Presque Isle Star-Herald called asking for information on Great Northern's view of the development of the Port of Searsport. Nancy Apple of the New England River Basins Commission requested an opportunity to review our file of 35 mm color slides. She is seeking material for a presentation to the Commission on the Penobscot -- "a travelogue" type of thing. Neal Lipschutz of Paper Trade asked for the latest information on the Millinocket air quality situation. Maryanne Lagasse asked for information on the No. 6 paper machine headbox project which will result in the machine being shut down for a week starting Monday. Theresa Engstrom of New England Business called seeking information on the bark boiler project covered in the Wall Street Journal article of January 30. I told her the project would be deferred until terms of the license were known. Brooke Kane of the National Geographic Magazine (I worked with her a couple of years ago on an article on wild and scenic rivers) called again, seeking information on loggers to interview in Maine.

**Coming Events**

February

5  AIM Unemployment Compensation Committee, 2 p.m., AIM, Augusta

6  Pollution Abatement Directors, 10 a.m., PIIO, Augusta
    AIM Energy Committee, 9:30 a.m., AIM, Augusta
    AIM air quality subcommittee, 2 p.m., AIM, Augusta

7  AIM Taxation Committee, 2 p.m., AIM, Augusta
    AIM Government Affairs Committee, 4 p.m., AIM, Augusta

13 Directors, Associated Industries of Maine, 9:30 a.m., AIM, Augusta
    Hazardous Wastes Conference, 9 a.m., UM, Orono

14 Board of Environmental Protection, 10 a.m., Ray Building, Augusta
    Land Use Regulation Commission, 10 a.m., Bolton Hill, Augusta
    API Government Affairs Committee, 10 a.m., Washington

16 Directors, PIIO, 9:30 a.m., Augusta

Sincerely,

[Signature]

pmc/b
Enclosure
Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine 04462  

Dear Bob:  

The newsletter of the Public Affairs Department for the period ending February 16:

**THE WASHINGTON SCENE**

The "Illinois Brick" issue was pictured as the "biggest threat facing the industry at this time" and "one which may already be lost" at a joint meeting of the government affairs committees of the American Paper Institute and the National Forest Products Association February 14. The two-hour meeting was followed by a luncheon at which Harold T. Lamar of the subcommittee on trade of the House Ways and Means Committee was the speaker. Over 60 attended.

The "Illinois Brick" issue results from a ruling by the U.S. Supreme Court prohibiting secondary users of products from filing class action suits for damages from manufacturers. Senator Kennedy and Representative Rodino, the chairmen of the congressional committees dealing with legal matters, are leading a fight to make such suits possible. Charles Dickey, Scott's chairman and new chairman of the API committee, described "Illinois Brick" as the Number 1 problem facing this industry, and others. Ralph Kittle, the Washington-based vice president of International Paper Company, warned that the Kennedy-Rodino forces appear headed for victory. Because the issue is complicated, IP is setting up two-man teams with a lawyer on each to lobby the issue.

Because some members of Congress feel now "that something has got to be done" to let people know how they feel about inflation, chances of President Carter's "wage insurance" proposal passing have improved. Tim Westbay of St. Regis now gives it a 50-50 chance. Joe McGrath of the NFPA reported that there doesn't seem to be any stopping the White House staff members seeking to shift the U.S. Forest Service from the Agriculture Department to Interior. If the bill goes to Congress, he expects it to be approved. Some of the urging over deregulation of the rail and trucking industries seem to be fading among the Washington lobbyists. John Whitaker hailed as a victory the decision of the Resource Conservation Committee not to seek a solid waste disposal tax.
At the government affairs meeting, I reported on the spruce budworm situation. The issue wasn't on the agenda. Kittle asked where matters stood. I told the Committee of the tentative conclusion of the chief of the U.S. Forest Service to support a regional director opposing federal funds for the 1979 program because he does not consider it an emergency, as required by law. I told them of the plans of the Maine delegation in Congress to write a letter to Agriculture Secretary Bergman, going over the head of the Forest Service hierarchy, and said the effort would be led by Senator Muskie with the full support of Governor Brennan. I asked for support urging Muskie to take a personal role and for suggestions.

Dana Dolloff, International Paper Company's environmental lobbyist and a Maine native well acquainted with the issue, will keep tabs on the Washington situation and tentatively planned to come to Maine for the February 16 strategy session of the Paper Industry Information Office.

Tom Mitchell of Georgia-Pacific was urging Leon Billings, administrative assistant to Muskie, to get involved. Mike Aube, the Muskie representative on the problem has done an effective job, but the position of the chief of the U.S. Forest Service at the February 14 meeting attended by Bob Bartlett and a delegation of Maine officials surprised him. Aube saw "a battle ahead." Aube says he is telling people that the Senator wants the program funded for 1979 and time for the new Governor to consider what comes next. Aube is drafting the delegation letter to Bergman which he planned to send the Secretary not later than February 19.

I arranged a meeting for Lloyd Irland, the chief of the state's spruce budworm control program, in Washington on February 5 with representatives of St. Regis, International, Boise-Cascade, Georgia-Pacific and the National Forest Products Association. He briefed the group on the proposed 1979 program -- and on the opposition to Federal funding within the U.S. Forest Service.

Following that, I accompanied Irland to the Capitol for a meeting with staff members of the Maine Congressional Delegation. The staff people supported continued federal financial support.

During the past week, I talked frequently with Mike Aube of Senator Muskie's office, Carol Hicks of Senator Cohen's staff and Caroline Nightingale, an aide to Congressman Emery.

Copies of paper industry position papers and books of pictures covering the situation were sent to the four offices of the Maine delegation. We also wrote letters and made calls keeping other paper company representatives informed -- providing such things as a copy of Governor Brennan's letter asking full funding.

In Augusta on February 9, I helped Bartlett brief woodland managers and public affairs representatives based in Maine.
"So far, it has been dull," comments Lynwood Hand, Great Northern's legislative counsel.

"...the 109th Maine Legislature is still proceeding slowly," writes Jerry Haynes of Associated General Contractors.

"I don't know if you would call the pace slow, although it's been dull," said Senator Pray of Millinocket. "We've been getting things done. We've got the debate over prostitutes and capital punishment behind us. It looks like we will face the moose hunting issue in the next several days and the coyote bounty matter is coming right up."

On February 8, the new Governor, Joseph Brennan, went before the Legislature to outline his budget proposals for the next two years. If approved, it will mean an increase of between five and six percent in state spending in each of the next two years. There are no new taxes. There is a homestead tax exemption ($2,000 in the first year, $3,000 in the next). The homestead tax exemption was a campaign promise.

Perhaps the reaction was best summed up by Peter Slocum, chief of the Associated Press bureau in Augusta:

"Joe Brennan's state budget proposal appears to support the opinion most insiders have of him: the new Democratic governor is one of the most cautious politicians in Maine. The budget, amounting to $2.4 billion over two years, was remarkable for its lack of boldness, as any number of unhappy Democrats in the Legislature said last week. His proposed 'homestead' property tax exemptions were too small to generate much enthusiasm. In fact, the Republicans, remembering the days when State Senator Joseph E. Brennan of Portland was spokesman for the liberal wing, were delighted with the new governor's message."

For Great Northern, it had several areas of interest:

The Governor said an emergency appropriation is needed to "attack the current spruce budworm outbreak. This money, if approved, will combat the infestation which affects virtually all of the spruce fir forest upon which so much of our economy and recreational resources depend." Brennan said he planned to ask business executives to contribute their time to study the efficiency of state government, adding "we anticipate that their recommendations could save millions of taxpayers' dollars." That, too, was a campaign pledge. He included in his budget funds to expand the staff of the State Department of Environmental Protection. He urged that the woods harvesting training program at Northern Maine Vocational Technical Institute in Presque Isle get new funding.

Brennan had something to say about former Governor Longley:

"Four years ago, my predecessor responded to a growing mood in the state and the nation and set up a new course for the state. Under his leadership, the state called a halt to the continuing process of growth of government, and that gave us all the opportunity to reflect on what we as a state wanted of our government."
AIR POLLUTION

After the February 14 order of the Board of Environmental Protection on the Great Northern program to improve air quality in the Millinocket area, Mary Bailey had calls requesting comment from Gordon Manual of WABI-TV and Dave Cheevers of WLBZ radio. Pat Welch agreed to be interviewed by WABI-TV. I talked with Cheevers by telephone before leaving on vacation.

"MAINE ROOM"

The changes continued in the organization of the Maine Congressional Delegation, reflecting mostly the committee assignments of the senators and representatives. But in one office, that of Senator Cohen, a "Maine Room" has been established to be staffed by four, or five, people. Dale Gerry, formerly of Bangor, says the Senator wants the team to concentrate on Maine issues only. Other staff members will assist Cohen with his committee responsibilities.

PUBLIC RELATIONS

In Bangor on February 5, I met with Dr. Ronald Banks of the University of Maine at Orono faculty. Dr. Banks, a historian who has been involved in recent research on the Indian land claims issue, is seeking financial support for a book.

We provided 35 mm color slides of the West Branch area to Nancy Apple of the New England River Basins Commission.

Soren Lindberg, a writer doing a story for Paper Age on No. 11 paper machine, was in Millinocket on February 7. He toured the mill with Bob Leavitt, talked with Paul DeMarrais, Avern Danforth and Dick Rychlik. He also talked with Gary Wyman of Western Electric's quality control division. Roger Boynton will provide photographs. The text will be submitted for approval.

News releases on promotions and appointments and on the spruce budworm planning team were released.

I talked with John Day of the Bangor Daily News while in Washington. We discussed the spruce budworm picture and Indians land claims (I referred him to Attorney Donald Perkins). People in Washington were speculating over Senator Cohen's appointment to the committee which will handle legislation dealing with the Indian claims.

Sincerely,

[Signature]

pmc/b
Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine 04462

Dear Bob:

The newsletter of the Public Affairs Department for the week ending March 9:

**Spruce Budworm**

Political problems associated with the spruce budworm control program popped up almost daily this week.

Representatives of the Maine congressional delegation and Governor Brennan had been expecting an answer to their letters to Secretary of Agriculture Bergland. All urged federal funding of the 1979 program. While the final Environmental Impact Statement isn't due until April, it is hoped the Secretary will clear up the confusion which has resulted from regional opposition within the U.S. Forest Service. He can do that by saying Maine is eligible for the funding, subject to the EIS. Now Washington sources say the week ahead will be decisive with Senator Muskie likely to get personally involved in talking with Secretary Bergland. In talking with Congressman Emery of Maine this week, I learned that he hopes for 1979 approval but says there is little hope for federal support in the future.

In Augusta, meanwhile, Lynwood Hand reported that a subcommittee of the Appropriations Committee early in the week was considering an amendment to put a cutoff date on the program. It was startling news. Later we were told the idea had been dropped. Yet late Thursday the committee revived the idea. They recommended to the full committee that the 1979 program be funded as recommended by the Governor, but after that they proposed that the state pay (only like any other landowner) for acres sprayed to protect the trees. The "state's share" had shrunk to approximately $450,000 of the $11 million program. But a repudiation of the program at this time could be very damaging. Hand is working closely with Hank Magnuson and Don Perkins, who represent the Paper Industry Information Office on this issue. The goal is to overturn the subcommittee report when the full committee meets Monday.

During the week I provided Washington representatives of paper companies with an interest in the issue a copy of an excellent letter
written by the Governor. I also met with staff members of the congres- sional delegation. Magnuson talked with Donald Larrabee, the Governor's Washington representative. This weekend representatives of Great Northern, Scott, Pejepscot, Diamond, International and other paper companies are calling on members of the legislative appropriations committee to urge that they support the 1979 program recommended by the Governor but leave the future to a study which would follow. PII0 is coordinating the effort. I also worked with Bob Bartlett on a letter in which Great Northern proposes a new approach to the Governor.

**The Augusta Scene**

Politics dominated the week in Augusta. Republicans were demanding a vote on a resolution calling on Congress to balance the federal budget. Democratic leaders are refusing to allow the issue to come before the House of Representatives. Legislators in 28 states have approved such resolutions. House Speaker John Marin was the target of angry blasts by Republicans. Meantime the number of bills printed reach 1,000 -- half of the number to be considered at this session. New arrivals included bills calling for a statewide referendum on Dickey-Lincoln, proposing proposed OSHA standards for indentification of hazardous chemicals in the workplace be adopted immediately in Maine, requiring medical benefits be paid during strikes, and the outlawing of Dioxin used in 2,4,5-T and Silvex. Next week's agenda includes hearings of the Taxation Committee on Wednesday at 1:30 p.m. on proposals to exempt used machinery and solid waste used as fuel from the sales tax.

**Martin's Proposals**

House Speaker Martin, in Millinocket for a March 9 meeting on the future of the Eagle Lake sawmill formerly operated by the Pinkham Company, said he is planning to file two tax bills pertaining to timber- lands. One would increase the tax rate in the unorganized territory, but provide a credit for harvested wood consumed in Maine. The bill obviously would be aimed at discouraging the exporting of sawlogs and pulpwod. The second would prevent owners from placing land under the Tree Growth Tax Law on which there is a charge for public access. It's directed at the North Maine Woods concept.

**Coming Events**

March
13 Directors, Associated Industries of Maine, Augusta, 9:30 a.m.
14 Hearing, Taxation Committee, Legislature, Augusta, 1:30 p.m., bills exempting used machinery and solid waste from sales tax. Board of Environmental Protection meeting, Augusta, 10 a.m.
16 Committee of 50, Peter Yacavone, speaker, Pilot's Grill, Bangor, 8:15 a.m. Directors, Paper Industry Information Office, Augusta, 9:30 a.m.
29 Governor's Economic Development Conference, University of Maine, Orono, 9 a.m., Congresswoman Snowe, Governor Brennan, speakers.
30-31 Management Institute, Colby College, 12:30 p.m., Friday, until 1 p.m., Saturday, Waterville. Governor Brennan Friday banquet speaker.
HEADLINES OF THE WEEK

A variety of subjects resulted in headlines in the daily newspapers relating to Great Northern:

Aroostook County may have an ace in the hole  
---Maine Sunday Telegram, March 4

Maine Considers Relaxing Its Strict Air Quality Standards  
---New York Times, March 4

GNP yearly earnings show hike  
---Bangor Daily News, March 7

Indians not ready to settle claims  
---Portland Press Herald, March 7

GNP, unions urged to settle  
---Bangor Daily News, March 8

NLRB suspends hearing on suit by GNP, unions  
---Bangor Daily News, March 9

The "ace in the hole" referred to in the Sunday Telegram was the potential for copper mining on Aroostook County timberlands owned by Great Northern and others. By week's end, the story had been picked up in the Bangor newspaper with a headline "Geology may hold key to state economy." The ripple of publicity resulted from an attorney appearing before a legislative committee to defend an existing tax exemption for mining equipment. I've suggested that the companies involved hire a Maine public relations consultant.

The New York Times article was based on one of a series of public hearings concluded March 5 in Presque Isle on a new state plan to enforce state and federal air pollution laws. (Industry through Associated Industries of Maine is contending that state standards should be no more stringent than corresponding federal standards.) The "GNP yearly earnings" piece would have been more appropriately headed "GNN yearly earnings" because it was a story based on the annual report. Dennis Mills of the News talked with John Godfrey. The Indian lands claims were back in the news. The courts were asked to extend a deadline to permit negotiations to continue. The headlines relating to the company and the unions were based on a National Labor Relations Board hearing in Bangor and testimony on the unfair labor practice charges filed by six trade unions.

THE PRESS

The staff of the Bangor Daily News was rushing this week to complete a flood of stories to fill the annual industrial edition. I had calls from David Bright (and with help from Vic Mattson and John Godfrey I tried to answer his questions regarding the effect of pollution laws on GNP), Maryanne Lagasse, who was doing another story on the company and wanted to talk about the bark boiler, sulphur dioxide, labor relations and other matters and from Dennis Mills, who was writing a story on the annual report (John Godfrey answered his questions). An advertisement with a picture of the winner of the Millinocket mill safety contest was prepared for the Millinocket Times. Bright called again later in the week asking questions about the wood scaling law. Tom O'Neil, a National
The Press (continued)

Geographic staff writer, working on a book on backroads of Maine called
asking about where he could find "an old-time logging camp" with primi-
tive conditions and characters to match. I told him GNP couldn't provide
one but I would look around for ideas. I also drafted a letter for Bob
Bartlett to reply to an editorial entitled "Great Northern's Temper
Tantrum" which appeared in the March issue of the Maine Sportsman. The
editorial was based on talk during the hearings of the Land Use Regulation
Commission of closing off company lands to visitors.

WASHINGTON

"Liveable legislation (the Power Plant and Industrial Fuel Use Act
of 1978) passed by the Congress has been followed by unliveable regulations
drafted by the bureaucrats. Existing boilers may be affected," Mike
Kelley of Union Camp warned members of the Government Affairs Committee
of the American Paper Institute at a March 8 meeting in Washington, D.C.,
attended by 43 representatives of member companies and representatives of
Washington-based trade associations. Charles Dickey, Scott's chief
executive officer, presided. Bill Tolley of Nekoosa and Tom Schmidt
of the Wisconsin Paper Council also attended. A luncheon followed the
two-hour meeting and Senator Ribicoff of Connecticut discussed regulatory
reform.

Kelley, who formerly represented a boiler manufacturer, is the API
committee's coordinator for matters dealing with this aspect of the
energy picture. He contends "it was the intent of Congress to put the
burden of proof on government" to force conversion of existing boilers
from oil and gas to coal and on industry to justify new boilers using
oil or gas. The basic thrust of the law was to leave existing sites
alone. Jeff Duke, an API specialist in the energy field, said there is
"a flood of regulation" now appearing as a result of the politics adopted
by Congress a year ago. Duke says a change in the system for reporting
on energy use is likely, with more companies required to report, and
probably more required to report directly to the Department of Energy.

An industrywide campaign is under way to alert Congress to the
problem. Tolley, as a member of the API energy committee, is involved.

There were seven other subjects on the agenda, including:

"Illinois Brick" --- A bill which would reverse the Supreme Court
on this anti-trust issue could come out of committee in a month, Barry
Cullen of International Paper said, complaining "not a lot of companies
are 'making calls on this' issue." Dickey reported the Business Round-
table has launched a "telephone tree" aimed at getting chief executives
involved in opposing the bill.

2,4,5-T --- Until medical consultants complete a review of the
material on which the ban was justified by the Environmental Protection
Agency, the National Forest Products Association is not challenging the
ban. Dow Chemical Company did so, asking a court in Michigan to suspend
the EPA's decision pending a review of the facts -- and was turned down.

Sincerely,

[Signature]

pmc/b
Mr. Robert J. Shinners
Vice President-Operations
Great Northern Paper Company
Millinocket, Maine 04462

Dear Bob:

The newsletter of the Public Affairs Department for the week ending March 2 follows:

**THE LEGISLATURE**

Ron Colby, executive director of Associated Industries of Maine, at an Augusta meeting of the government affairs committee on March 1, made a point by displaying the weekly computer printout of all bills distributed thus far in the legislative session. It took several pages to cover labor matters, mostly proposals to amend laws regarding Workers' Compensation and Unemployment Compensation. "Three times as many as usual," Colby said. He attributed the number to organized labor's appreciation of the fact "they can get almost anything they want through the Labor Committee." Colby said the bills contained a lot of minor matters, "little things that are going to consume time." Colby didn't mention that the revitalized AIM effort has produced over 30 such pieces of legislation.

One of the big tests of strength in the session could develop over Legislative Document 760, entitled "An Act to Require the Disclosure of Certain Information in Workers' Compensation Rate Filings." It was drafted by Attorney Donald Perkins, representing a nine-member coalition of private and public employer associations -- including AIM and the Paper Industry Information Office. Perkins represented this group in successfully opposing the insurance industry's last request for a rate increase. L.D. 760 is intended to force the National Council on Compensation Insurance, which represents the insurance industry, to "disclose and prove the data which it uses in rate proceedings and to present its case in a more comprehensible manner," according to AIM. The insurance industry has hired one of Augusta's leading lobbyists, Attorney Severin Beliveau, to represent it on this issue.

Lynwood Hand, Great Northern's legislative counsel, expects a subcommittee of the appropriations committee will endorse next week the financial package which will make possible the 1979 spruce budworm control program. The subcommittee held a hearing February 28, responding to criticism that there had not been adequate public notice of an earlier hearing held by the full committee. Hank Magnuson of
The Legislature (continued)

PIII0 and Lloyd Irland of the Maine Forest Service rebutted opposition from the usual critics of spraying.

Two bills calling for changes in the Tree Growth Tax Law were printed this week. L.D. 563 reflects the Maine Municipal Association position that the present productivity formula should be replaced with a formula based on "current sales" values. L.D. 802 asks that the Legislature approve reimbursement to municipalities which lose more than 5 percent of their total tax levy because of lower assessments under the tree growth law. This approach has the support of the Maine Forest Products Council. Industry lobbyists had hoped that the reimbursements would be possible within the scope of the $500,000 currently budgeted for this purpose. Latest estimates, however, by the State Bureau of Taxation put the amount of money needed at three times that amount. Everybody agrees the changes are needed in the law to limit benefits to owners of land actually used for growing trees for commercial purposes.

Over 800 bills had been printed and distributed by the end of this week. The legislators are expected to consider over 2,000 during the first session of the 109th before they go home in June. Next week most of industry's interest will center on labor committee hearings.

DEPARTMENT OF CONSERVATION

Who's going to be Governor Brennan's choice for the job of Conservation Commissioner? John Day of the Bangor Daily News reported from Washington this week that the Governor is "expected to replace Barringer as conservation department commissioner in the near future." In Augusta, there was a rumor that University of Maine Vice President Fred Hutchinson had again been asked to apply. Another rumor was that University of Maine Professor Malcolm Coulter was being called in for an interview. A staff member of the Natural Resources Council of Maine said Coulter was one of "the few people Jim McBreairty (chairman of the Natural Resources Committee of the Legislature) would accept." Parks & Recreation Bureau Director said March 2 that Lee Schepps is leaving the position of director of the Bureau of Public Lands to return to his family business in Texas. Schepps is one of Barringer's closest aides.

SPRUCE BUDWORM SLIDE SHOW

The 35mm color slide presentation developed by Great Northern to promote public support for the spruce budworm control program is being shown widely throughout the state. It was seen by members of the Appropriations Committee of the Legislature at the time of the annual request for funds. Other groups which have been shown the show include directors of the Maine Forest Products Council, the Bangor Rotary Club, Eastern Spruce Budworm Research Conference, New Brunswick Professional Foresters Association in Fredericton, Bath Rotary Club, Bowdoinham Rod & Gun Club, a Topsham adult education group, Pejepscot Paper Company employees, the Farmington Conservation Commission and the Western Maine Forest Forum. It was shown to approximately 200 Great Northern management employees this week in Millinocket.
CLEAN AIR ACT

Representative Henry Waxman of California is the new chairman of the House subcommittee which handles air pollution legislation and paper industry lobbyists say that "unless Mr. Waxman's anti-business, anti-auto, pro environmental positions moderate....any changes in the Clean Air Act favorable to industry will be difficult to accomplish." Dana Doloff of International Paper and Kathleen Bennett of Crown Zellerbach track this issue for the Government Affairs Committee of the American Paper Institute. In their latest report they added to the news of the Waxman appointment that "this doesn't really change the industries' job much as Senator Muskie still heads the corresponding subcommittee on the Senate side and attempts to improve the Act will have to be supported with strong evidence and case histories."

With the National Commission on Air Quality holding hearings as part of its Congressionally-mandated study of the Act, the air pollution committee of API is winding up work on position papers on issues pertaining to the industry. (No changes are likely in the Act this year, according to Washington observers.)

Industry is represented on the 10-member National Commission by Edwin Dodd, chairman of Owens-Illinois. When Congress ordered a similar review of the Clean Water Act, industry was represented by Edwin Gee, then a DuPont vice president. He is now president of International Paper. Gee successfully convinced his colleagues the "zero discharge" goal in the law wasn't needed. Washingtonians feel Dodd faces an even bigger challenge than Gee. The water study was chaired by the late Nelson Rockefeller and he provided a balanced atmosphere for decision-making. Congressman Paul Rogers of Florida heads the new study.

This week in Washington industry representatives saw Senator Muskie and aides of President Carter tangle in what the Washington Post described as a "peevish exchange." The newspaper reported Muskie pounded on the podium as he told the White House representatives "I'm an ally in the anti-inflation fight, but I can't stand by and let public health standards go down the drain." Charles Schultze, the president's chief economic advisor, said the cost of complying with air and water pollution rules alone will rise from $19 billion in 1977 to $52 billion in 1986.

TAX EXEMPTIONS

Representative Birt of East Millinocket is sponsoring legislation which would exempt from the property and sales taxes the facilities and equipment used in solid-waste disposal units, such as a boiler in which bark would be burned. As you know, permits are being sought by Great Northern for a boiler in which bark would be burned at East Millinocket. Representative Marshall of Millinocket this week defended, during a review of all property tax exemptions by the Taxation Committee, the tax exempt status of water pollution facilities. The Committee voted to recommend that the exemption be continued. Fred Morrison provided Marshall with information.
SPRUCE BUDWORM

Members of the Maine congressional delegation and Governor Brennan were awaiting a reply this week to letters they wrote Secretary of Agriculture Bergland calling for continued Federal financial support of the spruce budworm control program. Mike Aube of Senator Muskie's staff reported that the Governor met with Assistant Secretary of Agriculture Cutler on February 27 to urge approval of the funds -- $4 million based on last year's level of support. Aube was hopeful of a reply by today. It had not arrived by mid-day.

A U.S. Forest Service official in an unscheduled talk at a Canadian-American conference in Bangor disclosed that the U.S. Forest Service is considering a "tentative" recommendation against again providing Maine with funds. The news generated considerable attention on television and was spread across the front page of the Bangor Daily News. John Day of the News Washington Bureau wrote a followup in which I was quoted as confirming that confusion over the state's position was one of the problems Maine faced in obtaining the federal funds.

During the week I also talked with Carol Hicks of Senator Cohen's staff and Caroline Nightingale of the staff of Congressman Emery as well as Tim Westbay of St. Regis, Dolloff, and Kip Howlett of St. Regis, urging support for the Maine request.

COMING EVENTS

March
5  Hearing, DEP State Air Quality Plan, Presque Isle
6  Meetings, AIM Energy and Employee Relations committees, Augusta
    Hearing, DEP State Solid Waste Plan, Portland
7  Meeting, AIM Taxation Committee, Augusta
    Hearing, DEP State Solid Waste Plan, Bangor
8  Meeting, API Government Affairs Committee, Washington, D.C.
    Meetings, AIM Air Quality and Government Affairs committees,
    Augusta
    Hearing, DEP State Solid Waste Plan, Presque Isle

Sincerely,

pmc/b
Enclosures (2)
Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine 04462

Dear Bob:

The newsletter of the Public Affairs Department for the week ending March 23 follows:

THE QUIET SESSION

Today is the 47th day of the legislative session, limited by law to 100 days. In a television interview this week, House Speaker John Martin talked about the possibility of adjournment in early June. When the session started, 2,000 bills were expected to be filed. Now the House speaker anticipates 1,600, and maybe 200 more in the form of redrafts. In Augusta, one wag was predicting this would be an inexpensive session for the taxpayers: "All it's going to cost us is the salaries of the legislators." Not much has been accomplished and not much is expected to be accomplished, most observers say.

Lynwood Hand, Great Northern's legislative counsel, came to Millinocket on March 15 to brief Bob Bartlett, Bob Hellendale, Peter Yacavone and me on the "quiet" session in Augusta.

Great Northern's chief concerns involve approval of the financing for the spruce budworm program, rejection of proposals for additional taxes on timberlands in the unorganized territory, the tax exemption for solid waste disposal units, such as the East Millinocket bark boiler and relaxation of air pollution standards governing operation of existing bark boilers.

TAX EXEMPTION

Peter Yacavone and Paul Firlotte on March 19 testified in support of Legislative Document 716 which would exempt solid waste disposal units such as the proposed boiler at East Millinocket from the property tax, and equipment used in the facility from the sales tax. Representative Birt of East Millinocket is sponsoring the bill at the request of the company. The Great Northern president told the Taxation Committee that the project can't be justified "solely on an ROI basis." Firlotte covered the overall energy picture and the problems associated with the burning of bark. Charles Micoleau, a Portland attorney who
The Quiet Session (continued)

represents Wheelabrator-Frye, which is involved also in a wood-burning boiler project, but speaking as an individual, said "people are not exactly rushing into it (burning bark, etc.)" in urging tax incentives for such projects. Daniel E. Boxer, another attorney, representing Keyes Fibre and International Paper Company, told legislators, "it is still cheaper to burn oil at today's prices." The only opposition came from John Melrose of the Maine Municipal Association who said the MMA does not feel an exemption is justified because unlike water and air pollution facilities which are exempt, there is "some payback" from boilers using bark and generating energy.

Mr. Hand feels the bill faces an uphill battle to be approved. There are a lot of proposals for tax exemptions in front of the Legislature this session.

WORKERS' COMPENSATION

A 20 percent average increase in Workers' Compensation insurance rates has been proposed. Attorney Donald W. Perkins, who represents the coalition which successfully opposed a 39 percent increase in January has called on the acting superintendent of insurance to hold a public hearing on the request. Meanwhile, a bill drafted on behalf of the same group has been scheduled for a public hearing on March 29 by the Labor Committee. The bill (L.D. 760) would require further disclosure of information by the insurance industry to justify rate increases.

ASSOCIATED INDUSTRIES OF MAINE

The staff of Associated Industries of Maine and representatives of member companies are finding it difficult to keep up with the large number of labor-related bills facing the Legislature, directors of AIM were told at a March 13 meeting. At that time 70 such bills had been referred to the Labor Committee compared with 30 in the whole of the last regular session. Members were told also that the previously voiced support of legislative leaders for the elimination of the personal property tax on industrial machinery had "evaporated" since Pratt & Whitney arrived on the scene.

THE MEDIA

During the past two weeks, we dealt with questions from David Bright of the Bangor Daily News on the subject of the scaling of wood, Maryanne Lagasse of the News on taxes in Medway, Robert Bergeron of the Maine News Service on the effect of the endangered species act on the license for the East Millinocket bark boiler and Peter Henderson of WLBZ-TV on the potential effects of a nationwide strike by the teamsters. John Bishop, the publisher of several weekly newspapers owned by the Bangor Daily News, was a Millinocket visitor. The former Great Northern salesman is no stranger in the community. The latest acquisition by his group is a paper in Dover-Foxcroft. In Bangor on March 21, I met with Dick Searles who is making a movie on woodsmen. The rough out of the film, I see in the newspapers, is being shown at events held to raise funds to help members of the Maine Woodsmen's Association pay fines.
"Almost a Salvage Operation"

That's how Hank Magnuson of the Paper Industry Information Office summed up the picture in Augusta on the spruce budworm issue:

"...legislators have been generally unsympathetic. They view the landowners as the real beneficiaries of the budworm spray program and figure the landowners should foot the bill. This argument, of course, has been pushed by the Maine Woodsmen's Association, as well as the Department of Conservation and echoed loudly by the Natural Resources Council of Maine....It has been almost a salvage operation to keep the budworm spray program at all, and economic arguments have not been taken too seriously by the decision-makers."

Despite very vocal opposition, the funding was approved as part of a budget package, 103-18, in the House on March 19. Next week it faces another House test. Mr. Hand says legislators Friday were saying they'll support the bill "but something has got to be done to straighten this mess out before next year." With 101 votes needed for passage of the emergency bill, no one is taking anything for granted.

It took the personal intervention of Senator Muskie to keep hopes of federal funding alive for the program. After the senior Senator got involved, Secretary of Agriculture Bergland wrote Muskie on March 14 that the funding would not be abruptly terminated but added "I caution, however, that this is contingent on selection of spray alternatives each year as a result of the National Environmental Policy Act (NEPA) process."

The environmental impact statement on the budworm was being prepared last week in the regional office of the U.S. Forest Service, a center of opposition to federal funding for several years. It was scheduled to be completed on March 23. State officials were apprehensive that a negative report would be forwarded to Washington in an attempt to scuttle the program.

While Bergland's letter was a "victory" for Maine it also talked about "the state's proposal not to seek public financing after 1981." And the compromise in Augusta called for a study aimed at achieving "a significant reduction from the current level of dependence on pesticides" and leaving it up to the landowners which acres should be sprayed. The text of both documents reflected the goals of Conservation Commissioner Barringer. (Newspaper reports say that Governor Brennan offered Barringer the job of State Planning Director but Barringer rejected a change in favor of trying to win reappointment. So far the Governor hasn't made his choice. Rumors in Augusta say he hasn't yet found the man he wants.)

"The Public Stake"

Peter Yacavone on March 16 discussed the "Public Stake in the Spruce Budworm Issue" at a meeting of the Committee of 50, a group composed of Bangor business and professional leaders. The new 35mm slide show on the subject also was shown the group. Excerpts from the talk were reprinted and distributed to 1,500 people in a March 23 mailing. In addition to monthly and weekly salaried employees, copies were mailed to GNP suppliers and opinion leaders in business, industry, education and government throughout the state.
Advertisements also have been scheduled for 28 Maine newspapers in which copies of the reprint will be offered the public. The advertisements will appear in most weekly newspapers in areas where a public opinion poll has shown apathy or resistance to the program.

A copy of the reprint is included with this mailing.

**PUBLIC RELATIONS**

Contributions were made to the Music Boosters to assist in bringing the Bangor Symphony Orchestra to Millinocket for a concert. Members of the orchestra also participated in school music classes during the day....The GNP slide presentation was shown to six people from the Bangor Daily News visiting the mills and also to Tim Dawson, the GNN representative in English financial circles, who visited Millinocket.... Pictures and stories on two promotions were released to local papers and trade publications....Pulpwood Pete kits were supplied Avern Danforth and John Ball for customers.

**THE WEEK IN AUGUSTA**

Hearings of interest:

Monday, March 26 -- Labor Committee: L.D. 154, sponsored by Senator Pray of Millinocket, the bill is intended to revise the Unemployment Compensation laws to permit payment of benefits to some people out of work during a strike -- such as members of the United Paperworkers International Union locals during the 1978 Great Northern strike. National Resources: L.D. 463, proposes the Land Use Regulation Commission be allowed to establish timber harvesting standards for all areas in the unorganized territory. Legal Affairs: L.D. 936, repeals portable stove exemption under the law requiring permits for out of door fires.

Wednesday, March 28 -- Natural Resources: L.D. 664, aquifer protection act proposal.

Thursday, March 29 -- Appropriations: Part I budget for Department of Conservation. Labor Committee: L.D. 760, the proposal to require insurance industry to disclose additional information in asking for rate increase under the Workers' Compensation law.

Sincerely,

Paul

pmc/b

Enclosure
Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine 04462

Dear Bob:

The newsletter of the Public Affairs Department for the week ending March 30:

**GLAD TIDINGS, BUT...**

The House of Representatives in Augusta on Monday, March 26, enacted by a vote of 127-7 an appropriations bill which includes provisions for financing the 1979 spruce budworm control program.

The next day top officials of the U.S. Department of Agriculture were saying a decision had been made on federal funding. The Environmental Impact Statement (EIS) was released the following morning and Mike Aube of Senator Muskie's staff telephoned with the good news: Maine will get what it sought for the 1979 program. Conservation Commissioner Barringer confirmed it a few minutes later.

All that remains to be accomplished in Washington is a formality. The Forest Service funds must be released by the Office of Budget and Management. In Augusta on March 27, the Senate gave final approval to the state appropriation. Now the bill will go to Governor Brennan who is expected to sign it into law.

But, as John Day of the Bangor Daily News interpreted the Washington announcement, there will be no further federal financing after 1979. He had talked with officials of the Agriculture Department and called asking for comment. But Secretary Bergland had earlier talked about a three-year phase out in line with what he termed state policy. Dan Corcoran in the woodlands department, in the meantime, was being told by officials in the regional office of the Forest Service that a modified program, such as that recently proposed by Gordon Mott, would still be considered for federal support. Until copies of the EIS are available, it's going to be difficult to be specific.

"We got it again -- thanks to Senator Muskie," summed up Tom Mitchell, veteran Washington representative of Georgia-Pacific Corporation. Next year? "Who knows?" said Mitchell, "we've been fighting for it successfully year after year for a long time." He's more optimistic than most people.
A Topic For Governor Brennan

Speaking at an economic development conference at the University of Maine in Orono on March 29, the Governor made it clear he supports the spruce budworm control program, although he knows it is unpopular with some people. As examples of why the state must protect its forest resources, the Governor cited the facts that (1) the cutting of quality hardwood is exceeding the growth and (2) preliminary information indicates a similar situation in softwood may be a result of the spruce budworm epidemic. Brennan hailed the news that federal funding had been approved for 1979. On another topic, he said "I'm really amazed by the tolerance Maine citizens have shown" for delays in obtaining environmental permits from state and federal agencies.

Adrian Clark, Tom Kelly, John Staples, Glen Perkins and Peter Yacavone also attended the conference.

Strike Aftermath

Legislative Document 154 is sponsored by Senator Pray of Millinocket and is entitled "An Act Concerning Stoppage of Work under the Employment Compensation Statutes." The Labor Committee held a public hearing on the bill on March 26. According to Robert A. Moore, legislative counsel for Associated Industries of Maine, several members of locals representing workers in the East Millinocket and Millinocket mills spoke in favor of the legislation. After the hearing, the union leaders and Senator Pray asked Moore to redraft the bill, which he opposed. AIM's position is that the proposed change would permit almost any person involved in a work stoppage to collect benefits, if he could show he wasn't actually participating in the strike. What the Senator and the union leaders want is a change in the law tailored to fit situations such as that which occurred in 1978 when the mills were struck in East Millinocket and Millinocket, Moore explained. They would like an amendment which would permit benefits to be paid members of a local bargaining unit which ratified a contract, but whose members could not work because a mill or mills were closed by a strike. When members of the four United Paperworkers International Union locals sought such benefits last year, they were turned down because the Unemployment Compensation Commission said they were included in the "grade or class of workers" included in the strike.

The Legislature

Bart Harvey joined others from the forest industry on March 26 in opposing legislation expanding the powers of the Land Use Regulation Commission. He testified before the Energy & Natural Resources Committee at a public hearing. A bill would give LURC authority to regulate timber harvesting in management areas....Dick Pickering also attended the hearing to monitor a bill establishing energy-efficient construction standards....Former Commissioner of Inland Fisheries & Game Maynard Marsh is expected to win quick approval from the Legislature to serve on the Board of Environmental Protection. He will replace Representative Sylvia Lund, who resigned....Paul Firlotte is planning to testify Tuesday in support of a bill which would provide tax incentives for projects in which solid waste is used to generate energy. He also has been asked by Representative Huber to testify in support of a bill which would provide incentives for small hydroelectric projects.
Peter F. Yacavone, President of Great Northern Paper Company, raised this question in a Bangor speech in which he discussed "The Public Stake in the Spruce Budworm Issue".

Great Northern supports an effective state-administered spruce budworm control program, which includes spraying as necessary to protect a wood supply for the paper and lumber mills which are the backbone of Maine's economy.

If you would like to read Great Northern's position on this vital issue, copies may be obtained by writing Peter F. Yacavone, Great Northern Paper Company, Millinocket, Maine, 04462.

The Public Stake in the Spruce Budworm Issue

The advertisement above was scheduled for 26 daily and weekly newspapers, offering copies of Peter Yacavone's speech on the budworm issue.

The advertisements were placed in publications in areas where a public opinion poll shows opposition to spraying or apathy:


Somerset and Piscataquis counties -- Pittsfield Valley Times, The Greenville Calendar, Somerset Reporter (Skowhegan), Piscataquis Observer (Dover-Foxcroft), The Town Crier (Milo) and The Gazette (Dexter).

It was also scheduled for newspapers in the mill communities of Millinocket and East Millinocket and in Houlton, Presque Isle, Caribou and Madawaska weeklies read by employees of the Pinkham Company and the woodlands department.
With guidance from Jim Giffune and Rollie Russell, I put together a series of radio announcements and a newspaper advertisement to kick off another safety contest for the Millinocket mill.

I participated in a meeting with George Smith of Pinkham Lumber and Bob Cardin of the Bangor advertising agency. Cardin has been asked to come up with a series of new advertisements for Pinkham as well as the design for a poster for customers.

With Mike Collins, Ray Goody, Jim Griffith and Bob Reardon, I attended the annual Colby Management Institute in Waterville, March 30-31.

I answered questions regarding the possibility of a Teamsters' strike from David Platt of the Bangor News.

Mark Balthazard of Pulp & Paper Magazine had questions March 29 on the company's hydroelectric system. He had been referred to me by Tom Kraner of the American Paper Institute. Balthazard is doing a story on hydropower in the paper industry. He has been sent copies of a speech by Paul Firlotte and fact sheets on the subject.

I taped an interview on the spruce budworm situation on March 29 with Sue Telfeian of WLOB in Portland. In Hank Magnuson's absence from Augusta, I also answered questions and brought Neil Lipschutz of Paper Trade Journal up to date on the same subject.

THE WEEK AHEAD

Hearings of interest:

Monday, April 2 -- Energy & Natural Resources: L.D. 1078, regulation of odors; and L.D. 1085, terminating legislative review of air pollution standards.

Tuesday, April 3 -- Taxation: L.D. 1072, encouraging development of small hydroelectric facilities; L.D. 1081, tax incentives for use of solid waste in energy production; L.D. 756, replaces tax on fuel oil with excise tax.

Wednesday, April 4 -- Transportation: L.D. 82, to make single axle weight limits apply to axles in tandem units; and L.D. 723 to remove 1979 expiration of weight tolerances on tri-axle trucks.

Sincerely,

Paul
Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine 04462

Dear Bob:

The newsletter of the Public Affairs Department for the week ending April 6:

**LIVELY TIMES**

For most of the first 50 days of the current session of the Legislature, members and observers were complaining about how dull the days were in Augusta. Now things are livening up. At meetings on April 5 of the Government Affairs Committee of Associated Industries of Maine and of directors of the Maine Forest Products Council, there were reports on issues facing industry. But it wasn't just the issues that gave people something to talk about. Governor Brennan and Republicans who control the Senate were at odds for the first time, with the GOP balking at terms of a labor contract for state employees. The Democratic chief executive's stand won him cheers from workers even while he was delivering to the Legislature what the press described as a program which "adheres to the new ethic of austerity."

In brief, here is a run-down of developments on major issues:

Energy -- Paul Firlotte testified on April 3 before the Taxation Committee in support of bills providing tax incentives for development of hydropower and for boilers in which trash will be burned to generate power. There was no opposition to the proposals, or to another which would replace the sales tax on fuel with an excise tax. The committee still hasn't scheduled hearings on several energy-related bills.

Environmental -- Anticipated bills prepared by the State Department of Environmental Protection dealing with air quality standards and hazardous wastes were finally printed late last week. Proposals regulating odors and sludge disposal are dead, or expected to be killed. No dates have been set for public hearings.

Forestry -- While this year's spruce budworm control program is pretty well assured, Bob Bartlett and other woodland managers met in Augusta April 5 to chart a course for the future. They'll meet again in the week ahead. A proposal to expand the powers of the Land Use Regulation
Commission has been killed. Another designed to reduce LURC's scope hasn't yet been considered by the Energy & Natural Resources Committee. The proposal to ban Dioxin (used in 2,4,5T) is apparently going to be withdrawn. Hearings have not been scheduled on a proposal to regulate forest practices or require replanting of clearcut areas.

Labor -- Members of the Labor Committee apparently now feel they can't find a way to amend the Unemployment Compensation laws as intended by Senator Pray in his bill which resulted from the Great Northern strike. The bill is expected to die. Speakers representing associations composed of contractors, educators, hospitals, poultrymen, municipal officials, potato growers, the forest products industry, the paper industry and industry in general testified on March 29 in support of a bill requiring additional disclosure by the insurance industry in filing for rate increases under the Workers' Compensation law. The week ahead will see a hearing on a bill creating a state Workers' Compensation program.

Taxation -- Public hearings will be held on April 18 on proposals to revise methods of taxing timberlands and on increasing taxes in the unorganized territory. The Maine Forest Products Council expects to turn out hundreds of small landowners to defend the Tree Growth Tax Law formula for valuing timberlands. Attorneys will oppose a bill calling for a new 2-mill tax in the unorganized territory as unconstitutional at a public hearing April 9. The Taxation Committee, according to AIM Executive Director Ron Colby, "is really all over the place with all sorts of options and a lot of sorting out to do.... Senator Teague, the chairman, does not want to see any type of investment tax credit which is not directly tied to new jobs." AIM's top priority for the session in the tax field is an expansion of the investment tax credit for industry. This same committee is considering several proposals for tax incentives for the development of alternate energy sources -- including a Great Northern proposal that solid waste disposal facilities, such as bark boilers, be exempt from property and the sales and use taxes.

Transportation -- Over 180 truckers showed up in Augusta on April 4 to support legislation which would extend present load limits for so-called tri-axle trucks widely used by pulp haulers. The extension was opposed by Transportation Commissioner Mallar and the American Automobile Association.

GOVERNOR BRENNAN

At the March 30-31 Colby College Institute for Management, Governor Brennan discussed both the state's forest and water resources. He said Maine is seeing as much of some species of wood cut as is being grown. The day before in Orono at another conference, Brennan had cited the drain on hardwoods in western Maine and the impact of the spruce budworm epidemic on softwoods. On April 2, Forest Products Council President Rand Stowell and Vice President John Sinclair had a meeting with Brennan and suggested that such talk could discourage economic development. Stowell said they urged that the total forest biomass be considered. The Council president also urged that the Governor come to the Council for advice on the state's forest resources. In discussing energy, Brennan said, "In the next four to five years, Maine will be facing difficult decisions about what to do with its remaining large hydro sites on the St. John, Penobscot and Kennebec."
LOWER WATER STANDARDS

The headline in the Kennebec Journal of Augusta in editions of April 5 was:

"New Mine Would Require Lower Water Standards"

Representative Frank Peltier of Houlton told the Committee on Natural Resources and Energy on April 5 that the Legislature will have to downgrade the water quality of the Fish River to permit development of a mine on timberlands owned mostly by Great Northern in Aroostook County. New discharges are now banned. Even if "downgraded" the river would have to be swimmable, fishable and drinkable. The mining companies' attorney, Dan Boxer, say there has been no decision on whether mining will actually be undertaken -- but it wouldn't be feasible without action of the Legislature. Company representatives will appear before the committee later this month. I have recommended to Boxer that he urge his clients to undertake a public relations and education campaign to acquaint the news media and the public with what's taking place. In nearly all areas where mining has become a new industry, industry people say that opposition has quickly sprung up from environmentalists.

WASHINGTON VISIT

With John Staples and Arnold Nemirow, I visited the headquarters of the U.S. Customs Service in Washington on April 3 to discuss paper imports from Canada. The Customs Service is considering changing the definition of newsprint, a duty-free import. Canadian producers would like to see more expensive grades covered under a new definition. The Customs Service is still in the factfinding process preceding a decision and invited written comments from Great Northern. Prior to any action, comments will also be solicited through the Federal Register. If the Great Northern comments include an oral presentation, we'll also include members of the staff of the Maine congressional delegation.

WORKERS' COMPENSATION

The acting insurance superintendent has said he will grant a public hearing on an industry request for a 20 percent increase in Workers' Compensation rates. "This determination is good news because it provides the opportunity to put the 20 percent increase to the test; and it defers the effective date of any increase, probably for two months. At better than a million dollars' savings to Maine employers each month, we have now bought about three months for a saving in excess of three million dollars," Attorney Don Perkins has reported to his clients, including Associated Industries of Maine and the Paper Industry Information Office.

SPRUCE BUDWORM

With help from Carol Hicks of Senator Cohen's Washington staff, a copy of the Federal environmental impact statement on the spruce budworm program was obtained. Assistant Secretary of Agriculture Cutler wrote, in part, "My intent is that the 1979 project will be the last year that such participation will be approved." Despite that statement, there are those in the U.S. Forest Service who are saying
Spruce Budworm (continued)

federal financial support can continue. Gordon Mott of the Orono staff says he has been told that by people in the regional office. Conservation Commissioner Barringer told me during the Colby Management Institute that he feels that spraying must continue but he's doubtful if federal funding will be available in the years to come. He was critical of Bob Bartlett's letter to Governor Brennan urging a search for new approaches -- both from a point of view of timing and because it went over the head of the Conservation chief.

ELSEWHERE

I discussed with Dick Noyes and Pat Welch reports that the Board of Environmental Protection had instructed staff members to go ahead with plans to designate Baxter State Park a Class I air quality region. We'll oppose it in every possible way....Barbara Reed Alexander, the lady lawyer who came to Millinocket briefly during the recent air pollution hearings, has prepared a sweeping revision of the Bureau of Forestry laws. Mrs. Alexander, who speaks for the Maine League of Women Voters on air pollution issues, has been working as a consultant for the Department of Conservation....When the Lincoln News lost its source of newsprint, John Ball of the sales department found a new supply for publisher Dan Aiken....I answered questions from Anne Erickson of the Katahdin Times and the U.S. Department of Labor on the Teamsters' strike....The Natural Resources Council of Maine will hold its annual meeting in Millinocket on June 1-2-3 and is asking help from the Company with tours of the mills and timberlands....The woods labor issue was back on page one of newspapers when St. Regis laid off 18 Maine men and kept Canadians on the company's payrolls....The same day, April 5, there were also two stories on the annual meeting of the Maine Woodsmen's Association in Sherman Station attended by approximately 40 people.

COMING EVENTS

April 9
Fisheries & Wildlife Committee hearing, 1:30 p.m., State Office Building, L.D. 1094, proposal to regulate commercial whitewater outfitters.

Taxation Committee hearing, 1:30 p.m., State Office Building, L.D. 652, proposal for two-mill tax in unorganized territory.

10 Directors, Associated Industries of Maine, 9:30 a.m., Central Maine Power Company, Augusta.

18 Taxation Committee hearing, 1:30 p.m., State Office Building, proposals to revise laws pertaining to taxing of timberlands.

19-20 Open House, Pulp & Paper Foundation, University of Maine, Orono.

20 Directors, Paper Industry Information Office, Ramada Inn, Bangor, 9:30 a.m.

Sincerely,

Paul K. Mott
Mr. Robert J. Shinners  
Vice President-Operations 
Great Northern Paper Company 
Millinocket, Maine 04462 

Dear Bob: 

The weekly newsletter of the Public Affairs Department follows: 

**Energy Legislation** 

Encourage the conservation of electricity....facilitate the development of small scale hydroelectric facilities....create solar easements....exempt wood stoves from the sales tax....establish energy-efficient construction standards....exempt solid waste used as a fuel from the sales tax....encourage industrial cogeneration.... 

The Legislature is facing many proposals dealing with energy matters. Paul Firlotte, Lynwood Hand and I went over the long list in Augusta on April 10. A bill which would exempt solid waste disposal units such as the East Millinocket bark boiler from the property tax and the sales and use tax was originated by the company. Another proposal, developed by a committee of the Paper Industry Information Office, was drafted in an effort to modify restrictions on boilers in which bark is burned as the primary fuel. A public hearing on the legislation has been scheduled for April 30 by the Energy & Natural Resources Council. Dan Boxer is coordinating the testimony and Bob Reardon will probably represent Great Northern. Further study of two bills dealing with water levels and the Mill Act is in progress to determine what, if any position, Great Northern will take. We talked with Senator Devoe of Orono, chairman of the Public Utilities Committee, who said hearings on the bills will not take place until May. Attorney Robert Briggs of Bangor is analyzing the bills. Hand immediately started tracking the legislation dealing with energy-efficient standards for construction which would be "counter-productive" as now proposed in Firlotte's opinion. 

The mood of the Legislature reflects the times and the members are hearing and reading a lot about the rising cost of oil and about the need to reduce our dependency on imports. This may be the session when the Legislature provides tax incentives to encourage the use of waste wood as a fuel. This decision is now in the hands of the Taxation Committee which isn't going to make a decision until all bills dealing with energy have had public hearings. 

Legislators recessed Thursday for the Easter weekend. Sessions will resume Tuesday.

Paul K. McCann  
Manager Public Affairs 

April 13, 1979 

Millinocket, Maine 04462. (207) 723-5131 Ext. 228
TREE FARMERS' CHALLENGE?

Several bills dealing with the Tree Growth Tax Law will be heard by the Energy & Natural Resources Committee of the Legislature in Augusta on Wednesday, April 18. The Maine Forest Products Council hopes so many people show up that there will have to be a change in the hearing room to accommodate the crowd. The Council has mailed letters to 2,400 owners of timberlands urging them to attend. The hearing is now scheduled in Room 113 of the State Office Building at 1:30 p.m.

The bills to be heard:

L.D. 563 - A Maine Municipal Association proposal to tax forestland on the basis of the sale of land, instead of the productivity formula under which it is now valued;

L.D. 802 - An industry bill which will tighten up the law;

L.D. 1033 - A Maine Woodsmen's Association plan to base valuations on returns filed with the IRS;

L.D. 1237 - Changing penalties if land is withdrawn from the Tree Growth category;

L.D. 1244 - A study committee's recommendations;

L.D. 1453 and L.D. 1523 - Severance taxes on harvested wood.

ASSOCIATED INDUSTRIES OF MAINE

Meeting at the Augusta headquarters of Central Maine Power Company, directors of Associated Industries of Maine on April 10 voted to continue to support legislation which would require insurance companies to file additional information to justify requests for increases in workers' compensation insurance. A member company questioned if AIM should be supporting additional controls over the business community. It was the feeling of the directors that the controls are already there and the AIM proposal is aimed at improving the efficiency of the procedures. Directors also voted to oppose a state bank and to join with Central Maine in opposing a bill which forces utilities to wait until generating stations are completed before charging off cost to ratepayers.

PUBLIC RELATIONS

An advertisement promoting the safety contest in the Millinocket mill was scheduled for the Katahdin Times....The old cribwork at the Big Eddy on the West Branch which whitewater rafters had claimed had become a safety hazard was removed by Great Northern crews on April 10....A contribution was made to the Maine Port Council which is promoting development of facilities at Maine ports, including Searsport.

ABOLISH THE DEP?

The House of Representatives in March of last year rejected by a surprisingly close vote a proposal to abolish the State Department of Environmental Protection. This week State House observers were chuckling because there'll be another vote on the issue. Legislative Document 1558 proposes that powers of the DEP be turned over to county commissioners. It is a 42-page document. Most State House observers give the bill little chance of passing.
WASHINGTON VISIT

I accompanied Peter Yacavone to Washington on April 9 and we visited with the following persons:

Congresswoman Snowe -- She was brought up to date on progress in obtaining permits for the boiler in which bark will be burned at East Millinocket. While not asking for intervention at the time, Yacavone said the time being consumed in obtaining permits was not only delaying efforts to reduce consumption of imported oil but also was costing the company hundreds of thousands of dollars. He also told her of the 21 percent increase in the cost of oil used in the Maine mills -- a cost which competitors in East Canada have not faced because of subsidies. Mrs. Snowe was also thanked for supporting continued federal financial support for the spruce budworm control program. The critical importance of the program to Great Northern was explained as well as our efforts to find new approaches to the problem. Although the House was in session, she granted us an appointment between votes on appropriations for foreign aid.

Congressman Emery -- Encountered in the tunnel between the Capitol and his office, we also extended to him our appreciation for his support of the spruce budworm funds. He was pessimistic over the prospects of obtaining such funding in the future. (We had not planned to pay a visit, having done so on our last series of courtesy calls.)

Jane Streeter -- In Senator Cohen's office, we discussed the East Millinocket boiler and the projects aimed at improving air quality in Millinocket. Yacavone also thanked Carol Hicks for her efforts on the spruce budworm funding.

Donald Larrabee -- The governor's representative in Washington was thanked for his part in obtaining federal funding for the budworm program and briefed on the rising cost of oil and the East Millinocket bark boiler project. He offered to help in any possible way to cut through the red tape associated with the boiler. Like all the others with whom we talked, Larrabee's chief concern was the economic ramifications in Northern Maine of the reduction of forces at Loring Air Force Base.

Because he was involved in critical hearings on the budget, Senator Muskie's appointments for the day were cancelled. Staffer Mike Aube, the key staff man in the budworm project, was tied up in a meeting.

LABOR'S BIG DAY

Early in the current session of the Legislature, Senator Trotzky of Bangor made headlines when he proposed a right-to-work law. Under this proposal (L.D. 1111), "no employee could be forced to join or support a union, nor could any employee be prevented from joining or supporting a union if he voluntarily chose to do so." The labor unions will make the public hearing, now scheduled for April 25 in the Civic Center, a day to flex their political muscle on the Augusta scene. Thousands of union members are being urged to march on the state capitol. With a Democratic majority in the House solidly against the idea and with Governor Brennan having promised to veto the bill if it reached his desk, the legislation is given little chance of becoming law.
**Coming Events**

April 18  
Public hearing, Taxation Committee, Legislature, State Office Building, Augusta, 1:30 p.m., seven proposals to revise the Tree Growth Tax Law and to impose new taxes on timber.

April 19  
Public hearing, Energy & Natural Resources Committee, State Office Building, Augusta, 1:30 p.m., proposals to merge federal and state programs of issuing permits for water pollution and to require conservation programs in lieu of permits for dealing with potential sources of nonpoint water pollution such as erosion and sedimentation.

April 19-20  
Open House, Pulp & Paper Foundation, University of Maine, Orono.

April 20  
Directors meeting, Paper Industry Information Office, Ramada Inn, Bangor, 9:30 a.m.

April 25  
Public hearing, Labor Committee, Civic Center, Augusta, 1:30 p.m., proposal for right-to-work law.

April 27  
Annual meeting, Maine Forest Products Council, Martin's Manor, Waterville, 10:30 a.m.

Sincerely,

pmc/b

Distribution:
E. E. Allain  
R. F. Bartlett  
J. A. Bickle  
P. Cannella  
S. A. Casey  
A. L. Clark  
W. E. Cozens  
A. B. Danforth  
J. L. Dardenne  
J. P. DeMarrais  
A. E. Dentremont  
F. J. Dunne  
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P. I. Firlotte  
T. H. Flanagan  
J. M. Giffune  
J. E. Godfrey  
J. W. Griffith  
L. E. Hand  
R. Hellendale  
D. O. Hickey  
S. G. Hobson  
K. Y. Hodsdon  
P. D. Hubbe  
R. R. Johnson  
T. W. Kelly  
D. J. Krohn  
W. E. Lloyd  
O. J. Lombard  
V. F. Mattson  
E. V. Maxfield  
P. F. Mendola  
F. C. Morrison  
C. L. Nelson  
A. M. Nemirow  
R. W. Noyes  
G. L. Nystrom  
J. F. O'Handley  
H. R. Oiler  
P. P. Paul  
T. N. Pendleton  
T. S. Pinkham  
C. H. Reed  
D. R. Roop  
W. A. Saucier  
E. M. Schwerin  
J. H. Staples  
W. W. Tolley  
A. J. Tozier  
O. K. Tripp  
R. A. Venditti  
G. E. Veneman  
P. H. Welch  
D. W. Westfall  
H. Willets  
P. F. Yacavone
Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine  04462  

Dear Bob:  

The weekly newsletter of the Public Affairs Department follows:  

THE LEGISLATURE  

When summer comes to Augusta, the pace of the session of the Legislature usually picks up. The issues emerge. And rarely does a May go by without a debate over taxing Maine's abundant forest resources. That's the case in 1979. The issue is mandatory deductions for a union from paychecks for all state employees whether or not they belong. When the Energy & Natural Resources Committee held a hearing on April 18 on bills pertaining to taxing forest land, a big crowd turned out -- so many that the hearing had to be shifted to another room.  

While conceding that changes were desirable in how the Tree Growth Tax Law formula is applied, spokesman for the Maine Forest Products Council defended the law as essential for productive long-term management. It was supposed to be a day when "the little guys" made the case before the Legislature. But newspaper accounts centered on charges the law was nothing more than a subsidy for the paper industry. The press ignored the 100 woodlot owners and a statement issued by the Forest Products Council. That tone was set early in the week when the Maine Committee for Tax Reform issued a statement calling for a severance tax on harvested wood -- to shift the burden onto "the national and international paper companies that own most of northern Maine." John Houghton monitored the hearing which ran from 1:30 to 9 p.m. -- longest this year. Still not scheduled is a hearing on a proposal for a constitutional amendment to permit higher taxes on land in the unorganized territory (where most Great Northern Land is located) than on those in cities and towns. Some changes can be expected in the Tree Growth Tax Law with the forest industries fighting to retain the productivity approach to valuations, the Maine Municipal Association fighting to establish values on the basis of the price land commands on the market. Governor Brennan is opposed to any tax increase and for that reason proposals for severances and yield taxes are not expected to get anywhere at this time.  

Next week the Legislature faces a full round of hearings, including bills dealing with reforestation, water flows, multistate tax concepts, energy and air pollution. A "right-to-work" hearing on Wednesday is expected to be the headline-maker.

Millinocket, Maine 04462. (207) 723-5131 Ext. 228
THE $27 MILLION

This week in Augusta people were speculating that President Carter's spending cutbacks in the year ahead will cost Maine $25 to $30 million. That touched off speculation that faced with this prospect, the Legislature will ignore proposals for tax exemptions which would cut into future revenues.

THE CLASS I QUESTIONS

Faced with a Board of Environmental Protection decision to proceed with designating Baxter State Park as a Class I Air Quality Region, Great Northern prepared to oppose the move. Attorney Dan Boxer, at our request, drafted an amendment to air quality legislation now under consideration which put the question before the Legislature. The BEP would, under the amendment, be forced to justify such proposals -- including economic analysis. A public hearing on Legislative Document 1540 (a bill originated by the Department of Environmental Protection to implement the requirements of the Clean Air Act of 1977) will be held by the Energy & Natural Resources Committee at 1:30 p.m. Thursday, April 26. Millinocket Town Manager Bill Ayoob, Dick Noyes, Senator Pray and Representative Marshall (and probably Representative Birt) will testify in support of the amendment -- contending that no one knows what effect the Class I designation will have on the future economic growth of Millinocket. Boxer drafted a speech outline, I prepared a fact sheet. The only industrial firm involved in the issue is Great Northern. The odds are against us reversing the BEP but it's a necessary effort -- and Noyes feels it's important to create a record of vigorous opposition.

WORKERS' COMPENSATION

Legislative Document 760 will require insurance companies to disclose financial justification for increases in the rates for workers' compensation set by the state insurance superintendent. The proposal was backed by Associated Industries of Maine and trade associations representing hospitals, towns and cities, poultrymen, the paper industry and others. Some people have been concerned, seeing L.D. 760 as businessmen seeking governmental controls over other businessmen. On April 17, representatives of the insurance companies told AIM Director Ron Colby they will not openly oppose the bill. It's expected to come out of committee with "an unanimous ought to pass" report -- usually a fore-runner of quick passage. Colby says the amendments are technical in nature.

PUBLIC RELATIONS

An Associated Press reporter in Augusta called with questions regarding shortages of newsprint in some parts of the country... Exhibit material for the annual meeting of GNN was shipped to Port Edwards.
THE MAINE DELEGATION

In a supplement to the April 14 weekly report of Congressional Quarterly, committees and subcommittees of the 96th Congress were listed. The assignments of members of the Maine congressional delegation include:

Senator Muskie

Chairman, Budget Committee
Member, Environment & Public Works Committee
Chairman, Subcommittee on Environmental Pollution
Member, Subcommittee on Regional and Community Development
Member, Foreign Relations Committee
Member, Subcommittee on East Asian and Pacific Affairs
Member, Subcommittee on Western Hemisphere Affairs

Senator Cohen

Member, Armed Services Committee
Member, Subcommittee on Arms Control
Member, Subcommittee on Manpower and Personnel
Member, Governmental Affairs Committee
Member, Subcommittee on Investigations
Member, Subcommittee on Oversight of Government Management
Member, Select Committee on Indian Affairs
Member, Special Committee on Aging

Representative Emery

Member, Armed Services Committee
Member, Subcommittee on Military Compensation
Member, Subcommittee on Seapower and Strategic and Critical Materials
Member, Merchant Marine & Fisheries Committee
Member, Subcommittee on Fisheries & Wildlife Conservation and the Environment
Chairman, Republican Task Force on Energy

Representative Snowe

Member, Government Operations Committee
Member, Subcommittee on Intergovernmental Relations and Human Resources
Member, Subcommittee on Manpower and Housing
Member, Select Committee on Aging
Member, Subcommittee on Human Services
Member, Small Business Committee
Member, Subcommittee on Antitrust and Restrain of Trade Activities Affecting Small Business

Congress is in recess, the Senate until April 20 and the House until April 22. Senators Cohen and Muskie were in Maine this week as was Mrs. Snowe. All three spoke at a Maine White House Conference on Libraries in Augusta of which Bill Caldwell, the Portland newspaper columnist, was chairman. Congressman Emery is visiting in China.
INTERNATIONAL TRADE SYMPOSIUM

Rick Oiler, manager of export sales, will come to Maine April 27 to participate in an International Trade Symposium on the campus of the University of Maine at Presque Isle. Representatives of private industry, federal and state agencies, colleges and universities in Maine and students will take part in the two-day event. Phil Paul, manager of transportation, is also planning to attend. They'll explain Great Northern's overseas business and, if the issue develops, how the Company stands on the issue of developing a containerport for Maine.

COMING EVENTS

April

23 Public hearing, Energy & Natural Resources Committee, Legislature, State Office Building, Augusta, 1:30 p.m., proposals dealing with solid and hazardous waste (L.D. 1518) and mandatory re-planting of clearcuts (L.D. 1351).

25 Public hearing, Labor Committee, Legislature, Civic Center, Augusta, 1 p.m., proposals for right-to-work legislation (L.D. 1111 and L.D. 1020).

Meeting, State Board of Environmental Protection, Ray Building, Augusta, 9:30 a.m.

Public hearing, Appropriation & Financial Affairs Committee, Legislature, State House, 1:30 p.m., including appropriations for woods harvesting courses in vocational technical institutes.

26 Public hearing, Superintendent of Insurance, Civic Center, Augusta, 9:30 a.m., proposal to increase workers' compensation insurance rates.

Public hearing, Energy & Natural Resources Committee, Legislature, State Office Building, Augusta, 1 p.m., air quality legislation (L.D. 1540).

Public hearing, Public Utilities Committee, Legislature, State Office Building, Augusta, 1:30 p.m., two proposals dealing with water levels (L.D. 1074 and 1531).

27 Annual meeting, Maine Forest Products Council, 10:30 a.m., Waterville.

International Trade Symposium, University of Maine, Presque Isle, 1:30 p.m.

Sincerely,

pmc/rr
Mr. Robert J. Shinners
Vice President-Operations
Great Northern Paper Company
Millinocket, Maine 04462

Dear Bob:

The weekly newsletter of the Public Affairs Department follows:

CLASS I

Public hearings of the Energy & Natural Resources Committee of the Legislature are regularly held in one of several small rooms in the basement of the State Office Building next to the Capitol in Augusta. Members sit behind tables arranged in a U-shape. Behind the committee are the desks and files of staff members and the committee. In front of the 13 chairs for the members of the committee are chairs for 48 people, divided by an aisle leading from the door to a lectern. Proceedings are informal with a Senate or a House chairman, usually the senator, presiding. When the committee considered Legislative Document 1540 on April 26, most of the chairs were filled. This bill, drafted by the staff of the State Department of Environmental Protection would put Maine in compliance with the Clean Air Act of 1977. In the front row facing the committee were Bob Cummings, the environmental affairs writer of the Portland newspapers and Marshall Burk of the Maine Lung Association on one side, and on the other DEP Commissioner Hank Warren with Dave Tudor and Henry Mann of his staff. There were representatives of the Maine Audubon Society and the Natural Resources Council of Maine. In addition to Great Northern, the S.D. Warren Company also had people on hand. In the back row, ready to speak, was Barbara Reed Alexander, spokeswomen for the Maine League of Women Voters.

Warren said the bill was one of the more significant pieces of environmental legislation that would be considered this year. The Commissioner said it would "permit people of Maine to make decisions."

Following Warren as a proponent, Millinocket Town Manager Bill Ayoob submitted an amendment which would require prior approval of the Legislature for any Class I Air Quality Regions. Approval of such designations now is after-the-fact and may be as long as two years after designation by the Board of Environmental Protection. The amendment would place control over the State's economic policy in the hands of the Legislature, Ayoob told the committee. Dick Noyes of Great Northern told the committee that the BEP has decided to go ahead with designating Baxter Park as a Class I region. The park is 14 miles from Millinocket. "With a Class I designation also
Class I (continued)

comes a gigantic question mark," Noyes said, adding: "No one knows the answer to the question: How much, if any growth, will be allowed?" On behalf of the Company, he joined in asking that "the Legislature, not the BEP, make these important decisions." Mike Robinson, treasurer of Sherman Lumber Company, said the company's mill is 12 miles from the park. The company is considering buying a boiler to burn bark which now creates a solid waste problem, Robinson said. "We've found that most bark burning boilers are violating Class II standards some of the time. What happens if we have to contend with Class I standards?" If the current trend of regulation continues, Robinson predicted "somewhere down the road working men and women are going to revolt---and it's going to make Proposition 13 look mild."

Rob Gardiner of the Natural Resources Council said the "BEP is well qualified to consider both the environmental and economic impact" but agreed with Representative Huber that the system under which the Legislature had set water pollution standards in the 1960's had worked well. Gardiner said he was a "little hot under the collar" over what he considered criticism of the BEP. He said that Baxter, the Allagash and the Bigelow Preserve were "every bit as deserving of Class I designation as the Federal area." Mrs. Alexander charged that the bill's reduction in standards covering particulates was a significant downgrading of Maine laws. She discounted talk that Class I designation would have any effect on existing mills. Dan Boxer, an attorney representing Great Northern on this matter, said Mrs. Alexander was wrong and he also challenged Gardiner's contention that people could tell the difference between Class I and II regions.

The Friday morning consensus in Augusta: There is a good chance the Legislature will favor approving Class I designations before they go into effect. Little opposition is expected from the DEP.

Water, Water, Water

Down the hall in another of the small hearing rooms, the Public Utilities Committee also put in a long afternoon of work. Among the bills the Committee considered were two which would have regulated water levels behind dams.

L. D. 1531 was withdrawn in a surprise move by the sponsor, Senator Trafton of Auburn. In explaining her decision, she said that the bill represented the fifth or sixth draft she had attempted in an effort to solve "a complex legal problem." Senator Trafton sponsored a bill in the last session to repeal the Mill Act. She didn't explain what the problems are that she wants to solve. And no one in Augusta seems to know what is the basis for her interest in the Mill Act and in the water levels. Instead of her bill, Senator Trafton urged passage of another which would call for a sweeping study of the hydroelectric power picture.

L.D. 1074 was introduced by a York County senator because of a controversy between the owners of lake front property and a dam owner. Cottage owners told the Committee that their lake was turned into a stream when the water levels were lowered. The dam owner said the cottage owners were swindled by developers---and didn't check on their rights before buying property on the lake. The chief of a Kennebunk utility which depends on the lake as a source for a small hydropower station told the committee "if we are ever going to have more small hydro, you'll never have it with bills such as this." State Energy Chief John Joseph warned that "this bill could have serious implications and discourage investment in such facilities. Attorney Robert Briggs of Bangor, speaking for Bangor
Water (continued)

Hydro, said that hydro was ninth on the list of priorities to consider in fixing water flows and complained that "the reason for which the dam has been constructed seems to have taken short shrift."

Friday morning I talked with Senator Devoe, the committee chairman, and asked that if a study is authorized that there be representation for industry such as Great Northern. I also talked with Joseph who said he, too, wanted industry involved and hoped that Paul Firlotte would be invited to participate. Devoe said he isn't enthusiastic over another study.

The Barringer Nomination

Governor Brennan on April 27 appointed Dick Barringer for a second term as Commissioner of Conservation. The appointment is expected to kick off a storm of protest in the Legislature. The Governor has held off reappointing Barringer since January and considered others for the position -- but didn't find anyone acceptable to him. Barringer held the job for over three years under former Governor Longley. The Legislature had been approving almost without question Governor Brennan's cabinet choices. But Friday, State House observers were predicting Senator McBreaity, chairman of the Energy & Natural Resources Committee, and a majority of the committee will oppose Barringer. As late as a few weeks ago, House Speaker John Martin was pledged to personally oppose Barringer. Martin may hold the key to Barringer's fate. In any event, the Governor has handed the Legislature the problem of what to do with the controversial commissioner. One probable loser: the paper industry. It will be blamed if Barringer is rejected. And if Barringer is approved the industry will find the Commissioner likely to remember their opposition to his appointment.

School

On April 23-24-25, I attended an American Management Association course on "Conducting the Company's Government Affairs Program" in Chicago. James Cassidy of Burson-Marsteller was the course leader and speakers included George Sherick of U.S. Steel, Rady Johnson of Standard Oil of Indiana, Mark Harroff, a Washington public affairs consultant for General Electric, and Gordon MacKay of New England Life. The highlights included discussions of Political Action Committees and suggestions on ways of dealing with members of Congress. I was the only paper industry representative in a group of 17 which included three from the insurance field and three from the utilities.

Taxation Committee

Members of the Taxation Committee have indicated to Lynwood Hand, Great Northern's legislative counsel, that they are thinking more and more about some type of tax benefits relating to the energy situation. Next week the committee will hear several proposals for using tax policy to encourage industrial development. After that it's expected the committee will draft its proposal, or proposals. Great Northern asked the committee to consider tax exemptions for the East Millinocket boiler in which bark will be burned. "It has been learned that the report (of the taxation committee) will recommend that some tax incentives for energy production and conservation be considered if there is money available," the Maine Sunday Telegram said on April 22.
PUBLIC RELATIONS

Contributions of $5,000 to Husson College and $1,300 to the Pioneer Hose Company No. 1 of Millinocket were approved by the Great Northern Nekoosa Foundation. Other contributions have been made to the Maineport Council, the organization promoting Searsport as a container port, the Foreign Trade Seminar of the University of Maine at Presque Isle, Society of American Foresters for the organization's Boston meeting, the Katahdin Valley Airport planning study and the summer camp program of the Association of Aroostook Indians. Northeast Publishing Company, which publishes newspapers in Presque Isle, Caribou, Limestone and Houlton, is planning a monthly supplement in a magazine format. Bruce Nett, a free-lancer from Brewer who is in charge of the project, called April 27 asking for help on stories of life in a modern logging camp and the Pinkham mills. In response to a call from Mary Anne Lagasse of the Bangor Daily News, I denied a rumor that the Millinocket mill would close for six weeks to permit installation of a scrubber. Anne Erickson of the Katahdin Times called asking for a progress report on Great Northern's dealing with the Land Use Regulation Commission.

COMING EVENTS

April 30
Public hearing, Energy & Natural Resources Committee, Legislature, State Office Building, Augusta, 1:30 p.m., a proposal (L.D. 1163) to encourage the use of solid waste as a fuel source.

Public hearing, Taxation Committee, Legislature, State Office Building, 1:30 p.m., five proposals for using tax policy to encourage the creation of new jobs, including L.D. 1387 which would expand the "Pratt & Whitney" investment tax credit. This bill, supported by Associated Industries of Maine, has two qualifying options—one of which recognizes the capital intensive nature of the paper industry.

May 2
Meeting, Tax Committee, Associated Industries of Maine, AIM office, Augusta, 9:30 a.m.

Public hearing, Energy & Natural Resources Committee, Legislature, State Office Building, 1:30 p.m., proposals to establish a silvicultural review board (L.D. 1486) and to reduce the scope of authority of the Land Use Regulation Commission (L.D. 1289).

Public hearing, Taxation Committee, Legislature, State Office Building, Augusta, 1:30 p.m., a proposal for a constitutional amendment to allow the Legislature to impose a property tax in excess of the cost of services upon properties in the unorganized territory (L.D. 1283).

3 Meeting, Maineport Council, Searsport, 5:30 p.m.

Sincerely,

[Signature]

 PMC/RR
Mr. Robert J. Shinners
Vice President-Operations
Great Northern Paper Company
Millinocket, Maine 04462

Dear Bob:

The newsletter of the Public Affairs Department for the week ending May 4 follows:

SUDDENLY, CONTROVERSY

Almost without question, legislators approved nominations by the Governor during the first 100 days of the Brennan administration. There were complaints that the Governor's cautious, careful ways were going to result in a dull four years in the capital city. All that changed in the last several days. First, newspapers disclosed that the Governor's choice to be civil defense chief was being investigated by the State Human Rights Commission. (Androscoggin Sheriff Cote was accused of discriminating against female employees because they resisted his social and sexual advances.) On the same day he nominated Cote, the Governor renominated Conservation Commissioner Barringer in the face of certain bitter legislative opposition. And on May 4, he nominated Glen Manual of Houlton as Commissioner of Inland Fisheries & Wildlife and Mrs. Barbara Reid Alexander as Superintendent of Consumer Protection. Manual will face opposition from supporters of several others who sought the job -- a plum in Maine where hunters and fishermen make up a potent political force. Mrs. Alexander, an environmentalist who has been critical of everyone from Senator Muskie to Great Northern on air pollution issues, is certain to be opposed as another extremist being named to the job made famous by John Quinn.

The Barringer appointment is the only one of concern to the forest industries. A public hearing on the appointment will be held May 16 by the Energy & Natural Resources Committee of the Legislature. If a majority of the 13 members on the Committee opposes Barringer, it would take a two-thirds vote of the Senate to approve the nomination. Senator McBreaity of Perham, a sworn foe of Barringer, is chairman of the committee. In addition, House Speaker Martin, who has considerable influence with Democrats on the Committee, has been quoted as saying privately he remains adamantly against Barringer.

When the Governor made the appointment, he was quoted in the press as explaining Barringer's controversial record by saying the state forestry department had been controlled by the paper industry.
Sucrely, Controversy (continued) 

until Barringer came along. The president of the Maine Forest Products Council, Rand Stowell, quickly commented that "We don't believe it's (the nomination) in the best interest of Maine's most important industry." While supporters and opponents were evaluating Barringer's chances, the Augusta scene was quiet this week. So was the press. In an editorial in the Portland Press Herald, however, the newspaper commented "there may be all kinds of reasons for legislative opposition to" the Barringer nomination but his "less than enthusiastic support for the state's spruce budworm spraying program ought not to be one of them, however."

CLASS I

There were several developments in the controversy over plans of the State Board of Environmental Protection to designate three areas, including Baxter State Park, as a Class I Air Quality Region. In the Maine Sunday Telegram on April 29, the issue was covered in an article by environmental affairs writer Bob Cummings under a headline "Great Northern opposes DEP pollution zone plan." On May 1, the Katahdin Times of Millinocket reprinted Dick Noyes' entire statement on the issue and also reported in another story the opposition of the Sherman Lumber Company. Copies of the Noyes statement, a news release summing up the company's concerns and a copy of an amendment supported by Great Northern proposing prior approval of the Legislature for a Class I designation were mailed to 223 opinionmakers -- legislators, Congressmen, businessmen, municipal officials and others.

At week's end, Attorney Dan Boxer, who has been working with the Energy & Natural Resources Committee, reported that the amendment, revised to scale down the amount of justification from the DEP staff required for recommending designations, appeared to have a good chance of passage. He's redrafting the amendment for circulation.

ANNUAL MEETING

With Peter Yacavone and Noyes, I attended the annual meeting of Great Northern Nekoosa Corporation at Nekoosa, Wisconsin. A new photographic exhibit covering the company's forest resources, power systems and featuring large photographs of the mills was used for the first time at the meeting. In addition, a three-minute video tape covering the company was shown repeatedly on a viewer in the reception area prior to the meeting. Two news releases were prepared and distributed, one covering the appointment of Robert Hellendale as chief executive officer and the second on approval of the East Millinocket boiler project.

BARK BOILER

With Paul Firlotte as spokesman, Great Northern's plans to go ahead with the construction of a boiler in which bark will be burned to generate power and steam at East Millinocket were announced on May 3. Firlotte was interviewed by Dennis Mills of the Bangor Daily News, Gordon Manual of WABI-TV, Dale Duff of WLBZ-TV and Dan Desjardins of WVII-TV. The story also was distributed in Maine by The Associated Press and United Press International. A release distributed by John Godfrey was the basis for a Wall Street Journal story. Mary Bailey provided a news release to Frank Sleeper of the Portland Press Herald. John Keys of WMKR and Anne Erickson of the Katahdin Times. Firlotte notified State Energy Director John Joseph of the company's plans in advance of the announce-ment and offered to brief the Governor on the project. I sent copies of the news release to the Governor's staff, key state officials, and members of the Congressional delegation.
**THE LEGISLATURE**

There were several hearings of interest to Great Northern in Augusta this week:

On April 30, Bob Reardon attended a hearing on a proposal drafted by a Paper Industry Information Office committee and designed to ease particulate emission standards for boilers fueled with bark and wood-wastes. Even the environmentalists supported the proposals, including Barbara Reid Alexander. Boxer, who is representing PIIO, is optimistic that the bill will pass. On the same day a delegation from Associated Industries of Maine testified in favor of legislation expanding the state's investment tax credit law. But Dave Clough of AIM says the future for any bills with a price tag is dim.

On May 2, John Houghton attended a hearing on a proposed constitutional amendment which would permit higher taxes in the unorganized territory than in cities and towns. A group of campowners with Great Northern leases in Tomhegan township were among those who joined landowners in opposing the legislation. Lynwood Hand, Great Northern's legislative counsel, expects the bill to be killed by the committee. On the same day, Jim Carson testified in support of legislation to reduce the scope of the Land Use Regulation Commission. Observers today were predicting that the Energy & Natural Resources Committee will accept some of the proposals (maybe doing away with the zoning of remote ponds). Officials of two mining companies also were in Augusta to explain to legislators why a change in the state's river quality classifications will be needed to permit discharge of treated wastes if a mine is ever developed in Aroostook County. House Speaker John Martin, while welcoming the possibility of a "big boost" for the Aroostook economy said he hoped it could be done without damage to the natural resources. Bart Harvey was among those who testified on May 2 against a proposal of the Maine Woodsmen's Association to establish a board to control harvesting operations of the paper companies. There was no opposition to a State Department of Transportation proposal for a study of cargo port facilities.

Next week, hearing activity slows down. On May 7, the Energy & Natural Resources Committee will consider a proposal to do away with the Department of Environmental Protection and turn the department's work over to the counties. It'll be opposed by speakers from paper companies and environmentalists. On Thursday, the same committee will consider two proposals for a referendum on the Dickey-Lincoln issue. That day the Labor Committee will hear a proposal to exclude the chainsaw and skidder allowances from wages reported under the Workers' Compensation Act. It provides a way to keep the cost of insurance down and will be supported by the Maine Forest Products Council.

**BUDWORM SUIT**

An Atkinson man is planning to file suit in U.S. District Court asking that the U.S. Department of Agriculture be barred from using federal money to support the 1979 spruce budworm control program. Charles Fitzgerald of Atkinson told Lloyd C. Irland of the Bureau of Forestry of his plans May 3. I asked Joe O'Handley to discuss the matter with Don Perkins, the Portland attorney who has represented companies on such matters in the past.
With guidance from Phil Paul, I answered questions regarding the box car supply and other matters from Bruce Posner of the staff of Business Week....The two mining companies have retained the Augusta firm of Ad-Media to handle their public relations....Maryanne Lagasse was granted permission to take pictures of the spectacular flow of water going over the Dolby dam on May 2....We provided a photograph and a biography to use in announcing the election of Peter Yacavone as a director of the Merrill Bankshares Corporation....Reporter Mills, who covers the business beat for the Bangor News, complained to Paul Firlotte and I that the industry was "ganging up on us this week." The same day the boiler announcement came, St. Regis workers voted to strike. The day before there was a Georgia-Pacific announcement of plans to build a waferboard mill.

**Coming Events**

May

7 Public hearing, Energy & Natural Resources Committee, Legislature, State Office Building, Augusta, dealing with ozone standards (L.D. 1316) and doing away with the department (L.D. 1558), 1:30 p.m.

8 Meeting, Board of Directors, Associated Industries of Maine, 9:30 a.m., AIM Conference Room, Augusta.

Meeting, Government Affairs Committee, American Paper Institute, Washington, D.C.

9 Meeting, State Board of Environmental Protection, with Great Northern Millinocket situation on agenda.

10 Public hearing, Energy & Natural Resources Committee, Legislature, 1:30 p.m., hearings on two bills proposing non-binding referendums on Dickey-Lincoln issue.

Business Breakfast, Husson College, Bangor, 8 a.m., speech by Elwin Thurlow, president of Central Maine Power Company.

Meeting, Public Relations Committee, Paper Industry Information Office, Augusta, 3:30 p.m.

11 Meeting, directors, Paper Industry Information Office, Augusta, 9:30 a.m.

Sincerely,

Paul
Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine 04462

Dear Bob:

The newsletter for the Public Affairs Department for the week ending May 11, follows:

THE LEGISLATURE

Today is the 80th day of the legislative session limited by law to 100 days. Time is running out. Legislators have spent a lot of time debating one issue -- the union shop provision in the first state labor contract. Leaders are saying it may even be necessary for the first time to postpone action on some issues. Final adjournment is expected in mid-June. Hearings are winding up. The tentative date for when reports are due from committees on proposed legislation is May 16.

Based on reports from Lynwood Hand, legislative counsel for Great Northern, on reports presented at meetings of directors of Associated Industries of Maine and the Paper Industry Information Office, and on other sources, here is a summary of areas of interest to Great Northern:

Taxation -- Growing concern over the state's revenue picture probably rules out any new tax incentives for industrial growth. "It appears all proposals for tax exemptions are dead. The bucks are not there to finance them," AIM Executive Director Ron Colby says flatly. There is a $10 million question now facing legislators. The staff of the Legislature projects that figure as a probable deficit if a few new programs are approved. The Brennan administration disagrees. "If the dollars are finally found to be available, the tax incentive is likely to be energy-related to provide help in the solid waste fuel area," Colby predicted. He considers the AIM-backed investment tax credit bill "doomed because of its fiscal impact." The legislative Taxation Committee is continuing to work on ways to tighten up the Tree Growth Tax Law. A majority of the committee apparently wants to provide something to all the towns where there has been a shift in the tax burden. But they also want to stick with the present level of total reimbursement, a half million dollars. Whether that will appease critics and head off a petition drive to repeal the law is questionable, according to Hank Magnuson of PIIO. The municipal cost component (really a budget for the year) on which taxes in the unorganized territory will be fixed was the subject of a public hearing on May 10. If
some interpretations of what's eligible for the budget are accepted, there could be a tax cut. Hand and Don Perkins, a PIIO representative, are carefully following developments. Proposals for new taxes on timberlands are not getting much support in the committee's working sessions, according to the Maine Forest Products Council. With hopes of tax incentives fading, the AIM strategy has shifted to replacing the sales tax on industrial fuel oil with a severance tax. It could be accomplished without an immediate effect on revenues.

Energy -- Bob Reardon met May 9 with members of the Department of Environmental Protection staff to explain Great Northern objections to tightening up standards for oil-fired boilers in a bill designed to ease particulate emission standards for boilers fueled with bark and wood waste. The basic bill, L.D. 1163, has the support of the paper industry and environmental groups. Dan Boxer is coordinating lobbying on behalf of PIIO.

Environmental -- Boxer expects the Energy & Natural Resources Committee to unanimously support a modified version of the Great Northern proposal that Class I Air Quality regions could be designated only with prior approval of the Legislature.

Education -- Red Sarna of the American Pulpwood Association says that the plans for expanding the vocational education program for woodcutters is in trouble, caught up in the tight money picture.

Forestry -- Most of the bills dealing with forest regulation, many of them originated by the Maine Woodsman's Association or by Ed Sprague, a paper company critic, have been killed or appear destined for that fate, Magnuson reports.

Labor -- The bill which would require insurance companies to more fully justify rate increases for workers' compensation has been enacted and sent to the Governor for his signature.

Paper Industry Information Office

Directors of PIIO on May 11 went on record as opposing the renomination of Richard Barringer as commissioner of conservation. "A calm, high plain" statement of opposition to his nomination will be prepared based on the department's "poor record" of dealing with the state's forest resources in Barringer's years as commissioner. Directors also were told that a committee of woodland managers will meet within the next several days to hire a consultant to develop a new approach to the spruce budworm program. Ray Wood of Diamond International also reported on a meeting with the chief of the U.S. Forest Service in which John McGuire held out hope for further federal financial assistance.

The Barringer Appointment

The appointment of Barringer will be considered at a public hearing in Augusta on May 16. The Maine Forest Products Council has been active in drumming-up opposition. In Augusta, the Kennebec Journal in an editorial called for approval of the appointment, so did Maine Times. In the Augusta newspaper, the editorial saying "voices such as Richard Barringer are needed" appeared alongside a column by William Clark in which he discussed the appointment and concluded "the industry will now have to battle for its life."
HUMAN RIGHTS COMMISSION

The Maine Human Rights Commission, created in 1971, consists of five members appointed by the Governor and approved by the Senate.

The purpose of the Commission, as defined in a state publication:

"The Maine Human Rights Commission was established to promote the full enjoyment of human rights and personal dignity by all inhabitants of the State of Maine by keeping in review all practices infringing on the basic human rights to a life with dignity so that corrective measures may be recommended and implemented; and by preventing discrimination in employment, housing or access to public accommodations on account of race, color, sex, physical handicap, religion, ancestry or national origin and, relative to employment, discrimination on account of age; relative to the extension of credit, on account of age, race, color, sex, marital status, ancestry, religious creed or national origin."

Today the Commission's five members are: Norman Fournier of Presque Isle, the chairman; he's director of the Aroostook County Action Program; Irving Faunce, mayor of Gardiner and executive director of the Maine Good Roads Association, a lobbying and public relations organization representing highway contractors; Donald Key, a Bucksport attorney with a few months remaining in his term of office, Mary Spence of the Bates College faculty in Lewiston; and Meredith Ring, former superintendent of schools on Maine's Indian reservations and now on leave of absence to attend Harvard's graduate school.

The Commission recently selected a new executive director. Pat Ryan, a 35-year-old Gardiner woman, comes to the Commission from service in the Longley administration as chairman of the Commission on Women and more recently as chairman of the state personnel board, the policy-making group for the state work force. "It's a strong appointment," Faunce says. He considers her a capable executive. The staff of approximately a dozen persons investigates complaints which the Commission attempts to conciliate -- work out between the parties involved in the dispute. If that isn't possible, the Commission has the right to go to the courts.

ASSOCIATED INDUSTRIES OF MAINE

State Energy Director Joseph urged support for legislation mandating energy efficiency building performance standards at a May 8 meeting of directors of Associated Industries of Maine in Augusta. If L.D. 666 isn't passed, the state agency will lose federal funds for an energy conservation program. But Joseph said "this really is a simple thing and we just have to do it." A half hour before Joseph came to the meeting, a sweeping redraft of the bill was distributed. (Paul Firlootte had recommended opposing those portions of the original bill which deal with industry because "this bill addresses only the building envelope which is often counter-productive to energy conservation in complex process buildings." ) Discussing program priorities, directors put a political action program at the top of the list of things to accomplish once the Legislature had adjourned. Candidates for the legislature would be recruited and supported by an independent Political Action Committee. Final plans will be made next month. Other projects considered were going into the insurance business to cut the cost of workers' compensation for members, expanding legal services and revamping publications. The annual meeting will be September 26.
THE MAINE SCENE

This was a week when the news media had a lot to report on matters of interest to Great Northern....A story by Bob Cummings in the May 6 issue of the Maine Sunday Telegram was headlined: "Aroostook copper: Biggest hurdle may be permission to discharge waste into region's waters"....On May 9, a Bangor Daily News story reporting on attempts to block the spruce budworm program was headlined "Foes to ask court to block budworm spraying"....When the Board of Environmental Protection ordered the Company to develop a plan to limit sulfur dioxide emissions while new stacks are under construction, the May 10 headline in the News was "GNP is warned on emissions"....On May 10, a Portland Press Herald headline told another story "State loses battle in public lands war" reporting on a referee's finding that companies such as Great Northern have a legal right to all timber on public lots until the town in which a lot is located becomes organized....On May 11, both the Bangor and Portland newspapers had headlines covering the Governor's defense of the spruce budworm control program. The News: "Brennan defends gas plan, spray program." The Press Herald: "Budworm spray: Brennan argues pesticides protect industry vital to state."

PUBLIC RELATIONS

In response to a request from the Katahdin Times, a news release was distributed on the approval by the Board of Environmental Protection of Great Northern's strategy to improve the Millinocket area's air quality....In Bangor on May 10, I met with two University of Maine professors to discuss the possibility of a book on the history of the Indian land claims. If they go ahead, they will need financial assistance....I visited the Katahdin School in East Millinocket on May 8 to discuss possible assistance....On May 10 I discussed with Jean Freedman, a writer for Soundings Magazine, the Company's outlook on the Penobscot -- potential for hydropower and the Wild & Scenic Rivers issues. She is writing a story on whitewater rafting for Soundings Magazine.

COMING EVENTS

May 14 Public Hearing, Energy & Natural Resources Committee, Legislature, Room 122, State Office Building, 1:30 p.m., proposals to require reporting on petroleum inventories to State Office of Energy Resources (L.D. 1591), to reorganize the laws governing the State Bureau of Forestry (L.D. 1498) and to authorize state add-on projects for the U.S. Forest Survey of Maine's timber resources.

16 Public Hearing, Energy & Natural Resources Committee, 1:30 p.m., Room 113, on the nomination of Richard Barringer as conservation commissioner.

17 Meeting, Land Use Regulation Commission, with possibility of discussion of zoning of West Branch.

Sincerely,

pmc/b
Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine 04462

Dear Bob:

The newsletter for the Public Affairs Department for the period ending May 25 follows:

THE BARRINGER AFFAIR

Will Governor Brennan repost the nomination of Richard E. Barringer as Commissioner of Conservation?

Fed by comments to the press by the Governor and by Senator Trotzky of Bangor, rumors swirled. The Governor said he was thinking about the idea. Trotzky, a member of the Energy & Natural Resources Committee, who voted against Barringer on May 7, said he might reverse himself if Barringer promised to name a Forestry director acceptable to the forest industry. Lobbyists reported Barringer returned to the State House to woo votes. The Governor met with Trotzky. It was the liveliest topic of conversation in the capitol city.

The Barringer nomination was rejected, 7-6, by the Committee which includes Trotzky and the Committee's finding upheld, 17-10, by the Senate. It takes two-thirds of the senators present and voting to override a committee report. If Barringer is renominated and approved by the Committee, some say the Senate would over-rule the Committee. Others disagree. Everybody agrees the vote would be close.

There was no great outcry in the press in the wake of Barringer's defeat. In an editorial on May 21, the Portland Evening Express said it "was far from a surprise." Summing up, the Express said "the Governor made the appointment awkward at best. Earlier he had indicated Barringer would not be reappointed. Then he reversed himself. That did not give the nominee Senate momentum. The forces of the woods industry, always formidable, were arrayed against Barringer whose policies have distressed them. But it's not entirely certain that Barringer's defeat can be credited, or charged to that opposition."

Barringer's allies jumped on mistakes in testimony by a spokesman for the pulp and paper industry. Henry Magnuson of the Paper Industry Information Office told the Committee on May 17 during the lengthy public hearing that "we actually flew Mr. Barringer" when he should
have said "we arranged for Mr. Barringer to fly to New York." Barringer protested he had never accepted a ride on any plane owned by any company. They claimed it was justification for demanding another hearing on the nomination. Inaccurate reporting of clarifying statements only made the matter worse, Magnuson said.

LEGISLATURE

Legislators left Augusta on May 24 for a long holiday weekend. They will resume debate on May 29. Adjournment is still expected by mid-June. In the final weeks of the session, the management of Great Northern will be watching developments in the areas of taxes on timberlands and matters relating to energy.

The Committee on Taxation is split over amendments to the Tree Growth Tax Law with a minority favoring a version which would impose an additional tax of 50 cents per cord on all wood harvested over 500 cords. The money would be used to reimburse communities for 100 percent of the revenue loss as a result of valuations under the Tree Growth formula. A majority of the Committee favors 35 percent reimbursement. The House debate on the issue starts next week. The Committee has delayed a decision on the budget for the unorganized territory until members resolve this issue.

The Taxation Committee also appears ready to deal with tax incentives for business -- if available money will allow any such action. Members say they would like to do something to promote alternate energy uses. Charles Micholeau, a Portland attorney, is assisting Mr. Hand in dealing with this subject. Paul Firlotte and Bob Reardon both have been active in opposing an attempt by the Department of Environmental Protection staff to tighten controls on emissions from oil-fired boilers while dealing with a paper industry bill designed to stimulate the use of solid waste and bark as a fuel. It looks now like solution will be a study.

This week the Governor signed legislation banning mandatory retirement, a version stripped of controversial provisions. On Thursday, May 29, the Energy & Natural Resources Committee will consider a bill which mining companies want passed to ease controls over discharges into Fish River.

SPRUCE BUDWORM

Controversy over spraying to control the spruce budworm generated interests from NBC News, which is considering it as a topic for the Today show, and the New York Times. Michael Knight, Boston bureau chief of the New York Times, braved the black flies to visit opponents of spraying in the Wytopitlock area. I was quoted in a story in which Knight said "the paper and lumber companies occupy a position of affection in the hearts of woods residents somewhat similar to those of Consolidated Edison in the hearts of most New Yorkers...." Spraying has started but weather conditions have grounded planes for the last few days. Reports of people fleeing from the spraying areas have been broadcast over all of the country. A Tuesday story circulated by United Press International said "groups of worried northern Maine residents planned to evacuate their homes" but only one was identified. And spokesman for the Department of Conservation said they had only nine telephone calls asking for information on the spray program.
The Natural Resources Council of Maine is composed of 2,400 individual, or family, members and 90 affiliated clubs, associations and other organizations. The objectives of the NRC are "to protect and conserve Maine's natural resources and to encourage their wise economic and recreational use; to teach the interdependence of all living things; and thus to preserve for this and future generations the foundations for a healthy and abundant life." It's an environmental advocacy group. One of NRC's first causes was the creation of the Allagash Wilderness Waterway. Now the Council is leading the fight against the Dickey-Lincoln hydroelectric project on the St. John. At the same time, in recent years, the NRC has been vigorously opposing the Pittston oil refinery proposed for Eastport. The organization favored designation of Baxter State Park as a Class I Air Quality Region -- but may be rethinking the issue. Rob Gardiner, the NRC's executive director, says that the Council favors "phasing out the spruce budworm spraying along the lines proposed by Gordon Mott." The NRC wants to see a plan to manage the long-term recreational use of the Penobscot River corridor -- and if the state won't do it, the Council would support federal designation.

Gardiner says the Council is "trying to push issues we can be for..." in the months ahead -- better management of small woodlots, for example. The NRC is also planning a conference on the Kennebec River. Last year the Council had a session on the Penobscot in which Paul Firlotte and Bob Bartlett were invited to participate.

For the last decade the Council has been having annual meetings, in recent years holding them in different areas of the state. Last year the meeting had a coastal theme at Rockport. The year before members traveled to Sugarloaf Mountain. Bill Stearns, the University of Maine faculty member and canoeing expert who is chairman for this year's meeting, says the emphasis "is on a family weekend." The 1979 meeting will be held on June 1, 2 and 3 with the business session and a charcoal steak dinner at Stearns High School on Saturday evening. Headquarters will be Camp Natarswi, the Girl Scout camp on Togue Pond. Some 250 people are expected. Some will camp in Baxter State Park, some will stay in Millinocket at motels and some will camp at Natarswi. Field trips on Saturday and Sunday will include hiking on Katahdin, a visit to the West Branch salmon fishery, painting Katahdin, the geology and history of the mountain and the park, white water canoeing, photography, a visit to the fire area in the park as well as wildlife and wildflower walks. Great Northern will offer tours of pollution control and mill facilities and participate in a budworm-forest management tour of the park and adjacent lands.

For The Young And The Old

Teen-agers and retirees have figured in Company activities during the last several days. Bob Shinners on May 17 formally presented Great Northern Nekoosa Foundation scholarships to Mary J. Goody, daughter of Mr. and Mrs. J. R. Goody of Millinocket, and Dennis A. Myshrall, son of Mr. and Mrs. Peter W. Myshrall of Winterville. They were guests at a luncheon in Millinocket. On May 22, Peter Yacavone was the speaker at the annual dinner for retired employees in Millinocket. Over 550 turned out for the Stearns High School event. Retirees also saw exhibits used at the GNN annual meeting. News releases were distributed on both events. Copies of the Yacavone speech in which he discussed the business outlook were distributed to the press and to community leaders in northern Maine.
Frank Sleeper, the business news writer for the Portland newspapers, is writing an article on the rejuvenation of the lumber industry for New England Business Magazine. At Sleeper's request, Bob Hellendale answered his questions on May 14. I also helped Theresa Engstrom, the magazine's editor, and Pat O'Hare, the photo editor, with planning the article and editing it....On May 14 I contacted Cathy Walch of WVII regarding reports they were planning a story on an issue being investigated by the staff of the State Human Rights Commission. She assured me that both sides of the story would be reported. Plans for the story were dropped....Two dozen forest engineering students on May 15 from Syracuse University visited the Millinocket mill and toured the Telos mechanical harvesting operation while on a visit to Maine....Mark Balthazard of Pulp & Paper Magazine called on May 17 with questions regarding the replacement of No. 10 paper machine in Millinocket. He was preparing an article on capacity expansions in the pulp and paper industry. With guidance from J. Paul DeMarrais, I answered his questions and invited him to Millinocket mill to do a story on the project....We provided 75 kits of information on Great Northern and Pinkham Lumber companies for the staff of the High Adventure Program of the Boy Scouts of America....A photograph of Louis A. (John) Colgan receiving an award for accomplishment in the field of woods safety was provided the Katahdin Times....On May 18, Paul DeMarrais and I answered questions from Dennis Mills of the Bangor Daily News who was preparing a story on newsprint shortages....On May 20, I provided the Katahdin Times, Bangor Daily News and WMKR with information on the three explosive devices found in the Millinocket paper mills....Jane Day, a writer preparing a story for Wood Boat Magazine, called on May 21 asking if the Pinkham company provided lumber for boats and other information....DeMarrais and I talked May 24 with Bill Langzettel, a free-lance writer, regarding the preparation of news releases and a series of newsletters on the No. 10 project....Great Northern will sponsor as a public service over WMKR a broadcast of the public hearing on June 5 on the Millinocket school budget....At a meeting in Bangor on May 18, arrangements were completed with Stan Marshall of the University of Maine Pulp & Paper Foundation for Great Northern to again host a tour of the Millinocket mill and the Telos wood harvesting operations, July 19-20, by 40 high school juniors from all over the state....Stan will also coordinate for Great Northern on October 30 an engineering career seminar for high school students from Millinocket, East Millinocket, Houlton, Island Falls and Sherman. It will be one of a series in which companies are cooperating with the Foundation....A half dozen photographs and news releases covering promotions were distributed to newspapers and trade magazines.

Sincerely,

Paul
Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine 04462

Dear Bob:

The newsletter of the Public Affairs Department for the week ending June 1 follows:

**THE LEGISLATURE**

Striving for adjournment by June 15, legislators this week turned their attention to some of the major issues of the session. Things were happening fast. Lynwood E. Hand, legislative counsel for Great Northern, chuckled over the pace of events on Friday. While he and others were struggling with strategy on one issue, the Senate unexpectedly took up the bill being discussed -- and voted against it. All that happened without the benefit of the strategy lobbyists had been hoping to come up with to achieve the same results. Another bill was killed, and revived, in the space of 15 minutes.

Matters of interest to Great Northern include:

**Taxation** -- The Committee on Taxation split over amendments to the Tree Growth Tax law. A majority favored imposing a new severance tax (50 cents per cord of wood annually harvested over a total of 500 cords) which would provide for reimbursements to communities which have lost revenues as a result of the Tree Growth Tax Law. The House accepted this version, 86 to 41, on May 29. When the bill reached the Senate on Friday afternoon, the Senate was expected to prefer the other version-- which did not include the severance tax. The Maine Municipal Association has made the Tree Growth Tax issue its No. 1 priority for the session. Officials of towns and cities have been complaining to their legislators for several days as part of a well-organized campaign. But if the Senate rejects the severance tax by a strong majority, there is a chance that the House will "recede and concur" with the Senate. Some say if the communities are forced to settle for reimbursement at the 35 percent level, a referendum campaign to repeal the law will be launched by the municipalities and others who brand the concept as a tax shelter for people with choice coastal property and timberlands. Without a new tax, there is little hope for additional reimbursement.
On June 1, the Taxation Committee reported out a proposal for a tax increase of approximately six percent in the Unorganized Territory Educational and Services Tax. The tax provides for services such as cities and towns provide -- police, fire, zoning, welfare and education.

On May 29, Paul Firlotte, Charles Micholeau, Hand and I discussed the outlook for tax incentives at an Augusta meeting. Micholeau says that Mrs. Post, House chairperson, favors some incentives for solid waste or hydro projects -- if any funds are available. Most people believe the chances are slim. The Taxation Committee is expected to report in the next few days.

Energy -- The legislative history of the paper industry bill designed to encourage use of solid waste as a fuel took a new twist. Great Northern spokesmen vigorously opposed an amendment proposed by the staff of the Department of Environmental Protection which would tighten up restrictions on boilers using oil as a fuel. An agreement was reached, however, that the issue would be studied. Then the bill was amended to include rejected standards as a basis for the study. When Representative Boldgett, sponsor of the bill, heard that he faced a fight, he stripped the standards from the amendment.

Forestry -- Rejected in the House on May 29 because it would cost too much money, the Maine Woodsmen's Association bill to create a silvicultural review board got new life a few days later in the Senate. It was amended to require only that cutting plans be filed with the Bureau of Forestry. Most lobbyists were predicting that the Senate would kill the bill Friday, or next week.

**Spruce Budworm**

"The telephone never stops ringing. Calls are coming from reporters all over the country. The Canadians are very interested. Critics keep complaining. And a lot of people call in because they don't understand what, if any, health problems may be associated with the use of chemicals to spray to control the spruce budworm, I've never seen anything like it," Marshall Wiebe said on May 31. He's the information officer for the State Department of Conservation.

While the actual spraying was delayed because of a long series of rainy days in northern Maine, reporters from CBS-TV and the wire services were in Millinocket on May 31 for a State Department of Conservation press conference. While Commissioner Barringer warned he would take police action against any person interfering with the program, he continued to say that the actual spraying should be done by landowners and not the state. Gary Shepard of CBS-TV, a reporter who covered the Three-Mile Island story in Pennsylvania, has been assigned to the story. He interviewed Hank Magnuson of the Paper Industry Information Office in Augusta. CBS-TV was to be followed by CBC-TV from Canada and next week a NBC-TV team was planning to visit Millinocket. They also will interview Magnuson. The Maine program is the biggest program being conducted this year in the U.S.A.

Elsewhere in Maine, there were protests against the spraying. Over 125 people turned out at a protest meeting in Washington County. A delegation from that area went to Augusta to demand unsuccessfully that the Governor halt the spraying because they fear it constitutes a health hazard.
Board of Environmental Protection

After Governor Brennan made his first appointments to the State Board of Environmental Protection, Phyllis Austin wrote in an editorial in Maine Times that "if his first two appointments are an indication of what the others will be, Brennan will continue to use the state's most important policy-making board as a dumping ground for unimaginative, politically safe good old boys." The Natural Resources Council of Maine and the Maine Audubon Society are up in arms. Delegations from the two groups have gone to the Governor promoting several possible candidates for vacancies which will occur in 1979. The environmental groups reportedly agree with Maine Times that most of the present board "are lost amid the multiplying technical and legal complexities of their job."

The BEP consists of ten members who serve terms of four years. Candidates appointed by the Governor must be approved by the Senate after a hearing before the Energy & Natural Resources Committee.

The present board:

<table>
<thead>
<tr>
<th>Name, Residence</th>
<th>Occupation</th>
<th>Term Expires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wilma Bradford, Bangor</td>
<td>Housewife</td>
<td>April 11, 1980</td>
</tr>
<tr>
<td>Paul Burbank, Brunswick</td>
<td>Retired airlines executive</td>
<td>Feb. 10, 1981</td>
</tr>
<tr>
<td>Conrad Doucette, Auburn</td>
<td>Retired banker</td>
<td>June 24, 1979</td>
</tr>
<tr>
<td>Lionel Ferland, Auburn</td>
<td>Farmer</td>
<td>April 11, 1983</td>
</tr>
<tr>
<td>Evelyn Jephson, Kennebunk</td>
<td>Housewife</td>
<td>Sept. 16, 1980</td>
</tr>
<tr>
<td>Maynard Marsh, Gorham*</td>
<td>Retired Fish &amp; Wildlife Chief</td>
<td>Sept. 16, 1980</td>
</tr>
<tr>
<td>Raymond W. Mersereau, Mars Hill</td>
<td>Potato broker</td>
<td>Sept. 8, 1979</td>
</tr>
<tr>
<td>Mary Sottery, Portland</td>
<td>Housewife</td>
<td>May 19, 1979</td>
</tr>
<tr>
<td>John Turbyne, Winslow</td>
<td>Retired Scott engineer</td>
<td>Dec. 22, 1979</td>
</tr>
<tr>
<td>James Tweedie, Mars Hill</td>
<td>Potato farmer</td>
<td>Feb. 10, 1981</td>
</tr>
</tbody>
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*serving out term of Sylvia Lund who resigned

End of the Barringer Affair?

Senator Howard Trotzky made a point Thursday of telling Hand that he had made up his mind. Trotzky said he had told the Governor he wouldn't reverse himself if Barringer were again nominated to be commissioner of conservation. Trotzky voted against the nomination when the Energy & Natural Resources Committee rejected Barringer, 7-6. Brennan had said he might repost Barringer if Trotzky would change his vote. Speculation was widespread and the subject of several newspaper editorials and articles. Most published letters were complaints about Hank Magnuson's inaccurate testimony against Barringer. Dave Bright of the Bangor News said "in all likelihood Barringer will continue to serve as Maine's commissioner of conservation." It doesn't look that way today, Mr. Bright.
PERSONALITY: NATE BOWDITCH

The Maine Development Foundation is a product of the Longley era -- promoted by the former governor as a way in which business and government could be partners in promoting the state's economic development. Governor Brennan says it will play an important role in his administration. But the Foundation has been floundering without a president since Fred Webber quit after a few months on the job. Webber, a former Scott vice president, decided that because of personal reasons he and his family had to live in the Washington area. This week Nathaniel H. Bowditch took over as his successor. Bowditch has been director of Lewiston Tomorrow, an organization which has been promoting downtown revitalization in Maine's second largest city. A Harvard graduate, he has a masters degree in planning from Princeton University and most of his experience has been in the planning office. In Lewiston, he was highly successful in putting together the package of public and private funds which made reconstruction of some of the downtown area possible. He's going to have to concentrate on that part of his job in Augusta. That's how the Development Foundation must work according to the law establishing the agency.

PUBLIC RELATIONS

Inquiries from the Katahdin Times and Paper Trade Journal regarding progress in the investigation of the explosive devices found in the Millinocket mill were referred to Millinocket Police Chief Frank Friel.... Copies of the enclosed advertisement and Peter Yacavone's speech at the banquet for retirees were mailed to over 700 retired employees.... Dennis Brown of United Press International also called regarding Great Northern's reaction to the ban on mandatory retirement approved by the Legislature.... Roger Boynton went to Presque Isle to start work on a project involving photography of the spruce budworm program. In Millinocket, he took a photograph of a guest house function when boys who built a house as part of their vocational education program were guests. The project was co-sponsored by Great Northern. Fred Morrison presented a check from proceeds of the sale of the house to their instructor. It will be used for scholarships.... The Great Northern slide-tape presentation was shown to 85 visitors who are enrolled in the summer workshop of the University of Maine Pulp & Paper Foundation at Orono.... George Smith of the Pinkham company and I met with Bob Cardin of a Bangor advertising agency to complete work on a new series of advertisements for the lumber firm.

Sincerely,

[Signature]

pmc/b
Enclosures
Over 550 retired employees and their guests attended Great Northern's 24th annual banquet for retired employees May 22 in the Stearns High School gymnasium. Peter F. Yacavone, president, spoke on the "Good News of 1979." Mostly, however, it was a night when old friends got together to reminisce.
G-P TO BUILD WAFERBOARD MILL IN MAINE

Plans to construct a waferboard mill, the first in Maine, were announced in May by Georgia-Pacific Woodland Division. General manager, Gary Gettman said building will start this summer pending environmental approval of the project. The new plant is expected to employ about 100 people.

The mill will be environmentally safe, energy self-sufficient and capable of using low quality and underutilized tree species. G-P officials described waferboard manufacture as a dry process producing no water effluent and negligible air emissions. The plant, to be located adjacent to the Chip-N-Saw stud mill, will operate on electricity and heat generated by the stud mill’s waste-fuel fired boiler and turbine.

Groundwood mill closed down

G-P also announced the permanent closing of its groundwood mill following a company decision to enter the specialty paper market by producing a “freesheet” that has no groundwood component. The closing caused the layoff of about 40 mill employees including 13 from the woodroom section.

Protection of the Bald Eagle, our national symbol, has been recognized in the forest management program of various paper companies in Maine—even before the bird was officially declared an endangered species. Wherever nests and nesting sites have been identified, companies have entered voluntarily into agreements with the U.S. Department of the Interior, Fish and Wildlife Service, to follow special guidelines in timber harvesting leaving these sites undisturbed.

The agreements stipulate first, “to establish an undisturbed area or sanctuary within a minimum radius of five chains (330 feet) of each eagle nest in which no change of the natural habitat is to be permitted at any time of year. Human visitation during nesting season will be restricted as far as possible.”

Secondly, “to cut no trees, build no roads, and engage in no disruptive activities within a minimum radius of ten chains (660 feet) of each eagle nest during the period of March 1 to July 31 of the calendar year. No buildings will be erected within the perimeter of this ten-chain zone.”

For its part, the government agrees to provide technical advice and consultation on matters pertaining to eagle protection and the laws enforcing it as well as periodic information on the status of eagle populations and applicable management practices.

Agreements are usually renewed automatically every two years. Exact locations of nests are generally guarded by those working on eagle protection plans since, aside from environmental factors and accidents, the greatest threats to eagles are thoughtless hunters and curiosity-seekers.

Studies carried on by state agencies and conservation groups over the past few years indicate that in Eastern Maine the remaining eagle population has not declined but rather appears to be showing encouraging signs of increasing. Part of this improvement is attributed to efforts to reduce environmental pollution and protect habitats.

Paper companies presently participating in the program include: St. Regis, Georgia-Pacific, Great Northern, International, Scott and Diamond International.
Louis F. Laun, president, American Paper Institute, in remarks to the annual banquet of the Pulp and Paper Foundation at the University of Maine in Orono, April 19, reported that the paper industry is now 50% energy self-sufficient. He noted that paper companies have replaced more and more petroleum fuels with wood and waste byproducts of the manufacturing process in a major contribution to the nation's effort to reduce reliance on petroleum fuels. Laun reported that the paper industry used 7% less fossil fuel in 1978 than the year before, while producing 8% more paper. He also observed that 30% of the industry's capital investments continue to be for environmental improvement.

**GNP WILL USE MORE BARK, LESS OIL**

Great Northern Paper Company announced its plans in May to start construction on the state's largest bark boiler at East Millinocket. The use of 460,000 tons of waste bark a year in the $34-million boiler will displace 413,000 barrels of oil and reduce the company's dependence on fossil fuel by 20%, according to Peter F. Yacavone, president.

The new boiler which meets all state and federal environmental requirements, will be located next to the existing mill steam plant to produce electricity and steam for the papermaking process. A bark receiving, processing and storage facility and a $1.4-million dust collection system are part of the installation.

**PSD PERMIT AWARDED TO BOISE CASCADE**

The first Prevention of Significant Deterioration (PSD) permit to be granted by the Environmental Protection Agency (EPA) Region I was awarded in April to Boise Cascade Paper Group Rumford Mill for its $65-million recovery boiler project.

A year of meeting permit requirements, testing sulphur dioxide and particulate emissions in the Rumford-Mexico area, demonstrated to the EPA that the increment of air pollution to be produced by the new boiler would not be so substantial as to reduce air quality, based on present regional standards. In fact, it was shown that the new boiler will emit significantly less pollution than the two existing older boilers it will replace and improve the already acceptable air quality. The new boiler incorporates the latest pollution abatement technologies in its design.

The recovery boiler is part of an overall $254-million expansion which includes adding a 314-inch Fourdrinier fine-coated paper machine and a thermomechanical pulp facility to the Rumford mill to increase production by 40% to about 1,400 tons per day.

**CASCADE ART FESTIVAL ENJOYED**

Karen DeMascio, a freshman at Rumford High School, studies another young woman from an earlier time, recorded on canvas by an early 19th century Maine artist. The portrait was part of the first Cascade Art Festival exhibit held in April.

It was a cooperative project involving Boise Cascade and the community that transformed the unused top floor of the Rumford Falls Power Station into a gallery making it possible for Karen and 3,500 school children and adults to see, first hand, a varied selection of art works.
Arbor Week, "a guide for elementary school teachers," put together by the Portland Maine Forestry Division and the Recreation Division of Portland's Department of Parks and Recreation and made available by the Division of Community Forestry, Maine Forest Service is a good year-round source of forest education and suggested activities.

ST. REGIS ASSISTS ARBOR WEEK

When a rainy day prevented the fourth grade of the Jewett School in Bucksport from going to the woods for a field trip for Arbor Week, St. Regis Paper Co. responded by bringing the forest to the classroom.

Shown is Thomas W. Hartranft, area forester for the company, using a St. Regis illustrated guidebook, Life in the Forest, and a tray of young seedlings to tell the story of trees and forest management. At the close of the day, each student took home one of the seedlings to plant.

In other activities, Gov. Joseph E. Brennan designated May 13-19 as the official Arbor Week this year and encouraged schools, clubs and civic organizations throughout the state to conduct appropriate ceremonies. Planting shade, ornamental and forest trees perpetuates the beauty of Maine, he said, and noted the state's economy is largely dependent on proper management and wise use of renewable forest resources. The state Department of Educational and Cultural Services sent out information to Maine schools suggesting various activities for the week.

ST. REGIS MOVES WOODS DIVISION

The Northern Timberlands Division of St. Regis Paper Co., managing more than 1.3-million acres of forests in Maine, New Hampshire, New York, Wisconsin and Minnesota, will be moving its headquarters from New York to Bangor this summer.

Blaine E. Bloomgren, Bangor, has been named general manager of the division and William S. Oliver, Costigan, will succeed him as resident manager of the Costigan operation.

The division is one of 15 within the company supplying and purchasing wood for St. Regis mills and others.
North Maine Woods has a supply of maps, informational folders and 1979 rate sheets ready for distribution. Summer visitors planning a trip to the 2½-million acres of remote forestland administered by this organization should write: Mr. Tom Dickens, P.O. Box 552, Presque Isle, Maine 04769 for registration details. The North Maine Woods area with 2,000 miles of permanent roads and several more of temporary is open for primitive camping and travel including access to the Saint John River and Allagash Wilderness Waterway. The region is a good example of multiple use where commercial timber harvesting is carried out along with fishing, camping, hiking, mountain climbing and canoeing.

UMO FOUNDATION APPROVES RECORD BUDGET

Palm receives Honor Award

At its 29th annual meeting held April 19 and 20, the University of Maine Pulp and Paper Foundation approved the largest yearly budget ever—$334,400 to support 125 undergraduate scholarships for engineering students and industry-related research. Income for these projects will come from 150 paper and supplier companies from 26 states, alumni and friends.

Henry W. Fales, Thomaston, retired vice president, St. Regis Paper Company, was elected chairman and Charles W. Schmidt, president, S. D. Warren, a division of Scott Paper Company, was named president of the Foundation.

The Foundation's 1979 Honor Award given in recognition of contributions to promote the University's excellence in preparing young people for paper industry related technical careers, was awarded William H. Palm, retired vice president, Westvaco Corp. Mr. Palm, who has served the Foundation for a decade, most recently as chairman, has worked to increase scholarship activity and raise academic standards in the University's chemical engineering department.

MFPC ANNOUNCES 50% GROWTH AT ANNUAL MEETING

A panel of paper industry and university experts in forest management were on the afternoon program of the 18th annual meeting of the Maine Forest Products Council, April 27. Members were given a tour of the Keyes Fibre mill in the morning.

Participating in the panel were: Dr. Maxwell L. McCormack, Cooperative Forestry Research Unit, University of Maine at Orono; Roger J. Mitchell, Georgia-Pacific; and Dr. Charles Webb, Bangor research center, International Paper Co. Keith Ruff, Georgia-Pacific, was moderator during the session.

Rand W. Stowell, president, United Timber Corp., was reelected president of the Council and told the group the membership had climbed to 659, an increase of 50% since December. Directors for 1979 were also named.

The Distinguished Service Award was given to Albert Nutting, former forest commissioner and chairman of Baxter State Park Authority, for his outstanding contributions to the forest industry. Frederick E. Hutchinson, vice president, Research and Public Services, UMO, was the main speaker of the evening.
Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine 04462  

Dear Bob:  

The newsletter for the Public Affairs Department for the week ending June 8 follows:  

**THE SPRUCE BUDWORM**  

Two headlines summed up the story of a week of controversy:  

"Dylox Spray Axed by State"  
---Maine Sunday Telegram, June 3  

"Use of Dylox halted as budworms studied"  
---Bangor Daily News, June 4  

"When they have to call off spraying at the last minute with two chemicals, you have a heck of a story," Susan Postlewaite of the Associated Press said today as she prepared another report on the controversy. Developments ranged from Washington County to Millinocket to Augusta. There were threats of violence. There were pickets. In Augusta, the Pesticides Control Board permitted the program to proceed but on a 4 to 3 vote mixed with a warning to pilots that they had to quit making mistakes or face the immediate suspension of their licenses. Improving weather resulted in the spraying going ahead at a rapid pace on Thursday and Friday.  

On Sunday, June 3, a report on the program was carried on the CBS Evening News. This week a team from the NBC "Today Show" was in Millinocket and in Augusta filming a report which will be seen next week. Gordon Mott of the U.S. Forest Service said today that he had been told it would be aired between 7 and 7:30 a.m., Tuesday, June 12. Hank Magnuson of the Paper Industry Information Office was interviewed. Bart Harvey escorted the film crew to Telos for a shot of wood harvesting. I talked with Al Johnson of NBC. I also answered questions from Joe Eglihoff of the Chicago Tribune.  

Roger Boynton traveled with Bob Wright and photographed the spray planes flying out of Presque Isle.
Spruce Budworm (continued)

In Augusta, Senator McBreaity, the retired farmer who now is chairman of the Energy & Natural Resources Committee, shook his head after a field trip with state officials. "People are not being told that four times as much chemical is used on apple trees in the back-yard as is being used against the budworm," the Senator said.

THE LEGISLATURE

Legislators were putting in a 12-hour day in the usual hectic atmosphere of an adjournment drive on the third floor of the State House in Augusta this week.

Lynwood E. Hand, legislative counsel for Great Northern, was following several issues:

Taxation -- Legislators Friday were still struggling with the Tree Growth Tax issue but a decisive June 1 vote (16-7) in the Senate had apparently convinced the House that a severance tax isn't going to be passed this session.

The proposed six percent tax increase in the unorganized territory was moving through the Legislature without opposition. It was amended to call for a study of how much should be budgeted for fire control in future years. The proposed fire control budget for 1979-80 is $1 1/2 million.

The Taxation Committee on June 7 reported out a proposal to encourage the use of solid waste for energy production. It would exempt equipment in such facilities from the sales tax. The bill got initial approval in both houses.

Energy -- The bill relaxing particulate emission standards for wood burning boilers was passed and sent to the Governor. It also, however, will result in a study of standards for oil-fired units. The proposal to establish mandatory building standards for construction as an energy conservation step was rejected after considerable debate, although kept alive as a voluntary program.

Forestry -- The Maine Woodsmen's Association silvicultural bill is dead. The proposal popped up again this week as an amendment to the Tree Growth Tax Law, but again was rejected.

The Legislature was expected to recess Friday night. Members of the Appropriations Committee were returning Monday and Tuesday to Augusta to consider the many proposals tabled requiring funds for passage. The entire Legislature meets Wednesday with adjournment expected Thursday or Friday.

THE MAINE SCENE

This was a week when the paper industry was in the news all over the state.... Striking employees of St. Regis turned down a contract with a cost of living allowance feature and also blocked a train leaving the mill with paper produced before the strike....UPIU members employed in the S. D. Warren mill in Westbrook rejected a contract and threatened to strike....UPIU workers at Keyes Fibre in Waterville made headlines by rejecting a new contract....Fraser made headlines by announcing the startup of the world's biggest MgO recovery boiler.
In 1975 the Legislature redefined the purpose and policy of the Board of Pesticides Control as "for the purpose of assuring to the public the benefits to be derived from the safe, scientific and proper use of chemical pesticides while safeguarding the public health, safety and for the further purpose of protecting natural resources of the State, it is declared to be the policy of the State of Maine to regulate the sale and application of chemical insecticides, fungicides, herbicides and other chemical pesticides."

The Board consists of eight men who head state agencies. They frequently send representatives to meetings. They annually elect a chairman. The Board is composed of the following:

Commissioner of Agriculture..................Stewart Smith, chairman
Commissioner of Human Services...............Michael Petit
Commissioner of Conservation..................Richard Barringer
Commissioner of Fisheries & Wildlife..........Glen Manuel
Commissioner of Marine Resources............Spencer Apollonio
Chairman, Public Utilities Commission........Ralph Gelder
Commissioner of Transportation..............Roger Mallar
Commissioner of Environmental Protection...Henry Warren

Donald Mairs is the veteran supervisor of the four employees who constitute the Board staff. The agency had a budget of $73,555 in 1978. He and his colleagues examine and license some 500 commercial pesticide applicators, promulgate regulations regarding the use of pesticides, issue permits for aquatic and restricted-use pesticides, perform inspection and patrol work to check proper use of toxic chemicals, prosecute violations or initiate license suspension actions and cooperate with other agencies in environmental monitoring and protection.

The Board has been criticized because it provides a way for representatives of agencies using pesticides to become involved in regulation of pesticides. But the real say over which pesticides can be used and how they can be used is held by the U.S. Environmental Protection Agency. A label on each pesticide container spells out the details. The state agency is mainly occupied with the training and certification of pesticide applicators. In 1978 the Board reported to the Legislature that "the control of bats" posed a new responsibility and also said "a continuation of the resurgent public concern over pesticides effects is evident."

**Personality: Stewart Smith**

In the June 6 editions of the Bangor Daily News, Commissioner of Agriculture Smith was quoted as saying he does not support the concept of a budworm spray program although he was reluctant to ask that it be halted this year. Born in Newport, Smith graduated from Yale in 1959 with a degree in economics and later received a doctorate in agricultural economics from the University of Connecticut. He comes from a family of potato growers (his grandfather was state agriculture commissioner). Smith served in the House of Representatives and made an unsuccessful try for Congress in 1974. When Governor Brennan offered him the position of Commissioner of Agriculture, Smith was in Washington as associate administrator of the Agricultural Stabilization and Conservation Service. He took a pay cut and recently returned to Maine.
Frank Sleeper, the business news reporter of the Portland newspapers, was writing an article for New England Business Magazine when he called on June 4 with questions regarding why GNN's headquarters were located in Stamford....A University of Maine researcher called on June 6 asking questions about the duration of the 1978 strike and the cutbacks on water flows in the hydropower system during the strike. Dr. McDaniels is exploring a link between the warmer waters of the Penobscot as a result of the curtailment of water flows and dry weather and a decline in the population of blackflies....At the request of a Pittsfield supplier, Norm Bouffard of Maine Fence Company, arrangements were made with Scott Paper Company to have a forester present the spruce budworm slide show for the Kiwanis Club of the community....Ted O'Meara of Congresswoman Snowe's Bangor district office called on June 8 with questions regarding the East Millinocket project....During a summer tour of the forests of Maine, deans of major U.S. forestry schools will visit Ragguff and see the 35 mm slide presentation on the spruce budworm issue. The dates of the tour are August 19 and 20....Eight teachers from Katahdin, Stearns, Schenck, the Granite Street School and Lee Academy are enrolled in the 1979 workshop of the Maine Council on Economic Education....At the request of John Staples, I agreed to attend a June 19-20 meeting of the printing and writing paper division of the American Paper Institute. Senator Cohen of Maine will be the dinner speaker.

NATURAL RESOURCES COUNCIL

With help from Dan Corcoran, Gail Deabay, Jim Giffune, Bud Heal, Dale Phenicie, Bob Tile and Pat Welch, I arranged for tours of the woodlands, the Millinocket mill and pollution control facilities during the annual meeting of the Natural Resources Council of Maine in Millinocket on June 1-2-3. Rob Gardiner, the NRC's executive director, toured both the woodlands with Corcoran and Gordon Mott and the pollution facilities with Phenicie and Welch the following day. Outgoing President Peter Heimann of Rockport toured the mills (his first visit to a paper mill) and the pollution facilities. Heimann termed attendance disappointing, only 125 people showed up in contrast with the 250 anticipated. Attendance on the tours (there were many others besides those involving Great Northern personnel and facilities) was small. Giffune and Heal welcomed those who showed up for the mill tours and Deabay and Tile helped with the tours. The 35 mm slide presentation on Great Northern was shown as an introduction to the Company. Photographs of the tour were provided the Paper Industry Information Office and NRC for use in newsletters.

Sincerely,

PMC/B

[Signature]
Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine 04462

Dear Bob:

The newsletter for the Public Affairs Department for the week ending June 15 follows:

THE DAYS OF RECKONING

On Friday, June 15, the Legislature adjourned. The final days were frustrating for members. They saw most of the proposals they had advocated for months go down the drain. There wasn't enough money available to permit new services. Critics say the 109th has been a "do-nothing Legislature." There are some who do not consider this lack of accomplishment as undesirable.

Hopes for financial incentives for the development of alternate energy sources stayed alive until the last day. The Taxation Committee, bogged down in disarray for months, reported out at bill suggesting exempting from the sales tax equipment for facilities in solid waste generating plants. The idea got the approval of the Appropriations Committee. But when the bills were sorted out by the Legislative Council, composed of the 10 leaders of the two houses, funds were not available to offset the anticipated revenue loss.

The tree growth tax issue was one of the matters which forced the session into an extra day. A compromise was sought which would make possible a higher level of reimbursement for towns. The attempt failed because of the revenue pinch. A petition-drive to repeal the law may come next.

While the session is over, several studies are scheduled in response to legislative orders or actions. One will consider the future of the spruce budworm control program and another environmental standards for oil-fired boilers.

QUOTE OF THE WEEK

"He's a legend in his own mind!"
---Wally Hazelton, Depositors Trust Company

Millinocket, Maine 04462. (207) 723-5131 Ext. 228
THE MAINE SCENE

When a four-engine spray plane ditched in the Allagash Wilderness Waterway on June 14, it set the stage for another round of adverse publicity for the spruce budworm control program...The next day a big picture of the plane (loaded with "800 gallons of toxic insecticide") was on the front pages of all Maine newspapers -- Portland, Lewiston, Augusta, Waterville and Bangor. The spraying is nearing completion.... With the strike continuing at its Bucksport mill, St. Regis Paper Company took a full page advertisement in the Bangor Daily News on June 14 to explain its difficulties....Workers of the Westbrook mill of S.D. Warren Company and the Fairfield plant of Keyes Fibre were scheduled to vote today and Saturday on last-minute proposals to head off strikes....An energy plan for the region was announced on June 11 by the New England Energy Congress. It was attacked as "unrealistic" by a spokesman for Central Maine who charged the plan placed too much emphasis on untested sources "even chicken manure" and too little on coal and nuclear. John Day of the Bangor Daily News interpreted the report as one in which a new dam on the Penobscot is opposed. I have obtained a copy of the 500-page study. Next week I plan to discuss legislation proposed in the report with Congressman Emery.

PAPER INDUSTRY INFORMATION OFFICE

Directors of the Paper Industry Information Office have authorized Executive Director Hank Magnuson to write a letter of rebuttal to a published letter saying Magnuson lied in opposing the renomination of Conservation Commissioner Barringer. The step (as well as a screening process to avoid another mistake) was approved at a June 15 meeting. A tentative budget for P110 for 1980 was circulated. An increase of less than five percent is anticipated. Attorney Peter Rich submitted a set of guidelines to guard against violations of anti-trust laws. Dates for the annual meeting were set as January 25-26 in South Portland.

PUBLIC RELATIONS

Denise Rogers, a reporter for Sports Illustrated, called June 8 with questions regarding Great Northern's decision to invest in a boiler in which bark will be the fuel instead of constructing another hydroelectric facility. She said the story Dan Levin wrote last year on whitewater rafting was being brought up to date for publication in the next few weeks. I would expect a story emphasizing the rafters' opposition to any new dam....The NBC Today Show cancelled a report this week on the spruce budworm spraying project. It is now rescheduled for 8:14 a.m., Wednesday, June 20. The news of John Wayne's death forced the change.....

ASSOCIATED INDUSTRIES OF MAINE

Directors of Associated Industries of Maine met June 12 at the headquarters of Depositors Trust Company in Augusta. With the legislative session drawing to a close, Executive Director Ronald Colby spent considerable time reporting on this subject. AIM followed 200 different pieces of legislation and took positions on 100. President Bill Haggett of Bath Iron Works hailed the organization's success. Haggett and others, however, said that more interest has got to be generated in energy and environmental legislation. The hiring of a specialist in this area was discussed. Plans were also approved for a separate Political Action Committee with directors from the AIM board. The annual meeting of AIM will be September 26 in South Portland.
When the so-called "environmentalists" are talked about, you usually hear of two organizations -- the Natural Resources Council of Maine and the Maine Audubon Society. A summary of the NRC was included in our May 25 newsletter. The Audubon Society is headquartered in a solar-heated building overlooking the marshes in Falmouth. The staff of 28 is headed by Executive Director Bill Ginn. In 1978, membership in the Society increased 12 percent to 7,000 people who live in 340 communities. The organization's budget was balanced for the sixth year in a row. Public and corporate (Great Northern is one of 25 companies which contributed last year) support totaled over $1,000. The Society also has an endowment fund of $500,000. Several of the Society's programs are financed with government funds (including six foresters paid by CETA who counsel landowners under a wood fuel program). The Society's board of trustees reflect the organization's appeal. Dave Clement of S.D. Warren, Leon Gorman of L.L. Bean, former Conservation Commissioner Donaldson Koons, State Representative Sherry Huber, former congressional candidate Horace Hildreth are included on the board. Banker Robert LeMieux is the current president.

What were the major accomplishments of the Society in 1978?

-- A teachers' resource center for environmental education
-- Hiring a full-time naturalist for its nature center
-- Summer and winter field trips
-- Counseling woodlot owners
-- Helping farmers with energy conservation
-- Providing teachers with aids on the subject of energy
-- Sponsoring an environmental town meeting
-- Adding an attorney to its staff as a lobbyist

What's the Society doing these days?

It's calling for the State of Maine and landowners to develop a comprehensive and workable management plan for the Penobscot watershed.

It's rallying support (and is likely to emerge a big winner) in the face of a challenge to the ban on non-returnable bottles. Everybody agrees that the law has resulted in a drastic reduction in roadside litter.

**PERSONALITY: GLENN H. MANUEL**

In Maine, fishing and hunting are part of the way of life. The fishermen and the hunters comprise a potential political force. The fees they pay for licenses finance the State Department of Fisheries and Wildlife. Glenn H. Manuel was Governor Brennan's choice to head the department. Born in Hodgdon in 1920, Manuel attended the University of Maryland. After serving as an official of the American Red Cross in Washington, D.C., he returned to Maine and the potato business, eventually owning six potato farms in Aroostook and becoming a director of the Maine Potato Council. He was a state senator in 1967-68. Manuel served for seven years on the advisory council of the department he now heads as commissioner.
QUESTIONS & ANSWERS

What views do the hunters and the fishermen have on public issues? Recently The Maine Sportsman, a monthly newspaper, published the results of a public opinion poll answered by over 800 readers. Some of the questions:

Q. Recent years have seen an increase in spraying of herbicides and pesticides in the Maine woods. Landowners plan to increase the use of such spraying in the future as an economical way of managing woodlands, and to maximize the growth of softwoods needed for paper making. Do you believe herbicide and pesticide spraying in the Maine woods represent a health threat to man?    Yes  69%  No  23%

Q. Do you believe such spraying represents a threat to fish and wildlife?    86  9

Q. Do you believe the state should establish tighter regulations on such spraying?    87  8

Q. We are seeing increased use of clearcutting of tree growth in the Maine woods. Do you believe clearcutting poses a threat to fish and wildlife?    76  20

Q. Do you believe the wildlands which are taxed on the lesser tree growth tax rate, rather than land value, should be required to remain open to the public for recreation use?    81  14

Q. Would you favor giving a tax break to landowners who do not close their land to recreation uses?    72  27

Sincerely,

[Signature]

pmc/b
Mr. Robert J. Shinners
Vice President-Operations
Great Northern Paper Company
Millinocket, Maine 04462

Dear Bob:

The newsletter of the Public Affairs Department for the week ending June 22 follows:

THE CRITICS

Terre Orlando of Eastport....Bill Butler of Aurora....Claire Bolduc of Bangor....Edward Sprague of Eustis....Bo Yexra of South Princeton....Charles Fitzgerald of Atkinson....Mitch Lansky of Wytopitlock....Larry Lack of Eastport....Doc Hodgkins of Trescott....Melvin Ames of Atkinson....

What do they have in common?

They frequently write letters to editors and public officials. They get a lot of publicity. All oppose spraying to control the spruce budworm. Generally speaking they all will be opposed to the paper industry on all issues -- Indian land claims, woods labor, air pollution, etc.

Lack, a free lance writer who has been covering the spruce budworm spraying program for Maine Times, likes to write about "the paper cartel that owns this state" and constitute "an outrageous totalitarianism that must be destroyed...."

Why do these people get involved in such issues? In a letter in Maine Times on June 15, Paula Burleson of Houlton, an ally of Fitzgerald, wrote:

"I am most personally involved in the fight against spruce budworm spraying, but I recognize a common sense of indignation which fuels the protests against, among others, Maine Yankee and the Pittston oil refinery as well....The present trend toward activism, however, seems to be growing out of something more than just disillusionment with the power structure. If you listen closely to what any one protestor is saying, you will hear an urgency born of fear. Why must my livelihood be threatened by oil pollution? Why must I be subjected to radiation against my will? Why am I forced to breathe in poisons from pesticides I do not wish to be exposed to?"
The Critics (continued)

In reviewing 215 clippings resulting from published material on the spruce budworm program since January 1, there is no doubt that the critics made an impression on the news media and on the public. The clippings were almost entirely negative on the program and on the future of spraying. Yet public opinion polls show that a majority of Maine people feel that spraying is essential to control the budworm. An overwhelming majority of Maine people also have repeatedly told pollsters they appreciate the paper industry as a whole because of its contributions to the economy. But as Maine Times accurately reported in a February 2 article, Butler "has turned to the media as his new battle-ground." Butler, according to the story, is a metallurgical engineer who came to the northern Hancock County community of Aurora (population 72 in 1970) seeking a clean environment. He got in a hassle over the price of wood with St. Regis and has been lashing out at the paper companies ever since. When the Legislature is in session Butler prowls the halls of the state house as does Sprague, lobbying to impose new controls on the industry. Sprague is retired and first showed up on the Maine scene as a critic of the timber harvesting methods of Brown Paper Company in the mountains of northwestern Maine where he has a summer camp.

It is a diversified group, these critics of the industry. While not formally organized as far as any one knows, most of them share the same views on all issues. Some are escapists. They have turned their back on the cities and the value of the business world. Bo Yexra, a member of the Princeton planning board, is one. Doc Hodgkins is another. He was a mathematical analyst on the staff of the University of Michigan for 17 years. For the past several years, he has been leading the fight against the Pittston plan for an Eastport oil refinery. He testified in Millinocket on Great Northern's application for an air emissions license. Mitch Lamsky is an organic farmer who falls into the same category, although he devotes all of his time to the pesticide issue. Claire Bolduc is an employee of Pine Tree Legal who first appeared on the scene as a supporter of the Maine Woodsmen's Association. Ames, a well respected small town forester, was a surprise supporter of the MWA. Like Butler, Ames spends a lot of time going to meetings and criticizing the industry. Fitzgerald is in the wooden toy manufacturing business. He got involved in the dispute over Great Northern's timber harvesting rights in Baxter State Park several years ago. Since that time he has gone to court to oppose any cutting in the park. Fitzgerald has hired attorneys this year and last to take the budworm spraying program to court.

Reeling in the wake of the bad publicity over this year's budworm spraying program and the effective attack by critics, some people in Augusta suspect there is a plot against the industry. If that's the case, there is no evidence to back it up. It appears to be just a case of a vocal minority capturing the attention of the press and the public on newsworthy matters.

In a thoughtful letter which appeared June 22 in a column usually written by Mel Stone, the Bangor Daily News' managing editor, a reader told why "I have ceased to believe what I read in the newspapers." The woods labor issue was one of his points. "Just how many members does the Maine Woodsmen's Association have to justify the coverage they get? The same nonsense applies to coverage given protest groups, tenants, organizations and others with little or no public support. Extensive TV coverage was given to a group urging closure of Maine Yankee, paper mills and other firms in Maine. When asked how many belonged to the group, the answer was 'eleven.' The question arises, 'Who speaks for Maine and the nation?'"
SENATOR COHEN SPEAKS

Senator Cohen of Maine was the speaker at a June 19 meeting in Washington of the Printing-Writing Paper Division of the American Paper Institute. The Senator told members of the group to get involved in politics. He recalled the pins worn by members of the Associated General Contractors while the contractors were lobbying successfully against the Common Situs bill: "Get Into Politics or Get Out Of Business." Cohen said he expects "more than a mild recession" and there is likely to be pressure on Congress to fund make-work programs. The Republican bemoaned the fact that this nation "doesn't seem to have a coherent policy to deal with anything" and compared the U.S. with "a crippled giant." Cohen answered questions for an hour after his talk. Paul DeMarraiss also attended. Jerry Veneman and Harry Brown were there from Nekoosa and Jim Doyle of Plover Papers.

WASHINGTON'S APPREHENSIONS

In talking this week in Washington with Senator Cohen and with members of staffs of others in the Maine Congressional Delegation, they all had one subject on their minds: The cost and availability of fuel oil for homeowners in the winter ahead. There was speculation the cost per gallon may go to $1. "A lot of Maine people can't afford to pay that much," a grim Senator said.

BACK AGAIN: MR. BARRINGER

Governor Brennan on June 21 said he will nominate Conservation Commissioner Barringer again for a second term. Barringer was rejected by the Legislature last month. Senator McBreairty, chairman of the Energy & Natural Resources Committee, was upset over the Governor saying Barringer deserved a "fair hearing" this time -- a swipe at the inaccurate testimony of Hank Magnuson of the Paper Industry Information Office. In the Bangor News on June 22, Senator Trotzky was quoted as saying he would switch his vote and support the Commissioner -- if a man acceptable to landowners heads the Bureau of Forestry. A week ago Trotzky was denying any switch. He was one of seven on the 13-member Energy & Natural Resources Committee who voted against Barringer. A hearing must be held within 20 days after the Governor officially posts Barringer's name.

AROOSTOOK MEETING

With Paul Firlotte, I traveled to Caribou on June 22 to talk with Jim Barresí of the Northern Maine Regional Planning Commission. We talked about the Commission's energy projects -- a waste wood generating plant in Houlton, a study of low-head hydro power (including three dams owned by Great Northern) and a scaled-down version of Dickey-Lincoln. The Commission has dusted off old plans for a dam on the St. John which would provide half the electric power needed by Aroostook County but would flood only a few thousand acres instead of 88,000 which would be flooded in the controversial project soon to be debated in the U.S. Senate. News of the study was leaked in Washington this week by opponents of Dickey-Lincoln. The Northern Maine Commission has a staff of 34 persons and a multi-million-dollar budget funded almost entirely from Federal grants.
Great Northern was mentioned as a major landowner in forests of Maine effected by the spruce budworm epidemic on a nationally televised report on June 21. The NBC Today Show report had been twice-postponed... An article on whitewater rafting in Maine is in the June 25 edition of Sports Illustrated Magazine. The story covers Great Northern's shelving of plans to go-ahead with planning for a new hydro power facility. A staff writer for the magazine wrote the article last year...With guidance from Bob Bartlett and Tom Pinkham, I answered questions on June 20 from Lloyd Ferris of the Maine Sunday Telegram. The newspaper was developing a story on the economic outlook for Aroostook County...Roger Boynton and I met with Orville Tripp at Portage on June 18 to discuss plans for an Open House for the new garage and headquarters of the Aroostook District. A two-day affair for employees, public officials, businessmen, and the townspeople has been tentatively scheduled for July 20-21...An announcement was prepared for WMKR urging safety on logging roads and calling attention to the resumption of truck traffic....On June 18, Susan Postlewaite of the Associated Press asked for comments on the success of the spruce budworm spraying program....On June 22, Sandy Johnson of the Portland newspapers asked for further information on the East Millinocket bark boiler project....A contribution was made to the Maine Council on Economic Education.

RECOMMENDED READING

"Maine Magic" by Bill Caldwell -- the columnist for the Maine Sunday Telegram and the Portland Press Herald has published another book of his columns about the State of Maine. Caldwell spoke last year at the annual meetings of the sales and controllers departments.

Sincerely,

Paul
Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine 04462

Dear Bob:

The newsletter of the Public Affairs Department for the week ending July 6:

**The Summer of 1979**

The State House in Augusta was quiet on July 2. Halls filled a few weeks before with legislators rushing to adjourn were empty most of the time. Many state employees were taking off the week which included a holiday. In the Legislative Finance Office and in the office of the Senate president, staff members and reporters were discussing the effect on the State of Maine of the gasoline shortage and the energy problems facing the nation.

Maine banks on the summer months to produce a substantial part of the revenue needed to finance operations of state government. Spending by tourists usually resulted in a lot of money flowing into the state treasury from taxes on sales and on gasoline. Everybody agreed that the tourist business has been dealt a severe setback by the gasoline shortage. The prospect of $1 a gallon heating oil in the winter ahead is another part of the energy puzzle that everybody was talking about. When legislators went home, they left a delicately balanced budget. They didn't even have enough money around to consider Governor Brennan's campaign promise of a little tax relief.

Even if gas and oil are available during the winter, budgets are going to be strained to pay for the escalating costs. That's why a special session is expected. Legislators would also deal with energy conservation measures -- a four-day school week, etc.

Governor Brennan has returned from touring Quebec's hydro-electric facilities. The Governor had words of praise for pollution free and radiation-free hydropower. Maine officials are looking into the possibility of buying surplus hydropower from Quebec.
BARRINGER’S FATE?

The Energy & Natural Resources Committee of the Legislature is scheduled to consider on July 11 Governor Brennan’s nomination of Richard Barringer as Commissioner of Conservation. Some observers in Augusta this week were predicting that the nomination will be withdrawn. Senator Trotzky of Bangor, a member of the Energy & Natural Resources Committee, was reported going into the hospital for back surgery which would result in his being forced to stay home for a month. Without the support of Trotzky, most people say Barringer does not have the votes to win approval by the committee. The committee rejected Barringer on May 16 by a vote of 7 to 6 and the committee recommendation to the Senate was accepted by a vote of 17 to 10.

The Bangor Daily News in an editorial on June 30 said "Richard Barringer is one of those administrators the state needs more of—he is capable, no one denies that; competent, no one seriously questions that; and most of all credible."

In a column which appeared in the Portland Press Herald on July 6, William Clark wrote: "Never could a man do so much for so many than Barringer could do by going away. Hundreds of us would be freed to contemplate a productive future for the forests and the laying of a foundation for the higher and higher resource value that can come from wise use and good management."

Newspapers of the same day also carried word that the Governor had appointed Parks & Recreation Director Hartman as the acting conservation commissioner. The newspapers reported that Hartman would serve until Barringer’s fate is decided, or until another is appointed. While no one has come up with a legal basis for the duration of terms which can be served by acting commissioners, the Brennan administration apparently thinks that six months is the limit.

PUBLIC RELATIONS

Roger Boynton took photographs of the Pinkham Company mill complex and the new Portage headquarters of the Aroostook District of the Woodlands Department during the past two weeks. The Pinkham pictures will be used in a poster as part of a new advertising campaign. The Portage photographs are for advertisements to be published in conjunction with an open house....Enclosed is a fact sheet on the boiler in which bark will be burned at East Millinocket ....The display used at the GNN annual meeting will be exhibited in the Bangor Mall from July 11 to July 14 as part of a Maine Lumbering & Forest Exhibit....In the Bangor Daily News on Wednesday, July 4, an article appeared covering in detail a case involving a Great Northern Paper employee who wants Saturdays off every week because of his religion. The article was a surprise. It still isn't clear who provided the newspaper with information for the story.

Sincerely,

[Signature]

pmc/b
Enclosures
Great Northern Paper Company is spending $34 million for a bark burning boiler at its East Millinocket newsprint mill.

Bark isn't used in the conversion of spruce and fir into pulp and paper by Great Northern. The Company, like other manufacturers, has literally hundreds of thousands of tons of the stuff. There's no market for it and bark has become a part of society's waste problem.

The boiler which Great Northern expects to have running by late 1980 will have the capacity to eat up 1,400 tons of bark a day, or over 460,000 tons a year.

With this bark the boiler can produce 300,000 pounds of high pressure steam every hour. A special steam turbine then converts the steam to low pressure for use in the paper mill, enough for roughly 60 percent of its needs. The turbine also drives an electric generator -- "co-generation at its best," says Paul I. Firlotte, power systems manager.

When the new boiler is in operation, the Company will be able to reduce by 413,000 barrels the amount of oil needed annually to operate the East Millinocket and Millinocket mills.

The boiler will be housed in a new building (100 feet in height, 10,000 square feet in area) adjacent to the existing East Millinocket mill steam plant. A bark receiving, processing and storage system will also be installed. A $2.4 million dust collection system is planned.

Burning bark is nothing new -- Great Northern burns some at its Millinocket mill and other paper and lumber mills in Maine have burners of one type or another. But the East Millinocket boiler will be the biggest in Maine specifically designed for bark burning.

Bark, of course, has a high water content. The boiler is designed to handle bark with up to 60 percent water. Anything over that -- and bark stored outdoors in piles for a long time contains about 65 to 70 percent water -- must be pressed. Otherwise, it would be like trying to burn wet leaves, project engineers say. To dry the bark even more, the boiler will contain a reflecting arch sending heat back to the fuel bed.

East Millinocket's operations will provide about 20 percent of the bark needed to keep the boiler going. The rest will come from storage piles, the company's wood chip plant at Portage, the Great Northern-owned Pinkham lumber mill near Ashland and if more can be used, from independent sawmills in Aroostook, Piscataquis and Penobscot counties.

The Pinkham mill has a boiler of its own in which bark is burned. The wood chip plant at Portage, with some 52,000 tons of waste a year, uses a "tepee" or cone burner which soon will have to shut down because of environmental regulations.

Why, aside from a desire to reduce oil consumption and reduce possible solid waste problems, spend so much on this project which will add no papermaking capacity?
President Peter F. Yacavone puts it this way:

"While this will not result in expansion of the company's papermaking capacity, it will cut by approximately 20 percent Great Northern's dependency on imported oil and also will solve a solid waste problem. ... The substitution of bark for oil protects the company's investment in the Maine mills and the jobs of over 4,000 men and women."

Great Northern now is buying 2½ million barrels of oil a year, all of it imported for use in the power system serving the two mills. In addition to bark, sulfite liquor is also a fuel. Seven boilers, in all, furnish the steam for making pulp, drying paper, and generating electricity. Half of the requirement for electricity under average conditions, comes from hydroelectric facilities. Engineers estimate the Great Northern system could supply the needs of a city the size of Nashville. The home of the Grand Ole Opry has a population of about 450,000.

Stone & Webster Engineering Corporation of Boston is the engineering firm for the project. The boiler is being manufactured by Foster Wheeler Corporation. Maurice C. McLean is the project manager for Great Northern Paper Company.
When Dr. Barringer became commissioner and there were questions raised regarding the policies of the department, we called and made an appointment. We traveled to Augusta late in 1975 and asked if he intended to make changes which would have an effect on spraying to control the budworm. Dr. Barringer reassured us he would not oppose spraying although he said he did have questions about how the program should be financed.

Soon, however, we had a new six-year plan, proposed by the Conservation Department. The plan included new approaches to the control of the spruce budworm. Incentives were provided to bring about silvicultural remedies and to create new markets for the budworm killed wood.

Dr. Barringer was told such provisions would not accomplish his objective. Yet, he insisted on them being made a part of the new scheme of things. Unfortunately the provisions confused the public. They believed the state had a new approach with new solutions to this difficult problem. Time has now revealed just how little Dr. Barringer understood the Maine forest and its management.

Three years later, in a speech I referred to earlier, the Conservation Department took another course:

With no prior consultation with the owners or managers of timberlands, the director of the Bureau of Forestry announced that "we are committing ourselves to end widespread chemical spraying no later than 1981." The speaker said the "path will not be without risks" but said they would pose a "powerful challenge to both the public and private sectors to face up to our responsibilities."

In an earlier speech the commissioner himself made, he explained how the private sector should face up to their responsibilities. I quote:
"All of the things we can do as a state agency, however, including spraying, will be for naught unless landowners make the necessary investment in farsighted innovated programs aimed at reducing vulnerability of spruce-fir forests to the budworm, and fully developing hardwood productivity. Their foresters have the ability to develop and implement such programs. We are waiting to see if their corporate headquarters give them the resources and support they need to get on with the job."

Dr. Barringer had decided to challenge the paper industry to come up with solutions. Still, he had not taken the time to become informed on what capabilities the landowners had and what progress they had made in many years of dealing with the problem. In a Maine Times article, he complained that he had been left to struggle with "minor actors" in dealing with the people who manage the mills and timberlands in this state.

Dr. Barringer was also scuttling one program before he had a substitute. When I asked just what we should be doing that we were not, Dr. Barringer said the 1981 deadline should force the researchers to come up with a better answer, and that if things did not work out, we will be in a better position to argue that we had tried sincerely to find a better way. In my book, this is not leadership!

I can assure you that if our foresters had come up with a solution to the spruce budworm problem, they would have got all the financial support required. In fact, we had been making many changes in cutting policies, implementing damage surveys, investing large amounts in silviculture, alternate species studies, and the like.

The oversimplification of the idea of "fully developed hardwood productivity" is difficult to understand. I honestly believe
Dr. Barringer would not have said that, if he had taken advantage of opportunities to learn more about the industry.

Great Northern for 75 years has been utilizing softwoods in paper production.

It would cost hundreds of millions of dollars for Great Northern to convert from softwood to hardwood.

Markets that we have built up over the years would have to be abandoned.

There may be ways of reducing the content of softwood in some of the grades produced in Millinocket and East Millinocket. We've tried to find ways to utilize more hardwood.

We tried making newsprint out of hardwood and built a mill for just that purpose. It is idle today. It didn't work out as we had hoped.

We spent a half million dollars a few years ago studying the potential for a hardwood kraft mill. The economics wouldn't justify the expense. Now we see the gypsy moth eating the hardwoods in Southern Maine. The solution to this problem will not be found in shuffling from one specie to another.

Since the 1978 announcement that the Department of Conservation wanted to get out of the spraying business after 1981, there has been mounting confusion.

This spring we have had spokesmen for the department saying "yes, spraying is essential this year" but after 1981 "we want to quit spraying."

Why does this matter to the people of Maine?

Why should this example of a department head not doing his homework be a reason for rejecting him for a second term?

Let's talk about Great Northern.
Over 4,000 employees in Maine will earn upwards of a $100 million in wages and benefits this year. They live in towns and cities from Bangor north to Fort Kent, in over 60 communities.

We buy from 1,500 companies and individuals in 125 different cities and towns...from Portland, from Bangor, from Augusta, from Brunswick; from all over the state. They employ thousands of others. I don't like to remind people of it but one example of what the company means to the economy, is the experience of the Bangor & Aroostook Railroad during the two month strike of the paper mills in 1978. The railroad had to lay off half of its employees.

Stockholders live in over 200 Maine cities and towns.

I could cite other such statistics. But my point, I believe is made. The people of Maine have a stake in what happens to Great Northern. To sum up, I feel this way:

1) The State of Maine cannot afford to have a Commissioner of Conservation who so fears being cozy with the paper companies that he won't communicate with them and take advice from them.

2) The State of Maine and the landowners, large and small alike, cannot afford to have their greatest resource made the object of a grand experiment.

We need somebody at a high level in Augusta willing to accept the responsibility of protecting the state's forest resources, someone able to work creatively with small landowners and large paper companies, someone able to chart a course in the public interest but willing to consider all points of view.
Mr. Robert J. Shinners  
Vice President—Operations  
Great Northern Paper Company  
Millinocket, Maine 04462

Dear Bob:

The newsletter of the Public Affairs Department for the two weeks ending July 27 follows:

**BARRINGER**

One of the most controversial nominees to state office in recent years is expected to easily be approved by the Senate on August 3. If that happens, Dick Barringer will serve a second term as Commissioner of Conservation—paralleling that of Governor Brennan.

Two of Barringer's arch foes, House Speaker Martin of Eagle Lake and Senator McBreairty of Perham, said on July 20 that they had given up the fight to block the nomination. Martin indicated that he had assurances from the Governor that Barringer's second term would be an improvement over the first. McBreairty talked of reconciliation and of hope for the future, candidly admitting that opponents don't have the votes to overturn the favorable recommendation of the Energy & Natural Resources Committee. McBreairty is the committee chairman who saw Senator Trotzky of Bangor do an about-face and reverse the Committee's recommendation. There's still the possibility that Trotzky's vote will be challenged. The Bangor man didn't attend the 11-hour hearing on July 11 but was wheeled in on a stretcher to vote. Some question if that fulfills requirements of the law.

The bitterness over the nomination hasn't faded from the press. Rand Stowell, the Dixfield sawmill operator and timberland owner who is president of the Maine Forest Products Council, wrote members a letter of caution. Stowell warned against being deceived by Barringer's conciliatory gestures. The anti-business bias of the Commissioner will not change in the next 3½ years, he wrote. A Sunday Telegram editorial cartoon pictured a stumbling Barringer, with several knives in his back, asking Trotzky in a stretcher to move over.
GNP ARRANGES ENVIRONMENTAL TOURS FOR NRCM

Great Northern Paper Company welcomed the Natural Resources Council of Maine during its 11th Environmental Congress held at Baxter State Park, June 1-3, by giving tours of woods operations and mill water discharge pollution abatement facilities at Millinocket. In the photo at the right, members of the NRCM are inspecting the primary treatment clarifier plant.

In May, GNP received approval from the State Board of Environmental Protection to build a 348-ft. power boiler stack; extend the magnesium recovery system stack from 169 ft. to 338 ft.; and implement an interim plan to reduce stack emissions in adverse weather conditions to preserve ambient air quality standards during construction.

MAINE AUDUBON VISITS TREE FARM

Tree Farm Family foresters for Boise Cascade held a woodlot management field excursion for the Maine Audubon Society in May. Management methods similar to those offered as a free service to small woodlot owners were demonstrated including harvesting, pruning, release cutting, species utilization and wildlife support.

BOISE CASCADE SETTING STEEL FOR NEW BOILER

Steel is going up for the $65-million recovery boiler building at Boise Cascade Paper Group Rumford Mill. The boiler is being constructed in conjunction with an expansion of the mill for the installation of a 316-inch Fourdrinier fine-coated paper machine, finishing equipment and thermo-mechanical pulper at a cost of $189-million. Capital expenditure at the Rumford mill for the project will total $254-million. In addition, installation of a new 170-inch single drum winder will be finished in July. When all new facilities are complete and operational, production at the mill will increase by 40% to 1,400 tons a day.
Scholarship assistance is awarded each June by the pulp and paper industry to selected high school seniors all across Maine who plan to continue their education at universities, colleges, and vocational technical institutes. The industry supports education in many ways—contribute to the University of Maine Pulp and Paper Foundation; assisting a variety of programs at Maine’s VTI’s; and providing aid to community educational and cultural programs.

UMO FORESTRY STUDENTS MERIT ST. REGIS SCHOLARSHIPS

Robert D. Cope, regional timberlands manager-Maine is shown at the right standing with Kevin W. Kenlan, Andover, N.H. (center) who received the annual St. Regis Paper Company $4,000 graduate scholarship for his studies on forest genetics; and Nathan E. Putnam, W. Newbury, Vt., (right) winner of one of four regional $1,000 undergraduate scholarships awarded to further his studies in forest engineering. Both men attend the University of Maine at Orono.

GNP AWARDS FOUNDATION ANNUAL GRANTS

Robert J. Shinners, vice president—operations, presented Mary Goody, (center) of Millinocket, a graduate of Brewer High School; and Dennis Myshrall, (right) of Winterville, a graduate of Fort Kent Community High School with Great Northern Nekoosa Foundation undergraduate scholarships amounting to annual grants of up to $1,500 while attending four-year colleges. Miss Goody will study at the University of Maine at Farmington and Mr. Myshrall is enrolled at Colby College in Waterville.

IP PURCHASES MASARDIS MILLS

International Paper Company acquired its first solid wood products facilities in the Northeast in May with the purchase of Levesque Lumber, Inc. and Hillview Lumber, Inc., both in Masardis.

The dimension lumber and stud mills with a combined production of 50-million board feet annually of spruce and fir random-length lumber employ about 150 people expected to remain with the new owner.

According to company officials, the transaction is part of IP’s increased emphasis on improving utilization of its forest resources by expanding lumber and plywood capacity as well as increasing the use of sawmill residuals in its pulp and paper mills.
ENGLISH SCOUTS
TO VISIT MAINE
Georgia-Pacific,
Dead River and
St. Regis help
set up camp

Thanks to the cooperation of Georgia-Pacific Corporation, Dead River Company and St. Regis Paper Company, a new High Adventure campsite, St. Croix, will be set up on Sysladobsis Lake to accommodate eight of the 24 crews of English Scouts traveling to Maine in July for a wilderness camping, canoeing and backpacking experience.

The contingent of 200 Scouts and accompanying adults will be using established High Adventure base camps, Matagamon and Seboomook, as well. Maine was chosen as a site for the visit when an international camporee scheduled to be held in Iran this summer was canceled. Since canoeing is virtually unknown in England, the St. Croix base will provide a unique opportunity in a new environment for the United Kingdom Scouts.

Support for Maine’s National High Adventure Area camps is given by the pulp and paper industry and other landowners on a partnership basis in recognition of the value of the program to young people and as a demonstration of good multiple use of their forests.

SCHOOL TOURS
SEE EXHIBIT
AT STATE HOUSE

An exhibit on Maine’s pulp and paper industry was set up in the display case along the wall of the “old museum” in the State House during the 109th legislative session. The exhibit was seen by hundreds of school children of all ages from across the state who visited the capitol to watch government in action, see the buildings and hear a talk on Maine history and lawmaking.

Shown above are junior high school students, Pat Perry, (left) and Tom Perry of St. Mary’s School, Augusta, who assisted officials with the tours by serving as guides. The exhibit included a graphic display of the locations and lists of products manufactured by the paper mills in the state and a diagram of papermaking.
A new publication, Chain Saw Manual, is described by the author, R. P. "Red" Sarna, division forester, American Pulpwood Association, as a guide to be used in the classroom and to help the homeowner use a chain saw more safely. The 120-page illustrated book is written in an informal style and emphasizes efficient cutting practices in the Maine woods.

Topics discussed related to chain saw usage include the various models and their maintenance, saw techniques, felling, limbing and bucking. One chapter covers the role of the individual cutter as part of the logging system and another talks about emergency first-aid treatment.

Limited copies at $2.50 may be ordered from the author, 133 State St., Augusta, Maine 04330.

BIG IS BOUNTIFUL
Reports show paper industry biggest supporter of state's economy

An optimistic assessment including an evaluation of the industry's continuing importance to the state, and comparative manufacturing statistics published in two reports in May, showed the pulp and paper industry to be Maine's largest in terms of product value, employment, capital investments and economic support.

One report was a profile study of the Maine economy compiled for the State Planning Office, Technical Services Division, and financed by a grant from the U.S. Department of Housing and Urban Development. "Maine's paper industry is not only large, but healthy and growing as well. Over the first seven years of the 1970's just under 50% of all the state's manufacturing capital expenditures for modernization and equipment were made by the paper industry," the report states.

"Because the forests in Maine are renewable and abundant, forest products continue to dominate the state's manufacturing output, and hence the entire economy. In 1977, the manufacture of forest-based products (paper, lumber and wood, and furniture) accounted for nearly 44% of the value of product of all Maine manufacturing, with paper alone accounting for 33% of the total," it says.

The other report, Census of Maine Manufactures 1977 released by the Department of Manpower Affairs, sets the value of product at $1,622,709,053 and the total of gross wages paid for that year at $263,271,004. Also, according to the statistics, the industry has the largest number of workers covered by union contracts, 13,632.

NEWS/PAPER HAS NEW LOOK

Jane E. Hinson, who joined the Paper Industry Information Office in March as information specialist is editor of the newsletter published by the Office each month.

Ms. Hinson, a Maine native, was graduated from Colby College after majoring in Biology and for many years was associated with weekly newspapers in Washington County. For the past four years she worked as publications designer in the public relations department, University of New Brunswick, Canada.

Ms. Hinson plans to continue the purpose of the newsletter—to bring news of interest about pulp and paper manufacturing and forest activities to those in the industry and to the people of the state.
Mr. Robert J. Shinners  
Vice President—Operations  
Great Northern Paper Company  
Millinocket, Maine 04462

Dear Bob:

The Public Affairs Department newsletter for the week ending July 13 follows:

THE BARRINGER VICTORY

David T. Flanagan, the Governor's counsel, choked as he told members of the Energy & Natural Resources Committee on July 11, that "it would be terribly unfair to turn down this man who has given so much to the state." His emotional introduction of the nominee opened a public hearing at which the Committee considered the posting of Dick Barringer to serve as Commissioner of Conservation. The largest hearing room in the capitol was packed with approximately 200 persons for the opening of the session. It started at 10 a.m. and lasted until almost 11 p.m. when Barringer accepted congratulations. The Committee voted 7-6 to recommend approval by the Senate on August 3.

At the end, Senator Trotzky, who had not heard a word of the testimony, was the member who cast the deciding vote. In May when the Committee first considered Barringer, Trotzky had voted the other way. When Trotzky, recovering from serious back surgery, arrived in Augusta, the Barringer advocates started clamoring for a vote. Chairman McBreirty complained it wasn't fair to shut off witnesses while others earlier in the day had been granted unlimited time to make their points. Even a Barringer supporter, Professor Delogue, complained he found it quite offensive to shut off debate "because the hour is late." But McBreirty said he had no choice--"with that sick man upstairs." Trotzky was wheeled into the room on a stretcher to say "Yes" (and that's all) when McBreirty called for the vote. While Trotzky didn't explain his switch, the Senator has been quoted as saying he would endorse Barringer--if a Bureau of Forestry director is picked who will be satisfactory to industry. Everybody has denied a "deal." But Trotzky felt so strongly that he left the hospital to vote.

House Speaker John Martin broke ranks with the Governor to speak for an hour against the nomination. Many of the facts in his heated speech were challenged later in the day.
Barringer (continued)

Bob Bartlett opposed the nomination on behalf of Great Northern. (A copy of his statement is enclosed.) At the end of the session, Bartlett was complimented on his approach by Flanagan.

During the hearing, Great Northern was mentioned several times. Martin charged that Barringer told him that he did not want to push a siltation case in the Allagash Wilderness Waterway because it would "rock the boat" during the negotiations over the public lots. The Speaker also said he couldn't get the state to act on another violation involving Great Northern—but the Company cleaned up the problem when Martin went to Bartlett. Martin also complained he couldn't get data needed to help with the reopening of a sawmill from the state—but did from Great Northern. The Company's average wages were also mentioned during testimony by retired forester Bob Dineen.

The 7-6 report of the Committee will be considered on August 3 by the Senate. Opponents would require two-thirds of those present and voting to reject Barringer. Newspapers on July 12 were speculating the vote would be close. Opponents say Barringer will probably be confirmed. The last time around the Committee was upheld, 17-10. There were 33 members.

Along with Flanagan's conciliatory words, Barringer himself pledged to improve communications with industry. He will soon have the opportunity as efforts continue to develop a new approach to the spruce budworm problem.

In Augusta on July 12 there were some who say Trotsky's right to vote may be challenged because of his failure to participate in the hearing. The hearing was formally closed before he appeared to vote.

Studies

Legislators will be undertaking or participating in 19 studies in the months ahead, including:

The Need for an Environmental Health Program -- the commissioner of Human Services is ordered to report to the State Government Committee. This is an outgrowth of a proposal to add a medical doctor to the staff of the Department of Environmental Protection.

Feasibility of Cargo Port Facilities -- Further study of the potential for container facilities at Searsport, and possibly other points, and ways of paying for developments. Department of Transportation to conduct study and report in 1980.

Ground Water Protection Commission -- A special group was created to review laws dealing with ground water, with staff support from Land Water Resources Council. The Legislature asks for a report in 1981.

Not on House Clerk Ed Pert's list of studies mandated by the Legislature is the budworm study being conducted by a committee appointed by the Conservation Commission.
Jim Case, a legislative assistant on the staff of Senator Muskie, called on July 9 regarding energy matters and the effect of recent developments on Maine industry. We talked about increases in the price of imported oil, the East Millinocket bark burning boiler, fuel for logging operations and hydropower. He agreed to review the tax incentives for hydroelectric projects proposed two years ago by Senator Hathaway....Caroline Nightengale of the staff of Congressman Emery has arranged an August 14 exchange of information between representatives of Maine industry and alternate energy specialists in the Department of Energy. It is the result of a Great Northern suggestion....Miss Nightengale said she and her colleagues were shocked by the news that Emery had been operated on and a cancerous kidney removed from the 30-year-old Congressman. She said that the staff is being told by attending physicians that Emery is recovering and will return to Washington in August.

PAPER INDUSTRY INFORMATION OFFICE

Reports from committees dealing with the spruce budworm problem, proposed air pollution regulations, public relations and woods labor were heard at a July 13 meeting of the directors of the Paper Industry Information Office.

The Forest Resources Committee said an ad hoc group was completing arrangements to hire a consultant to develop a new strategy for dealing with the spruce budworm problem. Efforts will be made to make it a cooperative approach with state government. Bob Bartlett and I attended a meeting of the committee on July 12.

The Environmental Affairs Committee said that members are planning strategy for an Augusta hearing when the Board of Environmental Protection will consider new opacity standards for boilers. Directors authorized hiring Attorney Daniel Boxer to work with the committee and boiler superintendents. Support will be sought from municipalities, hospitals, utilities and others who operate boilers. A subcommittee will also go to the State Energy director to complain about the increase in oil consumption which would be necessary to comply with the proposals by the staff. Paul Fir-lotte and Pat Welch attended an Augusta meeting of the committee July 10.

A report from the Public Relations Committee included an endorsement of a four-point special project budget for next year which will include new brochures on the industry, on the spruce budworm problem and on forest management. New or updated slide shows are planned on each topic with the forest management show to be completed this fall by Ad-Media, an Augusta advertising agency. I attended a meeting of the committee on July 12. The committee also will cooperate with the Forest Resources Group on the budworm project and made recommendations on meetings with government officials and on dealing with the press.

An American Pulpwood Association committee asked for public relations assistance to deal with apathy which has seen enrollments decline in the woods harvesting training program of vocational institutes. One course had to be completely cancelled. With 700 Canadians still employed in the woods as harvesters, there is widespread concern of adverse publicity if the training programs for Americans fail.
PEOPLE

Walter Birt, the veteran state representative from East Millinocket, has announced he will not be a candidate for re-election. He is becoming the full-time assistant to the East Millinocket selectmen. John Gould, St. Regis’ regional public affairs manager, will transfer from Bucksport to Washington. Rumors in August indicate that Bob Turner is leaving the Economic Resources Council of Maine to take a public relations assignment with St. Regis in Bucksport. Bill Molly, a veteran with the Unemployment Compensation Commission staff in Augusta, who has been involved in the woods labor situation for years, will become state CETA director.

PUBLIC RELATIONS

Questions regarding progress on the bark burning boiler at East Millinocket from Maryanne Lagasse of the Bangor News were answered. An interview with Maurice McLean is a possibility. Advertisements inviting people to visit the new Aroostook District headquarters of the woodlands department were prepared for the Presque Isle Star-Herald and the St. John Valley Times. An open house is scheduled July 20-21. Legislators, town officials, businessmen, employees and the general public will be invited. Slide shows and exhibits also will be provided by the department.

Sincerely,

Paul

Distribution:
Chairman McBreachity, Chairman Blodgett and members of the Energy and Natural Resources Committee:

I am Robert F. Bartlett, manager of woodlands for Great Northern Paper Company.

If you are employed by a company which owns or manages timberlands, you have to learn to work effectively with the agencies of state government. It is an important part of the business. Government, as you all know, has considerable influence on how a company operates. That's a fact, but I am not here today to debate the merits of government regulations. I am here today to oppose the nomination of Richard Barringer as Commissioner of Conservation. Employees of Great Northern, in the course of business, deal frequently with employees of the bureaus of the conservation department. The commissioner establishes or approves all policies under which the bureaus operate and naturally we are concerned with who is commissioner. For that reason, and as taxpayers of the State of Maine, I believe we have a legitimate right to speak on this nomination.

I am opposed to Dr. Barringer because in our opinion he refuses to understand the local operations of the paper industry. As commissioner he spent too little time fact-finding in the woods and in the mills. As a result, I believe his department has unnecessarily gambled with the future of Maine's forest resources. A high ranking official of the department in January, 1978, called such risks, and I quote, a "powerful challenge to both the public and private sectors."
When we first met, Dr. Barringer was director of the Bureau of Public Lands. Donaldson Koons, then Commissioner of Conservation, had asked him to start the formal negotiations for the return by Great Northern Paper of some of the timber and grass rights on public lots.

During the course of our discussions of the public lots, it was suggested that Dr. Barringer might benefit from seeing how a paper company operates and he was invited to Millinocket for a briefing by key personnel and a tour of the mills and the company's woodlands.

He accepted the invitation, but never came.

Finally, in 1978, four years after he had taken office, Dr. Barringer visited the company's operations. He came with the staff and members of the Land Use Regulation Commission. I spent the day with him. He was very complimentary on the presentations by Great Northern's people. But this was a day in which the focus was on matters of interest to the Land Use Regulation Commission, a regulatory agency which is one of the bureaus in the Department of Conservation. It was a day devoted to explaining how the company operations impact on the environment. It was not a day that provided opportunities to talk about the forest resource and the things that go into the establishment and implementation of forest policies for companies such as Great Northern.

You may ask why it's important that the commissioner know something about the pulp and paper industry and its forest resources? Why is it in the public interest?

Because the forests are so important in the Maine economic picture, the commissioner has the responsibility for programs to protect the resource...and that includes protecting the trees from the spruce budworm. That is why the legislature enacted it into law.
Barringer (continued)

The forest industry has got to deal with Barringer. Only probing will reveal if the assurances of a new era of cooperation are sincere. The budworm issue, the herbicides controversy, the Penobscot questions, the direction of the Maine Forest Service, the next move on the public lots, the matter of taxes—all these will provide opportunities.

**The Indian Land Claims**

"A Maine District Court judge has issued a stunning decision that goes to the heart of the Maine Indian land claims case," reported the Associated Press on July 19. Everybody has read the clippings. Reporters got the news a day late. Peter Slocum of the AP told John Keys of WMKR that Tom Tureen, attorney for the two tribes which claim millions of acres of Maine lands, called the AP to hail the significance of the ruling. Whoever was spreading the word did a good job. Calls came from two reporters of the Bangor Daily News, television and radio stations, and the wire services. Attorney Don Perkins answered for Great Northern and was quoted as telling reporters "It (the district court case) doesn't tell you anything about how the land case would come out." The story stayed alive in the Maine press for a couple of days but appears to have faded away.

**Nominations**

Governor Brennan has nominated two men from different backgrounds to the State Board of Environmental Protection. Neil Hapworth of Winslow is a leader of the carpenters union in Northern New England. Sterling (Tad) Dow is executive director of the Maine Association of Conservation Commission and the former businessman (he's an engineer) is a Kennebunk selectman. Dow's nomination was pushed by environmental groups who feel that the BEP has been declining in power. If approved by the Energy & Natural Resources Committee after a hearing on July 27 and the Senate on August 3, Hapworth and Dow will replace Mary Slattery of Portland and Conrad Doucette of Auburn.

**Searsport**

In Searsport on July 18, I met with four members of a committee planning a new brochure to plug the development of that community as a container port. A new $50,000 study of the need for a container port was authorized by the Legislature. Searsport, Portland and Eastport are all in the race.

**Open House**

The Aroostook District of the Woodlands Department held a two-day Open House at its new offices and maintenance facilities in Portage Lake on July 20. Bob Shinners welcomed guests at a luncheon for contractors, town officials, legislators and others. Roger Boynton of this department arranged for the showing of the 35 mm slide show on Great Northern to that group as well as employees and the general public. A full-page advertisement (attached) was published in the Madawaska and Fort Kent newspapers—and extra copies distributed to guests and employees.
WASHINGTON COUNTY PROTEST

Famous for the low-income level of its residents, the migration of its young and the Passamaquoddy tidal project dream espoused by Franklin Delano Roosevelt, Washington County is the easternmost tip of the United States. Governors of Maine have got in political difficulty because they have complained about the never-ending appeals for assistance from the county. Staff members of the Governors have suggested, jokingly, that a solution might be in giving the county to Canada—which once laid claim to the lands it now includes. The county has a population of 34,700 and covers 2,915 square miles—extending from Bar Harbor region on the west to the St. Croix River and the Canadian border on the east. The woods and potato fields of Aroostook and Penobscot counties comprise its northern border. The county's major communities stretch along Route 1 and the southern shore. Almost half of the taxes paid in the county come from the Georgia-Pacific mills north of Calais on the St. Croix. The Dead River Company has a sawmill at Princeton and owns timberlands in the area and manages others, including the Baskahegan holdings. Georgia-Pacific and St. Regis are the largest landowners and scattered holdings are managed by Webber Timberlands, Prentiss & Carlisle, Diamond International and International Paper Company. There has been a dramatic increase in the harvesting of timber from company and private holdings in the last several years.

A large number of Washington County residents are complaining. They are protesting what they claim has been the accidental spraying of gardens with a herbicide intended for forest management use on St. Regis lands. "No spray" signs line U.S. Route 1 south of Calais and are scattered elsewhere along roadsides. Many of the signs attack St. Regis although the spraying was done by an applicator—and a pilot for the spraying firm has had his license suspended. St. Regis uses Tordon 101 to reduce the competition for softwoods and permit faster growth of spruce and fir. Farms, recreation areas, public roads, a state park and a federal wildlife preserve are all in the eastern Washington County area where the spraying has led to protests.

Earlier this year some of the same people successfully opposed spraying of pesticides to control the spruce budworm. They have had the support of the Indian tribes who occupy two reservations in the area. Like the militant members of the Maine Woodsmen's Association, the Indians seem to be promoting labor-intensive approaches to forest management other than those practiced by the paper companies. The protesters are concentrated in the Dennysville-Pembroke region—reclaiming abandoned farms, establishing organic farms, re-introducing livestock and poultry, cutting the wood and sawing their own lumber and turning their backs on the industrial society they fled. Along with spraying, they have been speaking against a proposed oil refinery in Eastport. Some have crossed the border to protest construction of a nuclear-power plant 30 miles east of Calais. In western parts of the county, they have been challenging aerial spraying of blueberry fields—a major crop.

The protesters' goal is to halt all aerial spraying.

This week the State Department of Transportation announced it is abandoning roadside spraying in Dennysville and Pembroke—not wanting to get mixed up in the controversy.
This week and last, as a result of meetings in Augusta and Dennysville, top state officials said they will support reorganizing and increasing the capability of the State Board of Pesticides Control. It now has a staff of two men.

The ramifications of the Washington County controversy will spread statewide now that protesters have demonstrated they can get results, regardless of the economic assessment. If St. Regis and its applicator are found responsible for damage to private property the adverse publicity is going to be detrimental to the industry statewide.

WASHINGTON

During the last two weeks, I have talked with members of the staffs of Senator Muskie, Congressman Emery and Congresswoman Snowe regarding meetings on energy. Peter Yacavone, Paul Firlotte and I plan a Washington trip. Mrs. Snowe plans to visit Millinocket. With guidance from Yacavone, I provided a member of Muskie's staff information on the rising cost of oil....I asked members of Senator Cohen's staff for information on the Dickey-Lincoln debate and on the trade bill. I understand the boiler at East Millinocket was mentioned in the debate.

PUBLIC RELATIONS

In addition to inquiries from the press on the developments in the Indian issue, other calls came from (1) the Bangor News on the subjects of possible purchase of the Woodland mill, a shortage of diesel oil for truckers (answered with Phil Paul's help) and a State Human Rights Commission case involving an employee; (2) radio station WLBZ concerning "four stories in one day on the wire" regarding the newsprint supply situation; (3) the Katahdin Times pertaining to the East Millinocket boiler, the status of the waferboard study and summer tours....Maurice McLean talked for an hour with Maryanne Lagasse of the Bangor Daily News staff, regarding the project in East Millinocket....A group of 45 high school juniors and their advisors spent a night at the Telos woods harvesting camp and toured the Millinocket mill. This group is attending a summer session at the University of Maine in Orono. They heard talks by Paul Firlotte, Bud Heal and Bob Wright and saw the spruce budworm and Great Northern slide presentations....I talked with Adrian Clark and Tom Kelly regarding speakers for the controllers' department annual meeting and with Paul DeMarrais on the sales department meeting....A copy of the company slide show was provided John Staples for showing at the Nekoosa sales meeting.

Sincerely,

[Signature]

pmc/b
Enclosure
Until a few years ago, book publishers and printers considered paper made from mechanically-ground wood fibers wholly unsuitable for anything but the lower quality, mass market paperback books. They gave various reasons: groundwood paper didn't last long enough, too quickly lost its "brightness," or appearance. Nothing but "free sheet"—paper entirely free of groundwood pulp—would do for the books. Such paper is made from bleached kraft or other chemically manufactured pulp. However, it's normally far more expensive than groundwood paper.

As the rate of inflation climbed, paper costs became a more pressing problem.

Great Northern Paper developed an alternative—a satin finish coated groundwood paper that is both functional and economical—strong, bright, highly opaque, with improved permanence and at the same time still less expensive than the free sheet. This was called Baxter Text, taking as a prefix the name of a 200,000 acre state park not far from Great Northern's Millinocket mill in Maine. The new grade went on the market in 1972.

Baxter Text's proven suitability for monotone and multi-color offset printing has fulfilled its design for use in magazines, hard and soft cover books, catalogs, directories and school workbooks. At a price significantly lower than "free sheet," a functional Baxter Text caught on so well that demand outran mill capacity.

To meet this ever-increasing demand, Great Northern is converting a second paper machine at Millinocket to produce the coated paper. Actually, it's more than a conversion—it's a virtual replacement of No. 10 machine at a cost of $13 million. When the project is completed—early next year the new No. 10 will produce 45,000 tons of Baxter Text, increasing the company's output of the grade by 115 percent.

A major feature of the installation is a "gate roll coater" which applies the coating to the base sheet in a single pass right on the paper machine rather than as a separate operation. Other components of the project include new pulp refiners, a new head box, new presses and drying sections, new calender stacks which impart the desired satin finish, and a new winder. Included improvements will be computerized basis weight and moisture measuring and controlling systems, enlarged coating preparation facilities and an increase in machine speed from 1000 to 1450 feet per minute—as previously stated, a virtual replacement of No. 10 rather than a conversion.

Great Northern Paper
a company of
Great Northern Nekoosa Corporation
Millinocket, Maine 04462
8/79
Mr. Robert J. Shinners
Vice President-Operations
Great Northern Paper Company
Millinocket, Maine 04462

Dear Bob:

The newsletter of the Public Affairs Department for the two weeks ending August 10 follows:

**THE SUMMER OF 1979**

First there were protests that forced the State Bureau of Forestry to give up plans to spray in Down East Maine to protect timberlands from the spruce budworm. Next vegetable gardens in the same region were sprayed with herbicides by a helicopter spraying for a paper company. Then came the marathon hearing when a legislative committee reconsidered the renomination of Conservation Commissioner Barringer. The State Department of Environmental Protection was "exposed" by a newspaperman for not enforcing a law requiring permits for logging roads. Next were the headlines disclosing that two Indian tribes were upping the ante for settling their land claims. It's been a lively summer on the Maine scene.

While the spruce budworm spraying project took place amid controversy, it was for the most part concluded successfully. The question of what the future holds for the budworm program has unfortunately been influenced also by the spraying of the gardens. For weeks now, aerial spraying of one kind or another has been under attack in the news media. Governor Brennan has said the Pesticides Control Board has got to be strengthened to deal with regulatory use of chemicals. The Governor has designated David Flanagan, his counsel and chief assistant, to coordinate committees dealing with the issue. A committee named by Barringer is seeking to develop a new approach to the budworm problem. Owners of forest lands, including Great Northern, have hired a nationally recognized forester to offer alternatives. This week the Barringer committee visited Millinocket and the West Branch region.

On other matters: Barringer was confirmed by the Senate on August 3 but, with former critic Senator McBreairty on his side, the Commissioner's nomination resulted in an unexpected debate before approval, 17-13. After the Maine Sunday Telegram story by Bob Cummings, DEP Commissioner Warren reconsidered the state policy and announced that effective November 1 permits will be required for logging roads. And on the Indian claims, Attorney Don Perkins believes that "we seem to be on track, though it is a very complex program."
George Smith, special assistant to Congressman Emery and his advisor on matters such as herbicides and pesticides, talked with Bob Wright of the woodlands department while in Millinocket on August 10....With Peter Yacavone, Paul Firlotte and Vic Mattson, I am planning to take part in two Washington meetings on August 14. The first has been arranged by the Emery staff. It'll involve representatives of the Department of Energy and several Maine people interested in alternate energy sources. The second will be with Jim Case and Sam Enfield of the staff of Senator Muskie....Second District U.S. Representative Snowe will be in Millinocket on August 16. Dick Noyes, Paul Firlotte and I will meet with her to discuss the East Millinocket project.

**Quotes on the Penobscot**

Controversy over the designation of the Penobscot as a part of the National Wild & Scenic River system, the future of the Wild & Scenic Rivers program and the potential for another hydro power facility on the West Branch have been mentioned briefly in several newspaper articles:

"Concerning the possible designation of a Maine river such as the Kennebec or Penobscot as a national scenic waterway, Brennan said he was not terribly excited about turning over control to the federal government and preferred keeping such decisions close to home."

---Bangor Daily News, August 1

"In referring to hydroelectric potential in the state, Joseph (the state energy office director) suggested the reharnessing of existing facilities on the Penobscot and Kennebec Rivers as well as the St. John in apparent support of Governor Brennan's endorsement of the proposed Dickey-Lincoln hydroelectric project on that river."

---Bangor Daily News, August 2

"Asked Congress to declare four wild and scenic river systems in Oregon, Idaho and Colorado, and directed that the federal agencies protect other river systems under consideration for designation." (From a story on a message sent to Congress by the President)

---Washington Post, August 3

"Q. What are your priorities for the Conservation Department as you begin your new term?...Tops on the list of issues are budworm, herbicides, protection of the Penobscot..." (From an interview with Conservation Commissioner Barringer)

---Portland Press Herald, August 6

"The state could protect the rivers from development by asking the federal government to include them in the federal 'wild and scenic' river system. But former Governor James B. Longley last year refused to request that label and Gov. Joseph Brennan says he agrees with Longley, who never cared for federal interference in Maine."

---Portland Press Herald, August 8

The President's message was a surprise to State Parks & Recreation Director Hartman, who says he hasn't heard anything new on the national program. Representative Snowe's office has been asked for a copy of President Carter's message. Meeting with Bob Shinners and Peter Yacavone this week, it was also decided that Bob Bartlett, Paul Firlotte and I will prepare a new Great Northern proposal to consider offering Commissioner Barringer who will be seeking an alternative to federal designation.
Brennan's Cabinet

With the August 3 approval of the nomination of Barringer and Education and Cultural Services Commissioner Harold Raynolds Jr., Governor Brennan finally had completed selections for his cabinet. The cabinet system is relatively new to Maine, the product of a sweeping consolidation of state agencies into 14 "super departments" under former Governor Curtis. Curtis' successor, Jim Longley, held over a few people from the previous administration, and so has Brennan. The cabinet:

Agriculture.................................................. Stewart N. Smith
Business Regulation........................................... Gordon L. Weil
Conservation.................................................. Richard E. Barringer*
Defense & Veterans Services............................... General Paul Day*
Education & Cultural Services............................. Harold Raynolds Jr.
Environmental Protection.................................. Henry E. Warren*
Finance & Administration...................................... Rodney L. Scribner
Human Services................................................ Michael R. Petit
Indian Affairs................................................ Charles W. Rhynard*
Inland Fisheries & Wildlife.................................. Glenn H. Manuel
Manpower Affairs............................................ David W. Bustin
Marine Resources.............................................. Spencer Apollonio
Mental Health & Corrections................................ George A. Zitney*
Personnel...................................................... Jadine R. O'Brien
Public Safety................................................. Arthur A. Stilphen
Transportation................................................ Roger L. Mallar*

*Holdovers from Longley administration

The cabinet members are responsible for almost all of the approximately 1,000 different sub-units of government.

The Severance Tax

The Maine Municipal Association, the affiliate of the National League of Cities and Towns in this state, has abandoned plans to seek outright appeal of the Tree Growth Tax Law in a petition drive. But now the MMA is considering a petition campaign to seek full reimbursement to communities for losses of property tax revenue attributable to state imposed tax exemptions under the Tree Growth law. John Melrose of the MMA and Bob Chaffee of the Forest Products Council both predict that the severance tax proposal (so much per cord of wood) will be revived in the session in January.
On August 6, I told Skip Greenlaw of Governor Brennan's staff that I would serve on a task force to be named by the Governor to study the State Department of Transportation's financial picture. On the same day, Frank Sleeper of the Portland newspapers called with questions regarding Great Northern's use of herbicides. He was preparing an article for the magazine, New England Business. John Christie and Tom Paine of Ad-Media, the Augusta advertising agency, came to Millinocket on August 6 and talked with Paul Fir-lotte, Maurice McLean, Bob Reardon and I about visual aids to use in discussing the East Millinocket bark boiler. At the request of David Flanagan, I arranged for Tony Binotto to guide Flanagan and Connie Zwicker, also of the Governor's staff, on a mill tour on August 7. The following morning Peter Yacavone and Bob Shinners had breakfast with Flanagan and Mrs. Zwicker. They were in the region on a budworm study tour. On July 31 and August 1, we assisted John Godfrey with arrangements for a visit to Millinocket of six financial analysts. On August 3, we prepared a safety advertisement for the Katahdin Times and safety messages for WMKR. On August 10, John Lombard talked with Anne Erickson of the Times regarding new stacks under construction in Millinocket. And the best question we had in a long time came from Bill Peacock of the Presque Isle Star-Herald. In his southern drawl on August 9, he asked: "Is there any thing in the rumor that Great Northern is putting 100 horses to work in the woods because of the energy shortage?". I arranged with Tom Pinkham for a visit to the lumber mill by writer-photographer Bruce Nett on August 13. We drafted a letter rebutting the implication in a Sunday Telegram article on July 29 that logging roads were being built entirely without permits and suggesting that a law not being enforced by DEP be repealed. It was revised by Jim Carson of woodlands, mailed, and printed on August 5. Copies were sent 50 legislators.

Sincerely,

[Signature]

pmc/b
Enclosure (map)
Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine 04462

Dear Bob:

The newsletter of the Public Affairs Department for the week ending August 17:

ENERGY

"The cheapest power in this country is hydro....people in New England are procrastinating....there are hundreds of low-head sites which could be redeveloped but we have only three applications for permits....they are waiting for a handout...."

Ron Corso of the Federal Energy Regulatory Commission expressed these and other views at a Washington meeting on August 14 arranged by the staff of Congressman Emery. George Grimes of the Department of Energy also participated in the briefing. Paul Firlotte, Vic Mattson, Peter Yacavone and I attended. Others who accepted invitations were State Representative Huber of Falmouth, Charles Monty and Norm Temple of Central Maine Power, Dave Rolfe of S.D. Warren, Larry Gleason of Belfast, a small hydro power entrepreneur, and Nancy Cowan of the State Office of Energy Resources.

Other thoughts expressed during the meeting included:

--There's $200 million in the President's energy program to encourage the development of windmills, not one cent to encourage hydro....

--"The big stick" of the Treasury prevents any tax exemptions to stimulate hydroelectric developments...The Office of Budget and Management is also tough on this subject...It may be that industrial development bonds will be permitted...Maybe accelerated depreciation could be approved by Congress.

--Senators Jackson and Durgin have proposed increasing from 15 to 25 megawatts the statutory ceiling on "small" hydro projects now eligible for Federal aid.
Energy (continued)

--If other states would follow the lead of Massachusetts, they would be better able to stimulate hydro development...The state energy agency in Massachusetts has the final say under a one-step application process and can overrule other departments.

After this meeting, Paul Firlotte and I answered questions from Molly Bolton of States News Service. (John Day, the Bangor News Washington reporter, is on vacation.) Her story appeared in the News on August 16 and pointed up the savings in oil which could be accomplished by hydroelectric projects.

Later we met with Jim Case in the office of Senator Muskie. Although the Indian land claims case was touched on briefly, most of the hour-long meeting was devoted to energy. At Case's request, Yacavone outlined Great Northern's energy programs, reaffirming the Company's determination to fight to keep open the option to build another hydroelectric facility on the West Branch. Case said mail now being received by the Senator is running heavily in favor of the Dickey-Lincoln hydroelectric project. Two years ago, it was the other way. "All kinds of people are looking for ways to solve the energy problem," Case said, agreeing that hydro power and wood are the only two sources available in Maine. He said the Senator would support hydroelectric projects which would reduce the state's dependency on imported oil.

It was requested that Great Northern provide Case with more details on the financial incentives for hydro development proposed in 1977 and 1978 by former Senator Hathaway. Case said he would discuss with White House representatives the possibility of incorporating the incentives (investment tax credits, rebates, rapid amortization, etc.) into the energy program which Congress will enact this fall. Eliot Cutler, the deputy director of the Office of Budget & Management, a Bangor native, is the White House coordinator on such matters.

Logging Roads

Senator Trotzky, the man who saved Conservation Commissioner Barringer, now is talking about going to the rescue of the paper industry—at least that segment of the industry with an interest in logging roads. Trotzky this week told Augusta observers that it was not the intent of the Legislature to require permits for logging roads under the site-selection law. That's what will happen November 1 as a result of recent headlines and editorials resulting from stories written by environmental reporter Bob Cummings of the Portland newspapers. DEP Commissioner Henry Warren was accused of ignoring the law. Now Warren, his predecessor (Bill Adams, U.S. Environmental Protection chief in Region 1) and Trotzky are all seeking a memorandum which has been lost. In the memorandum, the intent of the Legislature was covered. Trotzky is still a member of the Energy & Natural Resources Committee but at the time the memorandum was written he was chairman. Trotzky told people he will introduce an amendment to the site selection law which will exempt logging roads from the necessity for permits.
Logging Roads (continued)

Representative Sherry Huber, another influential member of the Committee, wrote this office this week "as you probably know, I voted not to extend LURC's regulatory authority over roads in management zones for the reasons Mr. Carson expressed in his letter." She was referring to the letter in the Portland newspapers written on July 31 by Jim Carson. This week Carson sent another calling for the Legislature to dig into the "overlapping" and pointing out Great Northern has built "approximately 1,600 miles of road and yet only 3 erosion and sedimentation problems could be associated directly with our road construction."

MAINE'S WORK FORCE

Facts from the June edition of Maine Manpower, a publication of the State Department of Manpower Affairs:

Average weekly earnings are topped by employees of paper companies, $329 in 1979 compared with $305 a year ago....Average hourly earnings in June were $7.13 compared with $6.61 a year ago....Average weekly earnings in the lumber industry were $217...Average weekly earnings in all industry statewide were $210...Maine is divided into 31 labor markets and the one with the lowest unemployment (4 percent) in June was Millinocket and East Millinocket. Ellsworth was second best at 4.2 percent. The state as a whole was 6 percent.

MAINE COUNCIL ON ECONOMIC EDUCATION

The Maine Council on Economic Education is a non-profit organization of agriculture, business, education and labor interests with headquarters on the Orono campus of the University of Maine.

During the 1978-79 school year, 5,000 children in grades 4-8 participated in the economic education program based on a 15 segment television series, "Trade-offs." Teacher training workshops reached 150 teachers from South Portland to Aroostook. Ten-week workshops for teachers were held in Dexter and in Jay. Next year Portland and Waterville teachers will be involved. A three-week economics course on the Orono campus was attended by 27 teachers and included a four-day tour of industries.

Andy Nixon of Dead River is the chairman of the Council, a non-profit organization founded by Dr. Arthur Johnson of the University faculty.

In 1978-79, the Council was supported by $36,000 in contributions, including $1,500 from Great Northern. Tops among the contributors was the $2,800 given by International Paper, sponsor of the 1979 tour of industries by teachers. Bangor Savings Bank, Boise Cascade, Central Maine Power, Depositors Corporation, Georgia-Pacific, The Maine Bankers Association, Scott and St. Regis contributed $1,000 or more.
Trailed by an NBC-TV Today Show camera crew and reporter Carol Simpson, Mrs. Olympia Snowe came to town on August 16. The Second District Congresswoman is popular with the Washington press corps. Last week a photograph of Mrs. Snowe talking with constituents appeared in Newsweek magazine. Carol Simpson said she was spending three days preparing a report on what Mrs. Snowe did during the Congressional recess.

In Millinocket, Dick Noyes and Paul Firlotte briefed her on the energy picture as it pertains to Great Northern. Dick reported on the boiler being built in East Millinocket, Paul on the overall picture. From the meeting, she went to the mill gate to greet workers for an hour.

PUBLIC RELATIONS

I traveled to the Pinkham mills on August 13 to join Tom Pinkham for an interview with Bruce Nett of The County, a tabloid being distributed with three Aroostook County weekly newspapers. Nett plans a feature article on Pinkham....Photographs and stories on six promotions were prepared by Mary Bailey and Roger Boynton.... Mary and Rhonda Reed also helped in getting Wendy Pannebaker acquainted with the Millinocket operations. Miss Pannebaker is the new secretary in the Boston sales office.

PAPER INDUSTRY INFORMATION OFFICE

Ray Wood of Diamond International, chairman of an ad hoc committee of timberland owners which has hired a consultant to develop new approaches to the spruce budworm problem, reported on the progress and goals of Dr. Gerald Stairs at a meeting of the Paper Industry Information Office on August 17. Wood said Stairs has quickly analyzed the situation in talks with many people and found that industry has "under-invested in research and state forest policy matters." As a result, the consultant has found that industry reacts instead of initiates. A report is expected in the next few weeks.

After reviewing the several projects in progress, directors advised Executive Director Hank Magnuson that some things may have to be postponed in the next several months. The board also voted to object vigorously to a Keyes Fibre decision to withdraw from PIIO.

Sincerely,

pmc/b
Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine 04462  

Dear Bob:  

The newsletter of the Public Affairs Department for the week ending August 24 follows:  

"THE PENOBSCOT TUG OF WAR"  

Deans of the nation's schools of forestry have in recent years been invited on tours by the American Forest Institute, the public relations association representing the industry. AFI considers the deans an important group because politicians and people in the news media frequently turn to the deans for opinions on forestry related issues. This year the deans were invited to Maine. They came from 38 states--45 men and Dr. Ann Burns of the University of Washington. On August 20 and 21, they participated in seminars and tours. Al Duval, president and chief executive officer of Hammermill, spoke on August 20 on how the forest industries set policy. Duval is chairman of the Forest Industries Council. On August 21, Great Northern's Peter Yacavone was invited to discuss how a company operating in Maine deals with forest policies.  

In his speech, Yacavone used the West Branch of the Penobscot River as an example of the demands on the state's forest resources. (A copy of the news release covering the speech is included.) Following the talk, Great Northern's president answered 14 questions. A Midwesterner complimented Yacavone on the case he made for a state solution to the Wild & Scenic river issue and suggested the company take its case to the public. A New Englander questioned why a company would challenge "national policy" which calls for wild and scenic rivers.  

The seminars were held at Squaw Mountain Inn, north of Greenville, overlooking Moosehead Lake and the forests of Maine. The group split up each day for tours--one delegation spending a day on a bus visiting Great Northern and Scott timberlands, the other participating in meetings and flights over the area. Bart Harvey guided the deans on the Great Northern segments, introducing them to mechanical harvesting and tree-planting programs and discussing...
the spruce budworm situation. The deans were guests at Ragmuff for lunch.

An important group learned a lot about Great Northern.

The Yacavone speech was also used as an occasion to signal that Great Northern may soon be reviving consideration of another hydroelectric facility. Conservation Commissioner Barringer joined the group to hear Yacavone. In addition to the news release, a mailing of booklets covering the speech is planned August 27. The booklet will go to 300 "opinion makers"—legislators, public officials, businessmen, educators, etc., as well as Great Northern management employees.

**Spruce-Budworm Study**

The Public Relations Committee of the Paper Industry Information Office met August 24 in Augusta with Dr. Gerald Stairs. Stairs is the Duke University professor hired by owners of Maine timberlands to develop recommendations for dealing with the spruce budworm problem. After outlining what he intends to say in the report he will make in the next few weeks, Stairs asked suggestions from the committee. The committee was also briefed on Stairs' meeting with editors of the Portland newspapers and Maine Times.

The committee agreed to establish a $10,000 goal to (1) finance a public opinion poll and (2) to have necessary funds available if it is decided to promote Stairs' recommendations. The poll, members of the committee felt, is necessary to evaluate statewide implications of the controversy associated with this year's budworm spraying and the Washington County herbicides controversy. The actual questions to be asked the public will be circulated for comment prior to an August 30 meeting in Bangor. The results would be a guide for promoting continuation of the budworm control program. Hank Magnuson of PIIO said there were no PIIO funds available for special projects, necessitating the committee's decision to seek additional funds from member companies. Stairs volunteered to help with a summary for the public. He also agreed to brief Washington representatives of companies with Maine timberlands.

In addition to responding to the request for funds and approving the contents of the poll, members at the August 30 meeting will also hear Max McCormick of the University of Maine discuss the Washington County herbicides situation.

**Incentives for Hydro Power**

With guidance from Phil Cannella and Peter Yacavone, I responded to the request from Jim Case of Senator Muskie's staff for information on financial incentives for hydroelectric facilities such as those proposed by former Senator Hathaway in 1977. Case said he will talk with White House energy coordinator Eliot Cutler regarding incentives for hydroelectric power. The administration will send Congress new proposals for an energy program this fall. It's our hope that financial incentives for hydroelectric power development will be included.
"It's Going to Get Tougher"

After participating in the AFI tour and seminar, Nick Van Nelson of the American Paper Institute came to Millinocket to see the mills and talk about energy and environmental matters. Van Nelson is the vice president for government affairs for API. He's a Southerner who spent several years on the staff of Congress and in the Department of Interior before joining Owens Illinois as a lobbyist. In Millinocket, Van Nelson told Dick Noyes, Velit Lapinoja and Pat Welch that "environmental regulations are going to get tougher." EPA, he said, "is going to grow and regulations are going to keep coming faster and faster." Eventually he believes Congress will rein-in the agency, but that's a few years off in his opinion. Pat traced the Portage teepee burner issue as an example of Great Northern's difficulties with EPA. Van Nelson also met with Paul Firlotte.

The Maine Scene

A special session of the Legislature is likely in late September or early October, according to Lynwood Hand. Governor Brennan wants assistance for the poor to deal with higher home heating costs...While in Augusta, legislative leaders were told by Attorney General Cohen that he will need more money to deal with the Indian land claims case. The attorney general later hired Boston attorney James St. Clair to represent Maine if the case goes to court. St. Clair once defended former President Nixon and also was involved in a Massachusetts case where Indians claimed land....The Portland and Bangor newspapers carried stories on hearings of the Maine Board of Environmental Protection. Paul Firlotte testified at an August 21 session in Augusta. He's optimistic that the BEP will adopt reasonable opacity standards for oil-fired boilers such as those operated by Great Northern. Testimony for the series of hearings was coordinated by Dan Boxer, an attorney retained by the Paper Industry Information Office....The possibility of tapping the state's peat resources was the subject of a University of Maine conference that attracted considerable press and television coverage....Organic farmers made news by launching a statewide drive to send produce to the Washington County people who had their gardens sprayed this summer, touching off a controversy that is still on page one in the newspapers....In Augusta, a granddaughter of the late L. L. Bean and Jim McGregor, assistant to former Governor Longley, announced plans for a conservative Maine weekly—competition for Maine Times....Herb Hartman this week was reappointed director of the Bureau of Parks & Recreation and Commissioner Barringer says he will next week name a director of the Bureau of Forestry.

Coming Events

August
27 Hearing on emission standards, Board of Environmental Protection, 2 p.m., University of Maine at Presque Isle
30 Meeting, Public Relations Committee, Paper Industry Information Office, 9 a.m., Hilton, Bangor

September
6 Meeting, Directors, Maine Forest Products Council, 2 p.m., Civic Center, Augusta
7 Meeting, Government Affairs Committee, American Paper Institute, 10 a.m., Washington, D.C.
Aegis Salpukas, a business news reporter on the staff of the New York Times, interviewed Jim Giffune on August 21 and toured the Millinocket mill. He was preparing a story on how industry is bracing for the recession. Later in the week he was scheduled to interview Bob Hellendale in Stamford. A photographer came to Millinocket on August 24 to take pictures for use with the story.... Mary Bailey coordinated the redrafting of an article on Tom Pinkham which will appear in the September issue of The County, a tabloid distributed with three weekly newspapers in Aroostook County....Paul DeMarrais met with the staff of Ad-Media in Augusta on August 23 to discuss the No. 10 promotion. A fact sheet on the project is included with this newsletter. The agency is also designing a binder for policies to be distributed by the industrial relations department and a series of charts for use in discussing the East Millinocket boiler in which bark will be the fuel....With Olga Huddleston and Bill Vaznis, I met with representatives of the Red Cross bloodmobile program to plan a drive in the East Millinocket and Millinocket mills (and other GNP facilities) in September.

Sincerely,

pmc/b

Enclosures (2)
GREENVILLE --- "All the challenges involved in setting forest policy anywhere in the State of Maine are reflected in the pulling and tugging taking place over the timberlands and water resources" of the West Branch of the Penobscot River, the president of Great Northern Paper said Tuesday night.

"I hope each of you will join in speaking out on the Penobscot tug of war and other issues," Peter F. Yacavone told forestry school deans at a dinner winding up a visit to Maine. Urging the educators to get personally involved in the debates of the times over the nation's forest resources, he said, "The people deserve to know your views."

Great Northern and other owners of forest lands have been using wood, water and power from the West Branch for over three-quarters of a century.

Today a dozen state and federal agencies, over 80,000 vacationers, people in the tourist business, environmental organizations and others are seeking to use, protect, regulate or acquire resources in the West Branch watershed.
The East and West branches of the Penobscot are being considered as additions to the National Wild & Scenic Rivers System. Yacavone said Great Northern will continue to work with state officials to develop an alternate proposal to protect the natural beauty of the river corridor from residential development, but leaving open the option for additional hydroelectric facilities. "I am convinced Maine people are not going to let the resources be locked up forever."

Yacavone said most of the issues faced by forest landowners in the West Branch will be found elsewhere in Maine—government regulation of timber harvesting, the use of pesticides and herbicides, public access, and the setting aside of wild, scenic and environmentally sensitive areas.

Although public opinion polls show a solid majority of people appreciate the economic benefits provided by the forest industries, you would never believe it from what you read and hear in Maine, the Great Northern president said. "It is a period when confrontation is the popular approach," he said. That's why "we must speak out, anticipating issues as well as responding to others."

-8/21/79-
Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine 04462

Dear Bob:

The newsletter of the Public Affairs Department for the week ending August 31 follows:

**DOWN EAST REFLECTIONS**

Max McCormack is an outspoken professor of the faculty of the School of Forest Resources at the University of Maine in Orono. He is a member of the research unit financed with funds from owners of timberlands. He got deeply involved in the Washington County hassle which resulted from the apparent spraying of gardens by a helicopter firm hired by St. Regis Paper Company to spray to encourage growth of budworm-resistant spruce in a clear-cut area. On August 30 McCormack for the first time summed up his findings at a joint meeting of the public affairs and forest resources committees of the Paper Industry Information Office in Bangor.

McCormack was asked to report on what he found in a detailed investigation—and what he felt should be done if the forest industries were going to be able to use herbicides effectively in the future. Some of the key points he made in a 2 1/2-hour presentation were:

--"A major part of the blame should be placed on things done, or not done, by industry."

--"There was herbicide drift in this case—but not nearly as much as has been represented."

--There is no evidence that fishermen were sprayed...

--The Moosehorn National Wildlife Region was not sprayed...

--"I still think there are more parts of this story."

--There is an anti-industry feeling (unbelievable anti-St. Regis attitude—-they'll do anything they can to get St. Regis.)
Reflections (continued)

--"Don't overlook the fact that Ralph Nader was involved long before this hit the press."

--The Pesticides Control Board is "incompetent."

--"Our own colleagues believe 'this stuff in the newspapers'... 'those guys were not sprayed'...'those gardens are not dead'..."

--"If we can't use herbicides, my own opinion is that there will be some mills closing in 15 years."

The committees voted to recommend to directors of PIIO that a subcommittee be established to draft legislation to establish new controls over chemical spraying, perhaps a substitute for the present Pesticides Control Board authority. Governor Brennan has said he will propose changes in the Pesticides Control Board. They also recommended directors allocate $10,000 for evaluating public opinion and promoting alternative spruce budworm programs. A committee also was established to guide attorneys dealing with the issue of permits for roads in the unorganized towns. Until the legal tangle is ironed out, however, no future defenses of spraying from a public relations point of view were suggested.

Names in the News

Ethel Kennedy came back to the Kennebec River on August 28 to promote opposition to new hydroelectric facilities under consideration by Central Maine Power Company in the 1980s. She was reported to be planning to take a raft trip on the West Branch with Wayne Hockmeyer on August 31....U.S. Representative Olympia Snowe's briefing on Great Northern's plans "to save energy" was reported on August 30 on the Today Show on NBC. She was photographed talking with Paul Firlotte, Dick Noyes and I and greeting mill workers... Ralph Nader wrote a letter to Governor Brennan asking for a ban on aerial spraying in Maine...According to newspaper accounts Conservation Commissioner Barringer said the consumer advocate's letter didn't include anything new and the Commissioner says some spraying is needed...On television on August 26, Barringer said in an interview that the U.S. Forest Service would not support spraying to control the spruce budworm on over a million acres.

Hydro Power Potential

Additional power generation in new or rehabilitated hydroelectric facilities is considered by many as an alternative to power now produced in oil-fired systems. In Washington a few weeks ago, an official of the Federal Energy Regulatory Commission chided New Englanders for lagging behind on such projects. FERC is the successor to the FPC, the Federal Power Commission, and regulates hydro systems.

What is the national picture? There are now 129 applications before the Commission of which 20 are from New England. Only two are from Maine projects, 13 come from Vermont. Nationally since 1975 there have been 33 applications approved for projects with new generating capacity. The pace is stepping up.
The DEP

When the Sanitary Water Board, forerunner of the Department of Environmental Protection, was created in 1941, the chief engineer of another department was its part-time staff. The board had the job of finding ways to eliminate pollution from waters used for recreation. Today the Department of Environmental Protection (DEP) has a lot more to do, an annual budget of $20 million and a staff of 150. Henry Warren, the commissioner, fills a cabinet-level job, and serves as chairman of the Board of Environmental Protection—the group which approves applications for licenses and sets policy.

The DEP is divided into bureaus—and three of those subdivisions regulate the Maine environment—air quality, water quality and land quality. Here is an organization chart from the 1977-78 annual report of State Government:

In a year the staff and the board consider approximately 1,000 applications for permits under laws governing site location, wetlands, Great Ponds, minimum lot sizes, air and water quality.
November Vote

Voters in Maine will vote on November 6 on repealing the law requiring deposits on beverage containers, on a constitutional amendment removing the literacy requirement for voting and on three bond issues---$16.5 million for highways and bridges, $11.8 million for fish piers, airports and other transportation facilities and $2.5 million for energy conservation in local government buildings. There is a Millinocket connection to the airport question. If approved, $120,000 will be made available for a localizer (aid to landing aircraft)---$96,000 from federal funds with $12,000 in local funds and $12,000 from the bond issue.

Public Relations

A photograph of Jim Giffune in front of a paper machine in the Millinocket mill was used to illustrate a story on Great Northern Nekoosa in the New York Times business section August 31. Most of the accompanying article was based on an interview with Bob Hellen-dale...Maine Times and newspapers in Greenville and Dover-Foxcroft picked up stories on Peter Yacavone's speech to forestry school deans in Greenville. Over 1,500 management employees, legislators, members of the Congressional Delegation, businessmen, educators and community leaders were mailed copies of a reprint of the speech...A photograph of a Massachusetts family jointly honored as the 1000th Visitor to the Millinocket mill during the summer season was provided the Katahdin Times...A photograph with an outline of the new Millinocket stacks was provided the Paper Industry Information Office for its newsletter.

Coming Events

September

6  Meeting, Directors, Maine Forest Products Council, 2 p.m., Civic Center, Augusta
7  Meeting, Government Affairs Committee, American Paper Institute, 10 a.m., Washington, D.C.
11 Meeting, Directors, Associated Industries of Maine, 9:30 a.m., Waterville
   Public discussion, spruce budworm policies, U.S. Forest Service, 10 a.m., Civic Center, Augusta
14 Meeting, Directors, Paper Industry Information Office, 9:30 a.m., Augusta

Sincerely,

PMC/B

Enclosure (PIIO newsletter)
Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine 04462

Dear Bob:

The newsletter of the Public Affairs Department for the week ending September 7 follows:

**The $12 Million Question**

Governor Brennan has called legislators back into session on October 4 to deal with the plight of the elderly and the poor who face rising home-heating costs in the winter ahead. The Governor announced plans on August 31 for the special session and said he hoped to limit discussions to energy matters. Four days later he agreed to include in his program for the special session the matter of funding for the teacher retirement fund.

State House observers are speculating that what the Governor hopes will be a two-day session may generate some sharp debate. It's a matter of money: $12 million.

Democrats want to use the $12 million in available money (along with federal funds) to help out those who will have trouble paying for home heating oil this winter. Oil is priced at $.81 per gallon and going up. There are forecasts it will reach the $1 level. Republicans say the $12 million is needed to put the teacher retirement fund on firm footing. Both parties agree that $31.5 million is also needed for the retirement fund and that money is available. The $31.5 million didn't get appropriated when the issue split the Legislature last spring.

State revenues were several hundred thousand dollars below estimates in July. State House observers do not expect a crisis to result from this trend, and they don't expect a tax increase in October. But if the Governor is going to get what he wants, and the Republicans are going to satisfy their concerns over the future of the retirement fund, somebody is going to have to find some more money soon. When you start talking more money in Augusta, people start thinking of ways to raise taxes.
FOREIGN TRADE

Rick Oiler of the sales department has been invited to serve on a 24-member council established by Governor Brennan to explore opportunities in foreign trade for Maine industry. The council will be headed by Thomas Chappell of Kennebunk, the founder of Kennebunk Chemicals, Inc. Development Office Director George Campbell, who will be the chief staff member for the council, said the Governor wants to see if there is potential for expanded export business and if so, what state government can do to help.

AROOSTOOK’S FUTURE

The report is entitled "Economic Adjustment Program" for Central Aroostook County and it was prepared by the President's Economic Adjustment Committee, Office of Economic Adjustment, Office of the Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics), of the Pentagon. It was released in July to provide some thoughts on how the Aroostook area's economy might rebound from the closing of Loring Air Force Base. A lot of the report focuses on forestry and wood processing. The county is almost 90 percent forest land and today 42 processing plants employ 3,300 persons or more than half of those employed in manufacturing in all Aroostook. Some of the ideas in the report:

--Investigate a particleboard mill.
--Study why the leading pulp wood producing county in the eastern United States doesn't have a pulp mill.
--Find ways to use aspen (poplar).
--Seek to attract mills which manufacture kit furniture, interior furniture frames, rifle butts, wood toys, coat hangers, novelty goods.
--Efforts to convert wood to energy at mill sites should be accelerated.
--Explore the potential in peat and mining.

I obtained a copy of the 250 page report and turned it over to the woodlands department for study.

HIGH ADVENTURE PROGRAM

The Maine High Adventure program of the Boy Scouts of America is one of the best examples of multi-use of the state's commercial forest. This year a third base was opened on Lower Syslodsobis Lake in Down East Maine. Others are located at Pittston Farm in facilities provided by Great Northern and on the shore of Grand Lake Matagamon. Hundreds of boys and girls annually come from all over the country to canoe and hike on over six million acres of forests. This year the Americans were joined by 200 Scouts and their leaders from Great Britain. The Maine program has been awarded a $265,000 grant to establish an administrative center which will serve as a gateway for the entire program.
If you discuss collecting unemployment taxes, paying benefits to the jobless, enforcing state laws dealing with health or safety, providing training for the unemployed, promoting safety in industry, or arbitrating labor disputes, the agency responsible in Augusta is the Maine Department of Manpower Affairs. Manpower Affairs was one of the "super" agencies created by former Governor Curtis in a reorganization of state government in 1971. Today the department has an annual budget of $115 million with nearly 800 employees.

David W. Bustin is the man in charge, named commissioner by Governor Brennan. Bustin, formerly assistant director of the Maine Teachers Association, served four terms in the Legislature before quitting to run unsuccessfully for Congress in 1976. In the Legislature as chairman of the Labor Committee, he was a strong advocate of labor's causes. Yet his nomination to the Brennan cabinet was approved unanimously by the Senate.

Here is an organizational chart of the Department with its principal functions noted:

By far the biggest sub-division of the department is the Maine Employment Security Commission. With over 650 employees and offices across the state, the department administers the Unemployment Compensation program (180,000 claims a year for benefits), and the Maine Job Service which provides a recruiting service for employers. It is this agency which at the state level processes applications for Canadian labor--such as those traditionally needed for woods work--although the federal government has final approval on such matters. The Bureau of Labor is another key agency, collecting and publishing statistical information on industry and labor.
Public Relations

Questions came from Maryanne Lagasse of the Bangor Daily News and Anne Erickson of the Katahdin Times regarding the possible use of Great Northern facilities to treat municipal waste in East Millinocket. It's one of the possibilities being explored by consultants. I stressed that Great Northern had made no commitments. Members of the Public Relations Committee of the Paper Industry Information Office met in Augusta to further work on questions for a public poll regarding chemical spraying. The first draft of a slide show on the subject of forest management was distributed at the meeting...Ad-Media, the Augusta advertising agency retained by Great Northern, designed a binder for the personnel department which will be provided management employees for filing procedures. Bruce Otis of Paper Age requested photographs to illustrate an article on Number 11 paper machine...Radio and newspaper publicity was prepared for Red Cross blood drives in the Millinocket and East Millinocket mills.

Coming Events

September

11 Meeting, Directors, Associated Industries of Maine, 9:30 a.m., Waterville
Public discussion, spruce budworm policies, U.S. Forest Service, 10 a.m., Civic Center, Augusta

13 Public hearing, State Environmental Protection Agency Agreement, Department of Environmental Protection, 10 a.m., Augusta Civic Center

14 Meeting, Directors, Paper Industry Information Office, 9:30 a.m., Augusta

18 Meeting, Education Relations Committee, Pulp & Paper Foundation, PIIO, 10 a.m., Augusta

19 Meeting, Land Use Regulation Commission, Presque Isle, followed by visit to Seven Islands Land Company timberlands

20 Regional meeting, Paper Industry Management Association, The Balsams, N.H.

Sincerely,

pmc/b
Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine 04462

Dear Bob:

The newsletter of the Public Affairs Department for the week ending September 14 follows:

**No More "Off Season"**

When the growth of the federal establishment is analyzed, the biggest increase in recent years in numbers of employees is found in the legislative branch—men and women on the staffs of members of Congress or on the staffs of committees. When you visit Augusta during the "off season", the period of time when the Legislature is not in session you become aware of the growth of the legislative branch of state government.

There are approximately 40 full-time employees of the Legislature. Another 100 jobs open up when the Legislature is in session. It is a $3 million a year operation.

"When I came to work 13 years ago there were five or six people here year round," a veteran said this week. "The other day I counted over two dozen people working in offices occupied by the staff of the Legislature."

Four years ago the Legislature added the office of staff assistants. Fifteen full-time employees assigned to different committees. Some are lawyers. Some are political science majors. They do research for the committees and they draft legislation. There are also offices of Legislative Research, the Law and Legislative Reference Library, the Legislative Finance Office and a full-time director for all of these personnel. The secretary of the Senate now serves full-time and so does the clerk of the House. The administrative assistants to the Speaker of the House and the President of the Senate staff those offices regardless of whether or not the people they work for are in Augusta.

There's no "off season" any more at the State House.
UNEMPLOYMENT COMPENSATION COMMISSION

Tom Karlen, a former Scott Paper executive, is planning to resign soon as the industry representative on the Maine Unemployment Compensation Commission. The three members of the Commission deal with policy on jobless benefits under the Unemployment Compensation law. Robert Pendleton, a career man in the benefits field, is chairman and Harold Loring, a veteran union leader, is the third member. An ad hoc group is trying to recruit possible successors to Karlen to suggest to Governor Brennan who will make the nomination, subject to confirmation by the Senate. Two names being discussed are those of former State Representative Gail Tarr and Tony Peverada, a staff attorney with the Maine School Management Association. The job pays $24,000.

THE MAINE SCENE

George Campbell, director of economic development on the staff of Governor Brennan, asked assistance for a weekly newspaper publisher who was having trouble buying paper. With guidance from Steve Hobson, I assured the Governor's office that we would try to solve the publisher's problem....There are rumors in Augusta that a proposal for an increase in workers' compensation rates will soon be sought by the industry....Keyes Fibre and other customers of Central Maine Power and the staff of AIM are urging Central Maine to consider seeking changes in federal regulations to permit using 2.5 percent oil instead of .07 at a new generating plant in Yarmouth. They say Yarmouth's location makes it unique because over half of the time prevailing winds take emissions out to sea....This week saw some familiar topics on the front pages of Maine newspapers. The U.S. government asked court approval for again delaying pressing the land claims of Maine Indians. There were reports that the claims against St. Regis as a result of the spraying of gardens will top $100,000. The week also saw former Governor Curtis nominated to be Ambassador to Canada...On the same day that an independent appraiser announced his findings in Augusta, nine members of the legislative committee on Energy and Natural Resources inspected the Washington County gardens where the spraying took place as guests of St. Regis...Directors of the Paper Industry Information Office on September 14 voted to support a coalition being organized by the Farm Bureau to defend the need for spraying in forestry and agriculture.

AIM ANNUAL MEETING

Donald H. Trautlein, executive vice president of the Bethlehem Steel Corporation, will speak on "capital formation" at the annual meeting of Associated Industries of Maine on September 26 in South Portland. Afternoon "mini-briefings" will cover taxation, unemployment compensation, energy, environmental regulation, workers' compensation, and transportation. Bill Haggett will continue as AIM president for another year.
DEPARTMENT OF CONSERVATION

When former Governor Curtis pushed his reorganization plan for state government, it took two attempts before he achieved one goal—a Department of Conservation. The fishing and hunting lobby, potent in Maine, fought to retain a separate agency and blocked the Governor in his first bid for a natural resources agency. In 1973, the Legislature finally approved such an agency, including the independent departments of Parks and Recreation, Forestry, Land Use Regulation Commission, the Maine Geological Survey (formerly a part of the State Department of Economic Development), and a Bureau of Public Lands created to manage lands regained in the "public lot" exchanges. Dr. Donaldson Koons, the Colby professor who revitalized the Department of Environmental Protection, was the first commissioner.

Today the department has 265 employees and an annual budget of $22 million. Richard Barringer, Koons' successor, has finally been confirmed for a second term. Here is the organizational chart covering the department:

**ORGANIZATIONAL CHART**
**DEPARTMENT OF CONSERVATION**

**COMMISSIONER**

| Division of Planning and Program Services |
| Director |
| Information and Education |
| Keep Maine Scenic |
| Policy Planning |
| Program Review |

| Division of Administrative Services |
| Director |
| Accounting |
| Bookkeeping |
| Central Services |
| Personnel |

- **Bureau of Forestry**
  - Director
  - Divisions of:
    - Enymology
    - Forest Fire Control
    - Forest Management
    - Utilization and Marketing
    - Community Forestry
    - Planning
  - Northeastern Inter-State Forest Protection Commission
  - Maine Forest Authority
  - Board of Registration of Professional Foresters

- **Bureau of Public Lands**
  - Director
  - Division of:
    - Administration
    - Land Management
    - Coastal Island Registry

- **Land Use Regulation Commission**
  - Director
  - Division of:
    - Development Review
    - Planning
    - Resource Analysis

- **Bureau of Parks & Recreation**
  - Director
  - Division of:
    - Acquisition and Development
    - Allagash Wilderness Waterway
    - Operations and Maintenance
    - Federal Aid
    - Planning and Research
    - Historic Sites
    - Community Recreation
    - Snowmobile
    - Maine Trails System
    - Advisory Committee

- **Maine Geological Survey**
  - Director
  - Divisions of:
    - Physical Geology
    - Hydrogeology
    - Marine Geology
    - Cartography
  - State Board of Certification for Geologists & Soil Scientists
  - Mapping Advisory Committee

**PINKHAM LUMBER COMPANY**

Two years ago the Cardin Advertising Agency in Bangor developed a series of advertisements to promote the sale of Pinkham Lumber Company products. A new series has been completed with guidance from George Smith, the company's sales manager. The advertisements are placed in trade publications including the Commercial Bulletin published in Boston. The new series includes one advertisement offering a wall poster promoting the Twin Bear brand.
Maine Times is preparing a special section on the use of wood as a fuel and Phyllis Austin called with questions regarding company policies on allowing wood to be cut on Great Northern timberlands. Tom Paine of Ad-Media presented a rough draft of a speakers' kit on the subject of the East Millinocket bark boiler on September 12 to Paul Firlotte, Maurice McLean and Bob Reardon. A redraft is due within two weeks. Tim Elledge of the Sunday Telegram called September 10 with questions regarding oil quotas (do they make it necessary to use oil today to protect next year's supply?) and water levels on the West Branch. Elledge is a whitewater rafting enthusiast. Dan Corcoran of the woodlands department was interviewed by Miss Austin, Bob Cummings of the Sunday Telegram and a reporter for the public radio station after testifying at a U.S. Forest Service hearing on spruce budworm control in Augusta on September 11. Tom Jones, the talented free-lance photographer, and Paine, visited Millinocket and Ragnuff on September 12-13 to collect photographs for a new slide presentation on forest management. The show is being financed by the Paper Industry Information Office. Peter Cox, publisher of the Maine Times and Rob Gardiner, executive director of the Natural Resources Council of Maine, will be among the speakers at a meeting of the northeastern technical division of the American Pulpwood Association on October 3 at The Balsams, N.H., when the theme will be "Communications."

**Coming Events**

<table>
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<tr>
<th>September</th>
<th>Event Details</th>
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<tbody>
<tr>
<td>18</td>
<td>Meeting, Education Relations Committee, Pulp &amp; Paper Foundation, PIIO, 10 a.m., Augusta</td>
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<tr>
<td>19</td>
<td>Meeting, Land Use Regulation Commission, Presque Isle, followed by visit to Seven Islands Land Company timberlands</td>
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<tr>
<td></td>
<td>Meeting, Task Force on Roads and Bridges, State House, 1:30 p.m., Augusta</td>
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<tr>
<td>20</td>
<td>Regional meeting, Paper Industry Management Association, The Balsams, N.H.</td>
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<tr>
<td>26</td>
<td>Annual meeting, Associated Industries of Maine, 2:30 p.m., South Portland</td>
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Sincerely,

[Signature]

pmc/b
Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine 04462

Dear Bob:

The newsletter of the Public Affairs Department for the week ending September 21 follows:

WASHINGTON TOPICS

This week two subjects of interest to Great Northern--tax incentives for alternate energy sources and water pollution standards for the paper industry--were being talked about in Washington.

The Senate Finance Committee was considering investment tax credits for substitutes for oil, such as wood or wood wastes and hydroelectric facilities. Credits for cogeneration facilities were also a possibility. Two years ago credits for hydroelectric facilities were erased at the last minute from an energy act. This time the committee considered S. 1571, sponsored by Senator Packwood of Oregon, and others. It would provide additional credits for all portions of a hydroelectric project, except the actual dam, or impoundment. Senator Nelson of Wisconsin filed another proposal providing credits only for rebuilding of existing dams as well as generating components. But Nelson's bill limited the credits to projects of less than 25 megawatts. There is less enthusiasm for major projects than for the refitting of low-head hydro facilities. One observer said next week will be crucial. "The committee will finish the job of hanging the Christmas Tree with something for everybody. After that, Chairman Long will turn to financing the different projects." The committee is moving rapidly to get the job done.

On another subject, the paper industry was challenging the Environmental Protection Agency on new standards for water pollution. Instead of what had been expected under a new law which eliminates the "zero discharge" goal and stringent deadlines, the EPA imposed standards which it is estimating would cost the industry $2 billion. The regulations shocked people. Even staff members of senators usually associated with environment causes were reportedly ready to turn on the regulatory agency. The EPA standards are being challenged in the courts. If allies defect, it's possible that the agency will back off--as it has in other cases in recent months.

Millinocket, Maine 04462. (207) 723-5131 Ext. 228
**Blaine House Meeting**

Peter Yacavone joined representatives of Boise Cascade, Diamond International, Georgia-Pacific, International and St. Regis paper companies at a Blaine House breakfast in Augusta with Governor Brennan and Conservation Commissioner Barringer on September 19. They discussed the question of the need for more emphasis on forestry in state government, the future wood supply for the paper industry, federal funding for the spruce budworm program and other matters. Governor Brennan is planning a series of breakfasts to meet with representatives of the forest industries and this was the first.

**The Maine Scene**

Representatives Doukas of Portland, Kiesman of Fryeburg and Peltier of Houlton toured the Raggmuff harvesting operation on September 19-20, viewing mechanical harvesting operations and reforestation programs. Bob Bartlett, Bill Carpenter, Bart Harvey and Doug Wright joined Lynwood Hand at different times during the tour to brief the legislators...The State Department of Conservation is going to move next door and yield the entire Ray Building in Augusta to the growing Department of Environmental Protection...When the unemployment rate in Maine goes up, the question of Canadian labor usually comes up. It did this week—in a roundabout way with an inquiry that resulted from a conversation between senators from Maine and Vermont...Adrian Clark, who attended a meeting of the Tax Committee of Associated Industries of Maine, says that a seminar is planned later this year on the subject of the Maine sales tax...I was among 17 members of a task force on highway and bridge financing that met for the first time in Augusta on September 17. Governor Brennan asked for proposals by the end of the year on solutions to the department's short and long-range financial problems. Harvey Devane, manager of radio station WDEA in Ellsworth, is chairman of the task force...No one was surprised when the state appealed on September 18 the findings of a referee in the "public lots" case to the state supreme court...The Maine Farm Bureau will hold an all-day meeting in Augusta on October 2 to organize proponents of spraying of forests and gardens in the face of a coming legislative battle...Advertisements published in the Bangor Daily News September 15 by Dow Chemical defending the safety of Tordon 101 came as St. Regis was trying to process claims in Washington County resulting from spraying of gardens.

**Pulp & Paper Foundation**

"Year after year the students tell us that the highlight of the three week summer program for high school juniors is the Great Northern trip—the chance to spend a night in a logging camp and to visit the mills. This year they came back talking about energy and the spruce budworm epidemic," Stan Marshall of the University of Maine Pulp and Paper Foundation told a meeting of the educational relations committee of the foundation in Augusta on August 28. In addition to the three-week program on the Orono campus, the Foundation is also sponsoring nine career exploration seminars (a Millinocket session is planned October 30) for high school juniors interested in engineering. Approximately 250 students from 60 high schools will be involved. The climax of this new program will be an introduction to the Orono campus for the entire group on November 6.
The State Department of Transportation, often rated as the strongest department in Maine's state government, has financial problems. Since 1923 this agency and its predecessors, have been primarily financed with a tax on gasoline sales. It is now nine cents per gallon. When gasoline sales declined sharply this summer, so did the department's anticipated revenues—$7 million in July, $6 million in August. Plagued by inflation and with an almost static revenue base, the department in recent years has cut back on services and personnel. Even snowplowing has been curtailed.

Roger L. Mallar, a career employee who joined the department when he graduated from the University of Maine in 1958, is commissioner. He is considered one of the best of the Augusta bureaucrats, a man who can deal with the Legislature, make tough decisions and get jobs done. When Maine was wooing Pratt & Whitney last year, Governor Longley turned the task over to Mallar. When Governor Brennan was elected, he quickly renominated Mallar.

The department has grown from a strictly highway related agency into one with bureaus responsible for aviation, ports and ferries, and public transportation. There are 2,500 employees. The special highway fund (gas tax) and federal money account for over 90 percent of the $175 million budget of the department.

Here is the D.O.T. table of organization:

The department's responsibilities have an influence on Great Northern beyond the taxes paid by the company and the licenses needed for company vehicles which operate on public highways. The D.O.T. is responsible for the future of the Port of Searsport. The department provides most of the funds for expansion of airports, including the Millinocket facility. The forest industries have turned to trucking in recent years to bring wood from the forests to the mills and the weight limits for trucks are set by the department.
The topic of conversation for local reporters is the new Millinocket mill stack, high enough now to be seen all over town. Both Anne Erickson of the Katahdin Times and Maryanne Lagasse of the Bangor News called this week for information on the project...Photographs were provided Paper Age Magazine for use in conjunction with a story to be published on No. 11 paper machine...Jim Case of Senator Muskie's staff reported that the Senator was very much impressed by the article on Great Northern which appeared in the New York Times on August 31 and may insert it in the Congressional Record...Contributions have been made to the Katahdin School, Houlton Rotary Club, Woodville fire department, Red Cross, Eagle Lake Rod & Gun Club...Advertisements have been placed in yearbooks of Schenck, Katahdin, Penobscot Valley and Stearns high schools and Mattanawcook Academy...Donna Umphrey of the staff of Representative Snowe called seeking information on the current status of Great Northern's hydroelectric project on the West Branch. Mrs. Snowe had received a letter opposing new dams on the Penobscot and Kennebec...Gail Corey of Senator Muskie's staff called seeking advice on where Washington Catholics could turn for trees to decorate the platform from which the Pope will speak while in town. With advice from Weyerhaueser's Art Smyth, I offered her a couple of suggestions...A copy of the Down East Magazine booklet containing information on the Great Northern Navy was sent to the Moosehead Historical Society of Greenville...A news release was prepared on the Company sponsored training program on the subject of dealing with emergency situations resulting from the transportation of hazardous materials...Photographs and stories on three promotions were distributed.

**Coming Events**

**September 26**
- Annual meeting, Associated Industries of Maine, 2:30 p.m., South Portland
- Meeting, Board of Environmental Protection, Ray Building, Augusta
- Meeting, Task Force on Roads and Bridges, Augusta

**October 2**
- Public hearing, sewerage project, East Millinocket, 7 p.m., town hall
- Meeting-tour, Millinocket Chamber of Commerce, 2 p.m., visit to Telos operation
- Fall Meeting, Northeastern Technical Division, American Pulpwood Association, The Balsams, N.H.

**October 4-5**
- Special session, Legislature, Augusta

**October 10**
- Meeting, government affairs committee, American Paper Institute, 10 a.m., Washington, D.C.

Sincerely,

Paul

pmc/b
Mr. Robert J. Shinners  
Vice President—Operations  
Great Northern Paper Company  
Millinocket, Maine 04462

Dear Bob:

The newsletter for the Public Affairs Department for two weeks ending October 5 follows:

INCENTIVES FOR HYDROPOWER?

The Senate Finance Committee is using income from the proposed "windfall profits" tax to offset financial incentives for homeowners and businessmen who take steps to reduce oil consumption. One such approach is the development of facilities to generate additional hydroelectric power. Based on assessments by John Merrigan, a Washington attorney and lobbyist; Charles Micoleau, a Portland attorney who represents a coalition promoting hydroelectric power development; on information from the American Paper Institute and from what I have learned in three visits to Washington in the last two weeks, this was the picture:

Three members of the Finance Committee have made proposals dealing with hydroelectric power. Senator Packwood of Oregon would provide investment tax credits of up to 50% for all but the dams in hydroelectric projects. Senator Nelson of Wisconsin would provide investment tax credits of up to 30% for the renovating of existing facilities with up to 25 megawatts in capacity. Senator Danforth of Missouri proposed a $3 per barrel credit for oil reductions in dams of 25 megawatts and less.

On September 28 the Committee tossed $95 billion dollars worth of credits to a staff group and asked for a complete redraft as well as a financial evaluation of the impact on the federal revenues.

On October 4 Micoleau's coalition started promoting a compromise which would provide for a sliding scale of credits from projects from 26 to 50 megawatts for new facilities.

Merrigan, experienced in Washington lobbying, thinks Nelson's proposals have the best chance of approval. "That's all he really is after." Nelson might, he said, be willing to see the limit on eligibility for credits increased to 50 mga—"but there's not much
Hydropower (continued)

Nelson would support extending it to new dams." Packwood told Merrigan that he will not take the lead on the issue because he is seeing so many other incentives. Still there is a growing feeling that there will be "something to encourage hydro in the Senate bill," Merrigan said.

Supporters of incentives for hydroelectric power development Friday were waiting to see if a sponsor could be found for the compromise—which would be welcomed by Great Northern, although Packwood's approach is preferred among those already made by Senators. Potential sites on the West Branch for new facilities would allow development of up to 40 mgd in capacity.

The Committee appears to be several days away from reporting out a bill—and after that it will take a couple of weeks to get its provisions in print, (nothing has been officially drafted or written yet), Tim Westbay of St. Regis predicted on October 4.

I have advocated tax incentives in talks with members of the staffs of Senators Packwood, Nelson and Talmadge. Staff members from the offices of Senators Cohen and Muskie have been most helpful. Jerry Veneman, Bruce Ellen, Peter Yacavone and Walter Saunders have sent telegrams or made calls urging support for the Packwood proposal. We will continue to seek incentives for hydroelectric power similar to those provided for other alternative energy sources.

WASHINGTON ISSUES

What's important to the paper industry these days on the Washington scene? At a meeting on October 4 of the joint committee on government affairs of the American Paper Institute and the National Forest Products Association, the 60 members and guests present spent the bulk of their time on energy and taxes although there were 11 subjects on the agenda.

Louis Laun, president of API, is leading a campaign to promote expanded industrial tax credits for co-generation and hydroelectric projects and in support of extending current business energy credits beyond a 1983 cutoff date.

Sid Hawkes of Mead and Westbay were optimistic in a report on efforts underway to repeal the carry-over basis rule which was included in the Tax Reform Act of 1976 and has greatly increased the amount of capital gains tax paid by an heir who sells inherited property. Repeal or major modifications could come this year, they said.

BCT, OR BAT?

The paper industry finds itself in a strange position. It is counting on help from the office of Senator Muskie in challenging water pollution control regulations issued by the Environmental Protection Agency. In an effort to avoid "treatment for treatment's sake," Congress in 1977 decided that BAT (best available technology) wasn't needed and called for BCT (best conventional technology). API says BCT could cost $4 billion. Leon Billings, chief of Muskie's staff and long his advisor on environmental matters, is siding with industry—saying that EPA's proposal is not what Congress intended. If the Senator agrees, a powerful voice could be added to the protest—maybe one strong enough to force EPA to back off. (A draft of an API fact sheet is attached.)
Tour By Legislators

"The visit was informative, well conducted and provided opportunity for exchange of opinions in a free and open way...I'm not sure the results will be legislative support for budworm spray, but at least we ten legislators have something more than emotion to guide our thinking."

---Letter from Representative Lund

Ten members of the Legislature learned how to cut trees in a mechanical harvester, saw replanted clear cuts, spent a night at the Ragmuff camp and lunched at the Lobster camp during a West Branch tour on September 28-29. During an evening program, they had lots of questions after seeing the spruce budworm slide show. Several had opposed the spraying during the last session. While they had a chance to get the facts, I don't expect any to change their position on the issue.

Besides Mrs. Lund from Augusta, the group included Senator Najarian of Portland and Representatives Locke of Sebec, Kany of Waterville, Post of Owls Head, Gowan of North Whitefield, Curtis of Milbridge, Huber of Falmouth, Mitchell of Vassalboro and Reeves of Pittston. Bill Carpenter, Lynwood Hand, Bart Harvey and Doug Wright joined me in participating in the project.

The Maine Scene

With Ted Condon, Bart Harvey, Fred Morrison, Bob Shinners and Tom Wildman, I joined in conducting a tour of the Telos wood harvesting operation on October 2. It was the third year that the company has provided the site for a meeting....Lynwood Hand went to Augusta on October 4 and 5 for the legislative session but saw no implications for Great Northern in what was taking place....Congressman Emery mailed a newsletter to constituents in which he supports the need for spraying to control the spruce budworm.

Environmental Issues

The Natural Resources Council of Maine is asking its membership to vote on priorities. The list of issues members were asked to evaluate include herbicides, acid rain, nuclear power, the Pittston oil refinery, spruce budworm, energy conservation, spruce budworm and water quality.

Public Relations

A news release on the company program on dealing with accidents in the transportation of hazardous waste was used on page one of the local edition of the Bangor Daily News, but didn't even make the Katahdin Times...A photograph of newsprint coming off machines in the East Millinocket mill was provided New England Business magazine. The editor asked for a photograph to illustrate a story on the tight market...In response to an inquiry from Maryanne Legasse, Jim Griffith answered her questions regarding the agreement reached with unions on issues stemming from the strike. She had heard most of the details from union members. A story appeared in the News October 4. Saying she "had a call from John DiCentes" of the machinists union, Anne Erickson asked for an opportunity to discuss developments and met
Public Relations (continued)

with Griffith and I on October 5...Copies of Peter Yacavone's speech at the Great Northern sales meeting were distributed to managers in Millinocket and Stamford as well as others in GNN...With Lynwood Hand I discussed the company's government relations program at the staff meeting of the accounting department...After a pulp truck slammed into a railroad train outside of Millinocket, I answered questions from the press and coordinated replies with Dick Sprague of the railroad. Access for photographs and television camera crews was arranged...A special safety advertisement asking people not to use the "Golden Road" as a result of the accident was sponsored on WMKR...We agreed to sponsor a National Newspaper Week advertisement in the Katahdin Times and have other advertisements in the works dealing with hunting safety and snowmobiling...In response to questions from Susan Postlewaite of the Associated Press, Mary Bailey provided her with information on Great Northern's policies regarding cutting of firewood on company lands for a story the wire service was assembling...

**COMING EVENTS**

<table>
<thead>
<tr>
<th>October 9</th>
<th>9:30 a.m., Meeting, directors, Associated Industries of Maine, AIM office, Augusta</th>
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<tr>
<td>October 10</td>
<td>10 a.m., Meeting, Board of Environmental Protection, Ray Building, Augusta</td>
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<td>1 p.m., Meeting, Task Force on Highway and Bridge Financing, Oblate Retreat House, Augusta</td>
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<tr>
<td>October 11</td>
<td>10 a.m., Spruce Budworm briefing of landowners by Bureau of Forestry, Bolton Hall building, Augusta</td>
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<td>10 a.m., Meeting, Environmental Affairs Committee, Associated Industries of Maine, AIM office, Augusta</td>
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<tr>
<td>October 12</td>
<td>9:30 a.m., Meeting, directors, Paper Industry Information Office, Augusta</td>
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Sincerely,

[Signature]

pmc/b
Enclosure
BIG NEW PROBLEM: EPA'S NEW WATER POLLUTION CONTROL REGULATIONS

American industry is up against another case of federal regulation for regulation's sake.

The U.S. Environmental Protection Agency published on August 29th new regulations which, by Congressional directive, were supposed to relax water pollution rules for non-toxic pollutants for those industries which predominately discharge such pollutants. This amendment of 1977 was passed by Congress because they realized that many industries had removed over 90% of these pollutants and, to remove the remaining small percentage, the cost would be as much or more than industry had already spent for water pollution control. This action by the Congress followed a similar recommendation by the President's Commission on Water Quality.

On the surface, EPA's new regulations would appear to provide relief for secondary industries, such as food processors and grain millers. However, a closer examination reveals a bleak outlook for these and primary industries, such as the paper industry, to which the regulations will later be applied. Key members of Congress and staff who were involved in the 1977 Amendments agree that EPA has overstepped its bounds.

To comply, and to thereby achieve no appreciable improvement in water quality, American industry may have to spend $30 billion over the next five years. It has been estimated that the cost of the paper industry alone would be over $4 billion. This industry has already spent $3 billion to successfully remove 90% of its non-toxic pollutants. For many years, the forest products industry has been solidly behind the national goal of fishable and swimmable water. As an industry it supported the passage of the 1972 Water Pollution Control Act and the 1977 Amendments.

The Problem with these Regulations

The problem with EPA's regulations focuses on the methodology the Agency is using to determine which industries will move from "best practical control technology" (BPT) to "best conventional technology" (BCT). The methodology is so stringent that it excludes most industry from the relief that Congress wanted to provide. It forces industry to adopt the more expensive "best available technology" (BAT) control.
How the Problem Evolved

Congress wanted to avoid "treatment for treatment's sake" and mandated that BCT controls be based on "reasonable" costs versus results. The House urged EPA to use a test to avoid control beyond the point of diminishing returns. The Senate wanted "reasonableness" to be calculated by comparing industry's cost per pound of pollutants removed against the removal cost of a municipal system operating at the statutorily-required, secondary treatment level. Congress in a political compromise included both tests in the bill it passed.

EPA records submitted to Congress in 1977 at the time of passage of the Amendments indicated a cost of 20-30 cents per pound of pollutants removed. The methodology in the 1979 regulations adopted a $1.15 per pound figure, far exceeding the 20-30 cent range contemplated.

Thus, EPA has now chosen the most expensive methodology to achieve the rate at which industrial treatment costs would be deemed reasonable and clearly violated the intent of Congress.

Industry Action

The API, the National Forest Products Association, and a dozen forest industry companies have filed suit against EPA to contest its methodology. A number of primary and secondary industries will join the forest industry's suit.

On the political front, the forest industry, joined by the Business Roundtable, is working to explain the problem to Congressional and Administration officials.
Mr. Robert J. Shinners  
Vice President–Operations  
Great Northern Paper Company  
Millinocket, Maine 04462

Dear Bob:

The Public Affairs Department newsletter for the week ending October 12, follows:

**Polls**

A few years ago public opinion polls were used mostly by political candidates. Now strategists dealing with almost any public issue rely on polling as a starting point.

For example, proponents of an $11.8 million bond issue for airports (including Millinocket) and fish piers found in a poll in early September that people in inland areas were cool to fish piers--and a lot of voters everywhere didn't see a public benefit if the piers were built. So the advertising campaign promoting the piers focuses on the economic development to the total Maine economy of the airports and piers. Another poll is measuring trends.

The Paper Industry Information Office is awaiting final word on a poll of 500 voters recently completed on the subject of aerial spraying. Preliminary reports indicate 68% of Maine citizens favor continued aerial spraying although "more careful" application is wanted by half of that number. Results of this poll will guide efforts to promote continuation of spraying as part of the spruce budworm control program and the use of herbicides in forest management.

As part of the same poll, voters are being asked their attitudes on hydroelectric development. Preliminary trends show 55% favor such energy sources and only 13% are opposed. Over 30% had no firm opinion. This poll will guide Great Northern in its efforts to keep the door open for a new hydro project on the West Branch.
WASHINGTON WATCH

The staff of the Joint Committee on Taxation on Thursday, October 11, made its recommendations to the Senate Finance Committee on business energy investment credits. On October 12, however, the Finance Committee quit for the weekend and will not resume consideration of the "Windfall Profits" legislation until Tuesday. When they broke up, members of the Finance Committee were still bogged down on the matter of financial assistance for the poor and elderly. Observers had been expecting final action on the bill this week but that didn't come and now observers, including Tim Westbay of St. Regis, are saying "next week should see work completed by the committee." Generally speaking, Westbay believes the $25 billion package of financial incentives is "in reasonably good shape." The paper industry is pleased with proposals for additional incentives for projects involving cogeneration and with a provision to extend present credits. The staff proposal provides for a 10 percent non-refundable energy credit through December 31, 1990, for facilities with up to 25 megawatt generating capacity at existing dam sites, and new sites where no impoundment is involved. Fish passageways, powerhouses and generating equipment are covered. All dams are excluded." It's not going to be much help to Great Northern if this is the final product. It is a foot in the door, however, which provides an opportunity to seek broader credits when the act is next amended. Hydro was completely excluded two years ago.

ASSOCIATED INDUSTRIES OF MAINE

Directors of Associated Industries of Maine on October 9 approved a 1980 operating budget of $216,615, up from $199,010. The budget will include additional funds for dealing with hazardous and solid waste matters and energy issues. The increase will permit adding a second staff attorney or an engineer. I argued that the association should consider retaining counsel (such as Dan Boxer), but the decision was left up to Executive Director Ron Colby and he's an advocate of having people in-house to deal with regulatory groups and the Legislature. The new director of the state development office, George Campbell, said he had been getting involved in air pollution issues. His primary job is promoting industrial expansion.

PAPER INDUSTRY INFORMATION OFFICE

Directors of the Paper Industry Information Office set January 25-26 as the dates for the 1980 annual meeting at the Sheraton in South Portland. Directors agreed that recommendations by Dr. Gerald R. Stairs on staffing of the PIIO office should be referred to the Public Relations Committee, and should not be included in any report released to the public as a result of Stairs' study of the spruce budworm problem. Stairs recommended a full-time lobbyist to deal with that issue and other forestry related matters. Governor Brennan has written woodland managers, environmental groups and legislators asking for suggestions on how to regulate pesticides and "herbicides used on our forests and farmlands." The pesticides subcommittee of PIIO is considering a draft of a reply. Directors also heard a report on this week's briefing by the staff of the Bureau of Forestry on the spruce budworm situation—including some criticism of the forest industry by a spokesman for the U.S. Forest Service. The meeting was open to the press and the criticism will likely make headlines in weekend editions of the newspapers.
CENTRAL MAINE AND FRIENDS

When Skip Thurlow of Central Maine Power spoke at last year’s Colby College management seminar, he complained that using 0.7% sulfur oil in a new unit at Wyman Station would cost consumers $30 million. Some of his largest customers, working through Associated Industries of Maine, have for the last few months been seeking to find a way to allow the utility to use 2.5% sulfur oil. They believe emissions from Wyman Station at Yarmouth drift out over the ocean half of the time. On October 9, Charles Monty, a senior vice president of CMP told AIM’s directors, "The regulations have left this world...there is a relatively slim, if any, chance of change...frankly I don't know where to start." While saying that CMP research does not support the theory that emissions drift over the Atlantic, Monty did say studies indicate 1.2 or 1.3% sulfur oil would allow the station to meet ambient air standards. An act of Congress would be needed to permit this, Monty says.

THE MAINE SCENE

Conservation Commissioner Barringer is asking through the Paper Industry Information Office, for comments on three candidates for the post of director of the Bureau of Forestry—Temple Bowen, the acting director, Gordon Mott of the U.S. Forest Service and Ken Stratton of the Land Use Regulation Commission. Hank Magnuson says most people favor Bowen and those that know Mott object to him.... While there is some difference of opinion, knowledgeable people who follow trends in Unemployment Compensation expect to see a slight increase in rates in 1980 or 1981—a move to head off penalties for failing to repay loans from the Federal government....The Senate has approved the nomination of Anthony Peverada, an attorney for Maine's School Management Association, as the employer representative on the Unemployment Compensation Commission....Bond issues will be discussed on October 22 at the annual meeting of the State Chamber of Commerce. Awards will go to the Bangor & Aroostook, Maine Central and Eastern Maine Medical Center....The Governor's task force on roads and bridges has agreed it will support retaining dedicated revenues—the tax on gasoline used exclusively for highways. It's clear more money is needed for the programs and the task force is likely to recommend a tax increase....The second edition of the conservative "Maine Paper" has appeared. It's being hailed as the answer to Maine Times....Polls show seven out of ten voters favor retaining the state law requiring beverages being sold in containers with a deposit refundable when the containers are returned to a store....In a second try, the Legislature approved financial assistance for Maine's poor and elderly during the winter ahead. Homeowners who qualify will get $185 a month and those who rent $90. Maine became the first state to so act because of rising fuel costs.... Stuart Cooper of Boise-Cascade is being promoted as a member of the groundwater study commission created by the Legislature.

WELCOME BACK, JIM LONGLEY!

Former Governor Longley, after several months of silence, has mailed out a newsletter to supporters—asking for thoughts on a third political party and saying he is "as close as I have ever been to joining" such a movement. He also included a plug for the Maine Paper edited by his former staff chief, Jim McGregor.
A full page advertisement was placed in the Katahdin Times to mark National Newspaper Week....With guidance from George Smith and Tom Pinkham, a news release was drafted in anticipation of inquiries regarding the $3.6 million shipment to England. A Bangor & Aroostook vice president had been quoted in the Maine Sunday Telegram as hailing the shipment as possibly the first of many. That does not reflect our thoughts. I made that clear to Dick Sprague of the railroad. The first request came from Bruce Nett of "The County", a tabloid published in conjunction with Aroostook County newspapers. He visited the Pinkham logging operation and mills on October 11--preparing a picture-story of the shipment from stump to dock. The Bangor Daily News is also preparing a story....Ray Suarez of Paper Trade Journal called on October 11 with questions regarding the company's program of dealing with accidents involving the transportation of hazardous waste. Dale Phenicie responded....Great Northern is sponsoring broadcasts of the Schenck games in the state soccer playoffs....Roger Boynton visited the Pinkham mills to take photographs for the lumber company's Christmas card and also to take photographs of the Sheridan shops....Maryanne Legasse of the News called on October 11 seeking information on the stack now under construction in Millinocket....Nancy Cowan of the office of Energy Resources says she got a dozen calls looking for free fuel wood from paper companies after an Associated Press article on the subject was used by newspapers and television. Great Northern was not mentioned but we had a few inquiries.

**Coming Events**

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<tr>
<th>Date</th>
<th>Event</th>
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<tr>
<td>22</td>
<td>Annual meeting, State Chamber of Commerce, Bangor Civic Center, 4 p.m.</td>
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<td>Annual meeting, Maine Council on Economic Education, Portland Library, 3:30 p.m.</td>
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<td></td>
<td>Eastern Maine Forest Forum, Red Lion, Bangor, 6:30 p.m., with Conservation Commissioner Barringer and Great Northern's Harvey as speakers.</td>
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<tr>
<td>24</td>
<td>Meeting, State Board of Environmental Protection, 10 a.m., Ray Building, Augusta</td>
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<tr>
<td>30</td>
<td>Career Seminar, University of Maine Pulp &amp; Paper Foundation, E&amp;R Building, Millinocket, 8 a.m.</td>
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**Correction**

In the Public Affairs newsletter of October 5, it was incorrectly stated that Senator Nelson favored tax incentives for rebuilding of dams up to 50 megawatts—that should have been 25 megawatts.

Sincerely,

[Signature]

pmc/b
Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine 04462

Dear Bob:

The newsletter of the Public Affairs Department for the week ending October 19 follows:

**COMMITTEES, COMMITTEES, COMMITTEES**

A new task force created by the Pesticides Control Board to study the agency's structure and statutes met for the first time on October 16.

A subcommittee of the Committee on Agriculture of the Legislature met on October 18 in Augusta to launch a review of the rules of the Pesticides Control Board.

That brought to seven the number of committees representing agencies of state government involved in studies relating to chemical spraying. The first was created in the midst of the controversy over 2,4,5-T, others were established as a result of issues raised during the spraying to control the spruce budworm and the remainder as a result of the Dennysville drift incident. Governor Brennan established a Cabinet-level committee to coordinate the work of the different groups and to prepare necessary legislation. David Flanagan, counsel to the governor, is chairman of the cabinet committee.

In a letter which went to legislators a few days ago, environmental groups, owners of forest lands, paper companies, the Governor wrote "Almost everyone will agree that we must minimize the use of herbicides and pesticides and the exposure of people to them. At the same time, we must realize the economic importance of these chemicals to Maine agriculture and our forest products industry." He indicated he expected legislation on this subject to go before the Legislature in January and invited suggestions and comments by the end of the month. A Paper Industry Information Office response has been drafted.
Committees (continued)

It would appear that the Legislature will have a choice between proposals prepared by the Brennan administration and others being drafted by environmental groups. The subcommittee of the Legislature was told at the October 18 meeting that the Natural Resources Council of Maine is planning proposals. The environmentalists will undoubtedly plug for handing control over pesticides to the Department of Environmental Protection—where Commissioner Warren says it belongs. The issue continues to simmer. In the October 19 edition of Maine Times, a new organization, Sprayed, asked for contributions to The Dennysville Class Action Fund which will be used to finance a lawsuit against St. Regis Paper Company. On the other side of the fence, the Maine Farm Bureau Pesticides Coalition (which includes representatives of the forest industries) is gearing up to challenge the need for more stringent controls. The farmers want controls over spraying left in the hands of the Pesticides Control Board, which is housed in the State Department of Agriculture and will vigorously oppose more stringent regulation of spraying. The blueberry, apple and potato growers still have plenty of political clout. The fate of the forest industry's future spraying will probably depend on the alliance with the agricultural industry.

Here is a breakdown of the committees of state government involved:

In addition to these groups and the Farm Bureau coalition, a subcommittee of PIIO has been established to deal with the issue. Bart Harvey of Great Northern is chairman. The paper industry is represented on the task force reviewing the Pesticides Control Board by Bob LaBonta, woodlands manager of Scott Paper Company. Bob Bartlett of Great Northern is on the Conservation Department committee reviewing the spruce budworm control program. So is Rand Stowell, president of the Maine Forest Products Council. That group wrapped up its deliberations this week and its findings will go to a November 20 public hearing. Whether the Governor will package the budworm control program with proposals to tighten controls over the use of chemicals generally in agriculture and forestry isn't yet known—but that could well be the case.

The issue of chemical spraying will be the focus of the 1980 annual meeting of PIIO at the Sheraton in South Portland on January 25-26.
WASHINGTON WATCH

The Senate Finance Committee on October 17 finally got back to considering energy tax incentives as part of the windfall profits tax according to Washington reports. By week's end the Committee had agreed on additional tax credits for cogeneration equipment and on extending the availability of business energy credits beyond the current 1983 expiration date. The Committee also included hydroelectric projects (or portions of such projects) as eligible for industrial revenue bonds—but details, or a written summary of Senator Ribicoff's proposal were not immediately available. Charles Nicoleau, an attorney reporting to Great Northern, was waiting for the summary to be completed. But, as expected, the Committee favored providing additional tax credits only for rebuilding of old dams as part of projects of 25 megawatts or less. John Colvin of the staff of Senator Packwood of Oregon told me that he expected another such bill in 1980. In Colvin's opinion, the credits for hydro power could be expanded at that time "with only a modestly expensive bill." The cost of such credits (the loss to the Federal treasury) was the chief reason that such credits were not proposed this year. The bill goes from the Committee to the Senate floor and then a compromise committee but John Merrigan, a veteran Washington lobbyist, says it would "take a major miracle" to get all hydro projects covered.

PRESENTATION ON BARK BOILER

Attached are reproductions of a series of ten charts developed for use by speakers on the subject of the new East Millinocket boiler in which bark will be the fuel. The set was developed by Ad-Media with suggestions from Paul Firlotte, Dick Noyes, Maurice McLean and Bob Reardon. Firlotte will use them for the first time in a speech before an Ellsworth civic club—a request from publisher Russ Wiggins. The set has been designed so that it can be converted into slides, put in an 8 by 10 binder or distributed as a booklet with a companion advertisement now being developed.

THE PenobleCot--Discussions

With Bob Bartlett, Jim Carson and Peter Yacavone, I met with Conservation Commissioner Barringer and three members of the state agency's staff—Parks & Recreation Director Herb Hartman, Land Use Regulation Commission Director Ken Stratton and Director of Planning and Program Services Nancy Ross. It was agreed that the Company and the department would resume discussions on alternatives to designation of the Penobscot as a part of the National Wild & Scenic Rivers System. The Commissioner agreed to push for a plan to submit to the Legislature in January. Bob Bartlett will be the Great Northern negotiator.

FROM LURC to FORESTRY?

There were widespread reports in Augusta on October 19 that Commissioner Barringer would recommend the appointment of Ken Stratton as director of the Bureau of Forestry. Stratton is a soils scientist who worked his way up through the bureaucracy in the Soil & Water Conservation Commission to become assistant director and moved from there to the post of director of the Land Use Regulation Commission. Stratton is an East Millinocket native.
RECOMMENDED READING

A new paperback on the market is entitled "25 Ski Tours in Maine." Written by Karl Beiser, Millinocket Memorial Library head librarian, the book includes trails on Great Northern lands in the Millinocket area and in Baxter State Park.

PUBLIC RELATIONS

I answered questions regarding the Company's position on the need for chemical spraying raised by a reporter for The Maine Paper... Sample advertisements were provided the personnel department to submit for style to publications in which they place recruiting advertisements. The Great Northern "logo" has been used upside down, sideways, etc... The purchasing department provided a list of 60 suppliers for addition to our opinion-makers mailing list... We turned down requests from photographers to take photographs from the top and the base of the new Millinocket stack... Pictures and stories covering two promotions were distributed.

COMING EVENTS

October
22
Annual meeting, State Chamber of Commerce, Bangor Civic Center, 4 p.m.

Annual meeting, Maine Council on Economic Education, Bangor Civic Center, 2 p.m.

Eastern Maine Forest Forum, Red Lion, Bangor, 6:30 p.m., with Conservation Commissioner Barringer and Great Northern's Harvey as speakers.

26
Meeting, Action Committee of 50, Pilots Grill, Bangor, 8:15 a.m. Nate Bowditch, president Maine Development Foundation, speaker.

Public hearing, Department of Transportation, Civic Center, Augusta, 10 a.m., annual proposal to restrict heavy loads on posted highways during winter and spring.

Sincerely,

[Signature]

pmc/b
Enclosures
an energy alternative at Great Northern Paper
To Produce
2,400 Tons of Paper per day

Wood  Water  Energy
Oil - 2.4 Million Barrels/Year

Wood Waste

Water
the energy commitment

To Conserve &
To Develop Alternatives
13% Reduction
alternative energy choices

- Other Fossil Fuels
- Hydroelectric expansion
- Increase use of wood waste
Fuel - 1,400 Tons of Bark/Day
- 460,000 Tons of Bark/Year
Output - 300,000 lbs. Steam/Hour
Bark Sources - Paper Mills
- Pinkham Lumber
- Portage Chip Mill
- Other
Fuel - 460,000 Tons of Bark/Year
Oil Equivalent - 413,000 Barrels/Year
System Cost - $34,000,000

Bark Handling $10,000,000
Boiler 10,000,000
Environmental 4,000,000
Other 10,000,000

Construction Timetable
Ground Breaking - June 1979
Startup - December 1980
Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine 04462

Dear Bob:

The newsletter of the Public Affairs Department for the week ending October 26:

**DICKEY-LINCOLN AND GNP**

The Dickey-Lincoln hydroelectric project on the St. John River was proposed first by promoters of the idea of harnessing the tides of Passamaquoddy Bay to generate power. People have been hearing about the Passamaquoddy project since 1919. While construction started on dams in Passamaquoddy Bay during the administration of Franklin Delano Roosevelt, nothing has happened on the St. John. But the Dickey-Lincoln project has developed into an environmental issue which has commanded national attention and a political issue which has split the Democrats and Republicans. The $750 million project now under study is opposed by several companies owning and managing timberlands because 86,000 acres would be flooded. Great Northern hasn't taken a public position because only 7,000 acres of land owned by the company is involved and because it wants to keep the door open for further hydroelectric development on the West Branch. Company spokesmen haven't hesitated to say that the flooding of thousands of acres would further erode the state's commercial timber base.

This week Great Northern was dragged into the issue—and it appears the Company is going to have to consider getting publicly associated with opposition to the plan.
Dickey-Lincoln (continued)

The Army Corps of Engineers has proposed the acquisition of a 100,000 acre block of timberlands bordering the Allagash to offset the loss of habitat for fish and wildlife in the St. John basin as a result of flooding if the Dickey dam is built. The Corps plans to hold hearings on the proposal in November. Already the Maine Commissioner of Fisheries & Wildlife is saying that there is no habitat comparable with the lands to be flooded—and 160,000 acres will be needed. Aides of Senator Muskie expect the senior senator, and the only member of the Maine Congressional Delegation supporting Dickey-Lincoln, to say that the idea of providing 100,000 acres for wildlife is ridiculous—and ignores that the Allagash Wilderness Waterway was intended as the environmental trade-off for a Dickey-Lincoln dam. They attribute the idea to the U.S. Fish and Wildlife Service.

The Dickey-Lincoln issue got another new twist in Washington this week. Three students from Worcester Polytechnic Institute, sponsored by Congressman Emery of Maine (he is an alumnus of the Massachusetts school), came up with a substitute plan—six smaller dams. The Congressman was quoted as saying only 18½ percent as many acres of land would be flooded. The dams would be built at Lincoln School just below the Dickey site, at Fort Kent on the Fish River and at Masardis, Castle Hill and Caribou on the Aroostook River and in Littleton on a tributary of the Maduznekeag. It had been known for some time that the Masardis and Castle Hill sites have been under study by Maine Public Service. The Northern Maine Regional Planning Committee has also considered the sites in an inventory of the region's hydro potential. A veteran planner says that he believes the Masardis dam, if built, could involve the flooding of 25,000 acres and the Castle Hill dam the flooding of 15,000 acres. When asked for a breakdown, the staff of Congressman Emery was not able to provide it although we are getting a copy of the full report. The students used a Corps of Engineers' list of sites in their evaluation and we are also seeking a copy of that list. When we have both documents, the effect on Great Northern can be evaluated.

This week in Washington a Senate committee is continuing work on a bill which includes funds for the Dickey-Lincoln project. The House has eliminated such financing. When the full Senate later this year, or early next, considers the bill, Senator Cohen will move to kill the project. His staff is optimistic. The last time the Senate considered the issue the vote was 51-46 and only the "political clout" of Muskie kept the project alive.

Washington: Tax Free Bond?

The Senate Finance Committee this week was completing work on a package of business energy tax credits. Tax-exempt industrial development bonds for all hydroelectric projects were approved. Other incentives for hydropower have been limited to projects of under 25 megawatts. The proposal that tax exempt bonds be offered as an incentive for all hydroelectric development was made by Senator Dole of Kansas and approved by a 9-2 vote on October 25. Tax free bonds are already available for projects such as the boiler under construction at East Millinocket.
Referendum?

When legislators didn't satisfy local officials with the level of reimbursements for tax exemptions voted at the state level, a referendum was threatened. Some people wanted to repeal the Tree Growth Tax Law. This week the Maine Coalition for Property Tax Relief launched a petition campaign, seeking 37,000 signatures. If successful, the group will demand the Legislature come up with $20 million in reimbursements for all exemptions. If the Legislature doesn't take such action, it would go to voters. Jim Wilfong, a former state representative from the border town of Stowe in the mountains of northwestern Maine, is chairman of the coalition. Representative Post of Owls Head, who toured Great Northern timberlands in September, had been looking around the country for ideas on how to tax timberlands to reimburse communities for funds lost under the Tree Growth formula. The House chairman of the Taxation Committee favors a severance tax on all wood cut annually by any individual or company over 500 cords. If the Maine Municipal Association throws its full weight behind this campaign, it is almost certain that the Legislature will have to deal with the issue.

Farm Bureau Speaks Out

Regulations covering the use of herbicides should remain under the Board of Pesticides Control in the State Department of Agriculture, the Maine Farm Bureau said in a position paper circulated this week. If the Board is expanded, representatives of farmers and foresters should be added, the Farm Bureau said. The position paper, a letter, said that when used properly, herbicides pose no problem and are necessary if Maine is to produce necessary food and fiber. Leaders of the Legislature on October 25, authorized a committee on agriculture to hold hearings in Washington County on the issue.

The Maine Scene

The Board of Environmental Protection has adopted new visible emission regulations. While many aspects of the new regulations were welcomed by industry, Hank Magnuson of the Paper Industry Information Office said no exemptions were provided for startups, shutdowns, or malfunctions. The Legislature still must approve the regulations....Several legislators will visit Aroostook County operations and the Pinkham sawmill on November 9....George Smith of Congressman Emery's office is seeking ways of providing low-cost wood for Maine's poor....Thea Stewart, administrative assistant to House Minority Leader Bill Garsoe, called this week asking if Great Northern's problems with the logging road permit program had been solved. I offered to arrange a briefing for Garsoe....Paul Firtlotte was interviewed by Ellsworth publisher Russ Wiggins while in that city to speak on the East Millinocket boiler now under construction. Firtlotte also attended a meeting of the Associated Industries of Maine energy committee....Jim Carson attended a meeting of the PIIO logging roads committee and a workshop with the staff of the DEP....The Indian lands claims issue made headlines again on two days this week. Attorney General Cohen told reporters he expects a settlement and Tom Tureen, the Indians' attorney, said he expects to see the case in court if there isn't a settlement soon....Former Saco Mayor Samuel Zaitlin has been nominated to the Board of Environmental Protection by Governor Brennan.
Maine Scene (continued)

He'll have the solid support of environmental groups....This week also saw the State Department of Conservation announce plans for spraying 3.5 million acres of timberland in 1980 to protect against the spruce budworm. When the announcement was made, a story published in all Maine newspapers said that the landowners contributed only $400,000 to the cost of the 1979 project not $6 million.

PUBLIC RELATIONS

With help from Paul DeMarrais, I provided Lucy Martin of Maine Times with information on paper production and the outlook for the future....The attached advertisement urging safety during the hunting season is being published in the Katahdin Times and in the Lincoln, Madawaska, Houlton, Caribou and Presque Isle newspapers....We sent to the printers a booklet covering a speech made by Avern Danforth at the New England newspaper production conference. It will be distributed to customers....New telephone directories and revised safety instructions for the air commander are also at the printers....This week's calls included one from Anne Erickson asking for information on the new stack. That's the lowest number of inquiries on the subject since it became the newest thing on the skyline of Millinocket....I was elected to the executive committee of the Maine Council on Economic Education. Mary Rines Thompson, owner of the Maine Broadcasting System, is the new president.

COMING EVENTS

October

29  Meeting, Task Force on Highway and Bridge Financing, Oblate Retreat, Augusta, 1:00 p.m.

30  Engineering Career Exploration Seminar, sponsored by University of Maine Pulp & Paper Foundation, E&R multi-purpose room, 8:00 a.m.

31  Meeting, Pesticides subcommittee, Paper Industry Information Office, Augusta

November

6   Meeting, directors, Associated Industries of Maine, Augusta, 9:30 a.m.

   Statewide Referendum

8   Meeting, government affairs committee, American Paper Institute, Capitol Hill Club, Washington, D.C.

14  Workshop, Corps of Engineers, Dickey-Lincoln game habitat proposal.

Sincerely,

[Signature]

pmc/rr
Enclosure
It's the time of year when people start thinking about hunting. When you do, we hope you will keep safety in mind. While most Great Northern lands are open to hunting, some areas where logging operations are underway are posted. Please heed the signs.

Great Northern Paper
a company of
Great Northern Nekoosa Corporation
Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine 04462

Dear Bob:

The newsletter of the Public Affairs Department for the two weeks ending November 9 follows:

**SENATOR MUSKIE AND BCT**

Times change. A few years ago Senator Muskie of Maine was the hero of the environmentalists. Today, he is the chairman of the Senate Budget Committee and concerned about costs. Environmental organizations are lobbying against the Dickey-Lincoln project, which Muskie champions. Now the Maine Senator has written a letter challenging the Environmental Protection Agency's interpretations of 1977 amendments Muskie supported. At issue is what's needed to achieve Best Practicable Technology (BPT) for water pollution control. The American Paper Institute says regulations proposed by EPA go beyond the intent of Congress and would cost billions of dollars. API is challenging EPA in the courts, in the bureaucracy and in the Congress.

The Muskie letter is "of great significance...one of the most important things which has happened...here we have the framer of the law asking the same question the paper industry is asking," according to John E. Daniel of API. Daniel and Dana Dolloff have been patiently waiting for the Muskie letter for weeks. The industry quietly is now seeking letters from others involved in the passage of BPT--adopted as a compromise when Congress backed off from the "zero discharge goal" as unnecessary to meet goals.

The API budget for legal costs has been boosted to $1 million, partly to finance the court challenge of the EPA regulations. Meanwhile, the industry is asking the White House to intercede. If all else fails, Congress will be asked to tell EPA what degree of water pollution control is necessary.

(A copy of the Muskie letter and a letter outlining plans of the API BCT task force is being distributed.)
Senator Muskie (continued)

The BCT Issue was called "the most important" facing the industry at a November 8 meeting of the Joint Committee on Government Affairs of API and the National Forest Products Association. Taxes, Rare II, Alaska lands, regulatory reform, transportation and energy were on the agenda. John Fery of Boise-Cascade took over as chairman of the session, attended by 60 people.

**Business Energy Tax Incentives**

When energy was discussed at the Washington meeting, the report focused on the Crude Oil Windfall Profit Tax. Next Tuesday or Wednesday, the full Senate will consider a bill (H.R. 3919) drafted by the Senate Finance Committee. There are incentives of interest to Great Northern—for small hydro development, for cogeneration, for using some types of biomass, and tax exempt bonds for all hydro projects, large and small. At the API meeting, it was reported that Senator Packwood will make two proposals to amend the bill. One amendment will restore the Secretary of Treasury's authority to rule on what's eligible for incentives. The second will allow cogeneration units to qualify for incentives if they use less than 25% oil, or natural gas.

While the Finance Committee was considering the bill, nothing was available in written form. Now there are 404 pages of reading to be dug out of boxes in the committee's office—the bill, an official summary and a report of the committees. Copies have been provided Phil Cannella and Paul Firlotte.

The price tag on tax exempt bonds for all hydroelectric projects has been estimated at approximately 1 1/2 billion dollars between 1980 and 1990. That invites Treasury opposition. What's the chance of final approval? "A longshot," says Washington attorney John Merrigan.

**The 100,000 Acre Deeryard**

Jim Case of Senator Muskie's staff says he will recommend that the Senator criticize immediately the proposal by the Corps of Engineers that a 100,000 acre deeryard be established to compensate for loss of area to be flooded if the Dickey-Lincoln project is built. A workshop on the proposal is planned November 15 in Augusta. Muskie says that the Allagash Wilderness Waterway was the intended trade-off for the area to be flooded. The Senior Senator from Maine continues to support adamantly the Dickey-Lincoln project, taking a tough stand in the intense Washington wrangling over the issue.

**Fourth Scholarship**

A fourth Great Northern Nekoosa Foundation scholarship has been approved for children of Great Northern Paper employees. The GNN program, administered by the National Merit Scholarship Foundation, now provides 13 scholarships—six for Nekoosa, two for Great Southern, four for Great Northern and another which can be awarded to children of any GNN employee, anywhere. The number of scholarships is based on the number of employees in the operation divisions of the corporation.
HAZARDOUS WASTE FUND

The State Department of Environmental Protection will propose to the Legislature that a $250,000 contingency fund be established to finance cleaning up of accidents involving hazardous wastes. It would be modeled after a standing fund for dealing with oil spills. Ron Colby of Associated Industries of Maine says the DEP staff is seeking ideas on how the money should be raised. They've been suggesting a per-pound tax on railroads and truckers, or a tax on users. Directors of AIM on November 6 advised Colby to put together a team of specialists in transportation, purchasing, environmental and money matters to consider a response from industry.

Colby says Hollis McLaughlin of the DEP Land Bureau will tell the Legislature that Maine shouldn't wait for federal guidelines—but should, on its own, act to define hazardous waste and face up to a problem. The Legislature, at the suggestion of industry, put the brakes on DEP's proposal in January to start the mammoth job of identifying all hazardous materials. McLaughlin also wants three staff people to serve on the clean-up crew which would be established by the fund.

AIM's directors authorized Colby to file a bill to make confidential certain information sought by DEP. There's concern by some firms about anti-trust implications if data on supplies, etc., is provided the state. The board also approved an energy policy (Paul Flirtotte was at a meeting of the committee which drafted the policy.) Incorporation of the AIM Personnel Association was approved. (Jack Sullivan is the new vice president of the personnel group.)

THE MAINE SCENE

Advisors to Manpower Affairs Commissioner Bustin are considering ways to bolster the Unemployment Compensation Fund. One proposal: A .3% tax on employees and an increase in the wage base. The AFL-CIO calls such a tax "regressive" but hasn't entirely ruled out supporting a tax on workers. Benefits now are financed only by employers.... Governor Brennan hasn't filled the vacancy on the Industrial Accident Commission resulting from the resignation of John Keaney. (It's a $28,000/year job.) As a result, a backlog of workers' compensation cases is building up....The Governor also has revived a committee appointed by former Governor Longley and asked for suggestions on how to reduce increases in workers' compensation rates....State House circles were hearing Chuck Ritzi's name mentioned as a possible successor to Ken Stratton as director of the Land Use Regulation Commission. Ritzi is a biologist on the staff of the Department of Fisheries & Wildlife....Voters on November 6 approved by a 2-1 margin an $11.8 million bond issue which includes funds for an instrument landing system at the airport in Millinocket....Senator McBrearty of Perham and Representatives Berube of Lewiston, Benoit of South Portland, Torrey of Auburn, Gillis of Calais, Peterson of Caribou and Hutchings of Lincolnville toured the Rocky Brook Operation and the Pinkham mill November 9....Bob Bartlett and I met with Congressman Emery in Bangor on November 5 to discuss his plan to help Maine's needy.
PUBLIC RELATIONS

A news release was distributed with a photograph of participants in the October 30 engineering career seminar in Millinocket....Susan Postlewaite of the Associated Press asked my opinion on the new director of the Bureau of Forestry on November 1. I told her Stratton had been an effective director of the Land Use Regulation Commission.... A $3,500 annual contribution to Katahdin Council, Boy Scouts of America, has been approved....Remember the Dennysville controversy over alleged spraying of gardens by a St. Regis contractor? Only nine of 500 polled in a statewide public opinion poll on the subject of chemical spraying mentioned the incident--and the poll was taken when press coverage was at a peak in September....The Millinocket stack has reached 344 feet in height today and Roger Boynton has taken a photograph of the new skyline addition. There is a four-foot cap still to go on the stack but that will not come until spring.

COMING EVENTS

November
14 Meeting, ad hoc of forest landowners committee, Paper Industry Information Office, Augusta, 9:30 a.m.

Meeting, energy committee, Associated Industries of Maine, AIM office, Augusta, 10 a.m.

15 Meeting, Task Force on Highway and Bridge Financing, Oblate Retreat, Augusta, 1 p.m.

Workshop, Corps of Engineers, Dickey-Lincoln game habitat proposal, Room 113, State Office Building, Augusta, 2 and 7:30 p.m.

16 Meeting, directors, Paper Industry Information Office, Augusta, 9:30 a.m.

20 Public hearings, spruce budworm recommendations, Department of Conservation, Civic Center, Bangor, 1 and 7 p.m.

Sincerely,

Paul

pmc/b
Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine 04462

Dear Bob:

The newsletter of the Public Affairs Department for the week ending November 16 follows:

**The Issues of 1980**

The second session of the 109th Legislature opens in Augusta on January 2. If anticipated issues develop, the session will be a busy one.

At meetings of directors of the Paper Industry Information Office and of directors of Associated Industries of Maine, there have been reports covering preparations for the session. Here is a summary, issue by issue:

**Taxation** - A petition drive is under way to send to referendum the Maine Municipal Association proposal that towns and cities be reimbursed at higher levels for property tax exemptions—including those granted under the Tree Growth Tax Law. The annual cost of such reimbursements has been estimated at $20 million. "The Legislature usually doesn't touch an issue which goes to referendum," Hank Magnuson of PIIO said on November 16. Industry has supported higher reimbursements under the Tree Growth law. Where the money will come from to fund the reimbursements is going to create the problem—and it's likely the forest lands of the state will be eyed as a revenue source. Magnuson expects at least one proposal for a severance tax to be introduced during the session starting in January. A severance tax would be imposed on a cents per cord basis when wood is cut. There is also some talk of a value add levy, Magnuson said. It also can be anticipated that Governor Brennan will propose an increase in the tax on gas.

**Forestry** - A new spruce budworm program will be proposed by the Governor, hopefully a package which can be supported by industry. (The process of putting the legislation together continues on November 20 with a public hearing in Bangor on the report of a Department
Issues (continued)

of Conservation Committee.) There are seven such committees working on issues related to chemical spraying. One conflict is already public—the tug-of-war between the Department of Agriculture and the Department of Environmental Protection for the job of regulating spraying. The forest products industry is on the side of Agriculture. Another matter of prime interest is regulation of logging roads. A bill will be filed to exempt logging roads from regulation under the site selection law administered by the DEP. Roads in environmentally sensitive areas such as bogs are now controlled by the Land Use Regulation Commission and further regulation is overlapping in the minds of the people in industry.

Environmental - The Department of Environmental Protection is circulating a draft of a bill taxing transporters to create a hazardous materials fund to pay for accidents and administration of regulations covering such materials. Maine is trying to stay a step ahead of the federal government in this matter. A public hearing on state regulations is scheduled November 29 in Augusta. "This could be the horror story of the session for industry, particularly paper companies," Magnuson said. AIM is trying to coordinate industry's response, but is moving slowly in a complicated area. The Energy & Natural Resources Committee also will be reviewing emission standards adopted for the operation of oil-fired boilers by the Board of Environmental Protection. Some complain that BEP ignored a legislative request for exemptions for start-ups, shutdowns and malfunctions.

The challenge of trying to combat escalating costs of Workers' Compensation Insurance is expected to come before the session, either as a result of a bill held over by the Governor, or as a result of recommendations from a committee recently appointed by the Governor. The insurance industry is fighting further regulation and an AIM proposal to permit companies to band together to lower costs.

**Windfall Profits Tax**

The Senate finally got to the Windfall Profits Tax bill on November 16 but seemed to lose any sense of urgency in dealing with the matter and this puzzled observers, according to Tim Westbay of St. Regis. Nothing of interest to the paper industry got done on November 16. Plans for a Saturday session were dropped. The Senate adjourns November 20 for Thanksgiving and hopes to wind up the session in mid-December. After the Senate approves a bill, there remains a "long and difficult conference committee" to reconcile the House and Senate versions of the tax.

**Paper Industry Annual Meeting**

Governor Brennan and U.S. Representative Snowe have been invited to speak at the annual meeting of the Paper Industry Information Office in South Portland on January 25-26. The meeting will start with a panel on chemical spraying moderated by Roger Mitchell of Georgia-Pacific and including Rob Gardiner of the Natural Resources Council of Maine, Max McCormack of the University of Maine and Dave Flanagan, the Governor's counsel, who is chairman of a cabinet-level committee on this subject. A movie on the subject of anti-trust matters will be shown before dinner when John Gould of St. Regis will be the speaker. Gould, now based in Washington, was the first executive secretary of PIIO.
DICKEY-LINCOLN WILDLIFE AREA

"A wasted day," said George Smith, a special assistant to Congressman Emery. On behalf of the Congressman, Smith called a proposal "ridiculous" which would have the federal government acquire 100,000 acres to replace wildlife habitat land which would be lost if a dam is built.

Bart Harvey spoke for Great Northern Paper on November 15 at an Augusta workshop conducted by the Army Corps of Engineers. A news release and the text of his statement was distributed to the press and by mail to public officials. The statement was widely quoted.

The U.S. Fish & Wildlife Service stole the day and the press, admitting a mistake in their calculations. They had suggested 160,000 acres—and the Corps had reduced the number to 100,000. Instead of asking for 160,000, the service said 300,000 is needed.

Before the day and the night was over, a representative for International Paper made a counterproposal—Why not pay IP to manage the wildlife in areas designated by the Land Use Regulation Commission and the Department of Fisheries & Wildlife? Approximately 50 people attended. Except for IP's counterproposal, there was solid opposition.

The anticipated opposition from Senator Muskie's staff did not materialize. An aide said the Senator did not want to disclose his strategy to scuttle the Fish & Wildlife Mitigation Plan.

THE MAINE SCENE

Bob LaBonta, the Scott manager of woodlands, is serving on a committee reviewing the functions of the State Pesticides Control Board. He's found that the organic gardeners on the committee are "not totally unreasonable people....they want better controls....they are worried about chemical trespass--and in principle you can't fault that."....The Agriculture Committee of the Legislature will invite public comments on the Pesticides Control Board at a hearing on November 19 in Machias....Bill Butler, the paper industry critic, has taken Hollis McLaughlin and others of the DEP staff on a tour of St. Regis timberlands—and the paper company didn't know about it until after the tour was over....Sam Zaitland, a former Saco mayor nominated to the Board of Environmental Protection, won approval of the Senate Committee on Energy & Natural Resources at a November 13 hearing. With approval by the Senate on December 7, Zaitland will replace Raymond Mersereau of Mars Hill. Environmentalists feel Tad Dow and Zaitland will give their cause stronger representation....Acting Director Mike Barrett is gaining support to succeed Ken Stratton as director of LURC. Stratton has taken over as director of the Bureau of Forestry....Members of LURC were told November 14 of the revival of negotiations between Great Northern and the Department of Conservation on a conservation easement for the West Branch corridor which has been under study as a National Wild & Scenic River....Attorneys have taken a look at the recent New Hampshire Supreme Court ruling outlawing exemption for pulp trucks under the regulations governing weights on highways. The Maine law is basically different and the attorneys recommended against seeking any changes in the next session of the Legislature.
Ellsworth American Editor Russ Wiggins called to compliment Great Northern on a letter written by Dan Corcoran summing up the company's spruce budworm efforts. He published the entire text. The letter was circulated to members of the Congressional Delegation, legislators, representatives of the news media and other opinion makers....Wiggins will be briefed on Great Northern's budworm control program and visit a logging operation on November 28....New postage meter plates promoting Great Northern products have been distributed. They were developed by Ad-Media....A news release on a new boat launching site being developed on Ambajejus Lake by the Bureau of Parks & Recreation of the State Department of Conservation was distributed with a photograph....Roger Boynton also spent two days taking candid photographs of employees for incorporation in a State House exhibit. Paul DeMerrais provided guidance on samples of products to be included in the display....A reporter for New England Business Magazine called with questions regarding Great Northern's 1979 performance and the outlook....Pinkham Lumber and Great Northern got considerable publicity when Searsport port promoters held a luncheon to celebrate the exporting of 3.6 million board feet of lumber.

Coming Events

November
19 Meeting, executive committee, Maine Council on Economic Education, Central Maine Power offices, Augusta, 3:30 p.m.

19 Public hearing, Committee on Agriculture of Legislature, on rules of Pesticides Control Board, 11 a.m., University of Maine, Machias.


20 Public hearing, State Department of Conservation Policy Review Committee proposal for new spruce budworm control program, 1 and 7 p.m., Bangor Auditorium.

21 Public hearing, Bureau of Taxation, definitions used in tax exemptions under sales and use tax, Civic Center, Augusta, 1 p.m.

29 Public hearing, Board of Environmental Protection, regulations governing hazardous waste, Civic Center, Augusta, 2 p.m.

30 Public hearing, State Bureau of Taxation, Capitalization Rate of Tree Growth Tax Law, Civic Center, Augusta, 1:30 p.m.

Sincerely,

pmc/b
Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine 04462  

Dear Bob:  

The newsletter of the Public Affairs Department for the two weeks ending December 1 follows:  

WINDFALL PROFITS TAX  

The Senate this week continued to debate the tax provisions of H.R. 3919, the so-called "windfall profits" tax bill. Observers in Washington could only speculate on when the Senate would get to other parts of the legislation, including incentives for alternate energy sources. A proposal to allow developers of hydroelectric facilities to use tax exempt industrial development bonds is among the incentives. Additional tax credits for cogeneration and for hydroelectric projects of 25 megawatts or less are also included. While moving slowly, the Senate finally scheduled a Saturday session. Congress wants to adjourn by the middle of December. Even after the Senate has disposed of the "windfall profits" bill, observers look for a difficult and lengthy conference between representatives of the House and Senate, who will have to come up with the final compromise.

Lee Goodwin of the Washington law firm of Patton, Boggs and Blow, one of the best known lobbying groups in the city, is already planning strategy for promoting incentives for hydroelectric facilities in the conference committee deliberations. Goodwin is representing EGG Inc., developers of hydroelectric facilities in Lawrence, Mass., and elsewhere. Although his clients were primarily interested in tax credits for projects of 25 megawatts or less, Goodwin has been lobbying for approval of the tax exempt industrial bonds. He predicts the Senate will approve the entire package. The House, he said, has traditionally been "more hostile" to the use of IDBs (industrial development bonds) and that may mean that this proposal will be scrapped in conference. Congressman Ed Jenkins, who comes from Northwestern Georgia and is a hydroelectric promoter, believes the big projects will be built even if the bonds are not made available, Goodwin told me.
Windfall Profits Tax (continued)

This week I also talked with Phil Kautt of EGG who wants Great Northern to join a formal Washington-based organization to promote hydroelectric power. Other contacts were with Dick Titus of the Washington staff of the American Paper Institute and Tom Heyerdahl of the staff of Senator Cohen. Heyerdahl is tracking the legislation. I plan to go to Washington on December 4 and talk with Heyerdahl, Kautt, John Colvin of the staff of Senator Packwood and others. I also plan to explore communicating with Congressman Jenkins through contacts in Georgia.

THE LEGISLATURE

Meeting in Augusta on November 28, members of the Legislative Council composed of the five leaders of the House and Senate approved 57 bills for consideration in the session opening in January. Representative Huber of Falmouth sought approval for a bill clarifying Maine laws governing the use of industrial revenue bonds. Mrs. Huber seeks to add "hydroelectric facilities" to the list of potential uses of the bonds. Mrs. Huber told Lynwood Hand, Great Northern's legislative counsel, that legislative leaders told her they would admit the bill at a later date if a similar proposal was not included in Governor Brennan's energy program. Paul Firlotte is planning to talk with State Energy Director Joseph to see if the Governor will consider such a proposal. Senator McBreaity's proposal to exempt logging roads from the jurisdiction of the Department of Environmental Protection under the site selection law was turned down. McBreaity called the next day asking for help. Dan Boxer, who is serving as counsel to a paper industry committee dealing with the issue, said he expects the decision can be reversed on December 17 when the legislative leaders again meet. Bob Bartlett has explained the need for the legislation to House Speaker Martin. Jim Carson will ask support from Senator Pray. Hand has talked with House Minority Leader Garsoe. In addition, Bart Harvey and Carson had previously been scheduled to brief legislative leaders on the issue on December 7. The briefing had been requested by Garsoe.

HAZARDOUS WASTES AND MATERIALS

With Tom Glidden and Dale Phenicie, I attended a meeting of the hazardous waste subcommittee of Associated Industries of Maine in Augusta on November 27. The meeting dealt with industry testimony on regulations proposed by the Department of Environmental Protection dealing with hazardous waste. Legislation proposed by the DEP to regulate hazardous materials was also discussed. There's a difference between the two. A hearing on the regulations on November 29 was attended by Glidden. The staff of the DEP is pushing hard for expanded authority and financing to keep track of hazardous materials and to have a clean up program ready in case of accidents. Although it wasn't decided at the meeting, it appears that industry will probably urge the Legislature to tell the DEP staff to wait for guidance from the federal agency and avoid duplicating the work of the U.S. Environmental Protection Agency. If the issue develops into a heated one in the Legislature, the paper industry through the Paper Industry Information Office may find it necessary to back AIM with additional resources. It's a very complicated issue, still taking shape.
VISITOR

James Russell Wiggins, former editor of the Washington Post and ambassador to the United Nations, is now the owner of the Ellsworth American and one of the most widely read editorial writers in Maine. On November 28, he was briefed on Great Northern's budworm program and on the company's woodland policies in Millinocket and then visited the Telos mechanical harvesting operations. He was complimentary, as he has been consistently in print. But Mr. Wiggins continued to voice serious reservations about the use of herbicides. He's worried over the health ramifications.

PUBLIC RELATIONS

A news release covering the new scholarship available to sons and daughters of Great Northern Paper employees was distributed on November 21....Paul Firlotte was interviewed by a reporter for WABI-TV on November 27 and seen on television that evening. (A transcript of the interview was distributed in the clipping service.)....Don Hanson, editorial director of the Portland newspapers called on November 27 asking additional information on the Dickey-Lincoln issue. He had been reading the statement by Bart Harvey in Augusta on November 15. Clippings continue to appear reflecting the wide use in the press of the Harvey statement opposing federal acquisition of 100,000 acres of timberlands for a wildlife habitat to replace land which would be flooded if the Dickey-Lincoln dam is built....Questions regarding rumors concerning the company's new security program came from a Bangor News reporter....Roger Boynton prepared a new Christmas advertisement for local newspapers....A revised snowmobile safety advertisement is ready to go to newspapers....Maryanne Lagasse on November 27 asked for comments on rumors that No. 7 paper machine had been approved for the East Millinocket mill. Anticipating the question, we had a brief statement ready confirming that a study is continuing of the project. Later Anne Erickson and I discussed the same subject....Dan Corcoran's letter on Great Northern's spruce budworm efforts which had been used in the Ellsworth paper last week was printed in full this week in the Piscataquis Observer of Dover-Foxcroft....Contributions were approved for the historic Chesuncook Village Church, a recreation center in Kingman and the State YMCA Youth and Government Program.

ADVERTISING PROGRAM

Peter Yacavone and Bob Shinners were briefed November 30 in Augusta by John Christie of Ad-Media on a 1980 advertising program aimed at acquainting Maine people with Great Northern's efforts in the energy field. The program will be kicked off in January with newspaper advertising focusing on the new boiler in East Millinocket. A four-color brochure of the project is also being completed. And we will have bumper stickers: "Bark for energy!" The campaign will include radio and television. We also looked at the exhibit featuring people of Great Northern and products of the company which is being planned for the State House and may also be used for the Great Northern Nekoosa annual meeting.
The Governor's Task Force on Highway and Bridge Financing on November 26 voted, 12-3, in favor of recommending to the Governor that the 9 cents per gallon tax on gas be increased, favoring 7 cents per gallon and a 5 percent sales tax on the average wholesale price of motor fuel. Bangor Banker Bill Bullock, State Representative Dick Morton and I dissented because we feel a percent tax would fall heaviest on Northern Maine residents who now pay more for gas per gallon than those who buy in the southern part of the state. While agreeing the tax must be increased, we favored a 5 cents per gallon boost spread over the next two years....Bill Butler, as usual, used a public hearing on November 30 on the capitalization rate in the Tree Growth Tax Law to make a speech. Becaue the Bureau of Taxation made a mistake in announcing the hearing, another will be held in January when industry spokesmen plan to testify....It was decided at a November 19 meeting in Augusta of the executive committee to increase the annual budget of the Maine Council on Economic Education to $50,000 and add a second staff member to work with teachers in Southern Maine....With Bob Bartlett, Bart Harvey, Dan Corcoran and Bob Wright, I sat through seven hours of comments on the report of the Budworm Policy Review Committee of the State Department of Conservation on November 20 in Bangor. It provided a forum for all the critics of spraying....Adrian Clark attended a November 21 public hearing of the Bureau of Taxation in Augusta dealing with definitions under the sales and use tax.

**Coming Events**

**December**

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Sincerely,

pmc/b
Enclosure (PIIO Newsletter)
BUDWORM:
The jobs of 18,000 workers in the pulp, paper and wood products industry, about 16% of Maine’s total tax revenue, one-half of the state’s wood fiber production and the tourist and recreation industry are all threatened by the reality of millions of acres of spruce-fir forest being destroyed by the spruce budworm.

Recognizing the potential for this economic disaster, 160 private forest landowners commissioned Dr. Gerald R. Stairs, director of Duke University’s Center for Resource and Environmental Policy research to make a study of the problem of controlling budworm. His report was released this month. It lists specific actions for combating the immediate crisis and recommendations to lessen the danger in the future.

Dr. Stairs notes that massive outbreaks of spruce budworm have occurred in 50-year cycles in the past and collapsed only after destroying the forest food supply. “In an era when man was not dependent upon the forest for direct economic utilization,” he says in the report, “the problem could be allowed to self-correct over extremely long time intervals. Today such an approach would create an economic impact on the State of Maine that would not be easily absorbed.”

At the present time, Dr. Stairs concludes, “there remains only a single means for maintaining a living spruce-fir forest of mature trees and that is to spray insecticide at designated targets and time intervals.” Current spray programs must be kept at minimum levels that are acceptable to society, he points out, while at the same time affording the greatest benefit to the resource for the least possible cost. His long-term strategy recom-

STAIRS’ REPORT RECOMMENDS SPRAY NOW, PLAN FOR LATER

mends that private landowners and state agencies work together to reduce spray activity through forest mapping and inventory of spruce and fir components to allow for targeting spraying, to encourage where possible the growth of tree species less susceptible to budworm attack and to increase support for research to find effective alternate methods of pest control.

The continuation of federal funding and an increase in the level of state funding for control programs is advocated by Dr. Stairs along with a new formula for apportioning the non-public cost so that a greater percentage would be paid by owners of forestland actually receiving treatment in any year.

Meanwhile the Maine Forest Service has identified 3.5-million acres of the State’s 8-million acre spruce-fir forest so endangered as to be included in the 1980 Spruce Budworm Suppression Program. Considerably less acreage than that will actually receive treatment, however, due to silvicultural withdrawals, buffer strips, elimination of small areas and a new State policy on “settlement regions” whereby two miles on either side of publicly maintained roads will be excluded from spraying. The State Department of Conservation’s recommendations for budworm control went to public hearing this month.

133 State St., Augusta, Me. 04330 • (207) 822-3166

Henry A. Magnuson, Executive Director

EVERYONE WAS WATCHING AS SCOTT SALVAGED LOGS

The first year of a four-year operation to recover sunken logs from the Kennebec River bottom was ordered, authorized, regulated, carried out, monitored, studied and recorded by what may be a record number of judicial, private, federal, state and educational agencies concerned with an environmental project of this kind.

All this activity was generated following a U. S. District Court decision in September, 1978, involving the Kennebec Log Driving Company in which Scott Paper Company held the last remaining interest. A consent decree ordered the removal of the logs from the river with a minimum impact on the environment and the establishment of a fund for an ecological study of log driving operations.

Salvage efforts, started in May, 1979 at the head of Wyman Lake by Brochu Bros. of Strat-
The U.S. Wildlife Department announced in October that the American bald eagle had found its home in the extreme northeast corner of the U.S. more livable thanks to successful efforts to protect its habitat.

Maintenance of bald eagle population in this part of the country has had "some success over the past decade" with the use of less harmful chemical pesticides in Maine woodlands, greater protection of eagle nests and a major effort to educate hunters and woodsmen, according to Frank Gramlich, a department official.

Maine’s paper companies can take a large share of the credit for this success. For many years, where nesting sites have been located on company lands, voluntary agreements regulating cutting activities have been signed with the federal government to leave these areas undisturbed.

VTI WOOD HARVESTING TRAINING RECEIVES INDUSTRY SUPPORT

Good jobs grow on trees in Maine and with the support and cooperation of the pulp and paper industry, the State’s post-secondary VTI wood harvesting programs offer the training necessary for young people to work in the woods.

To meet the increased demand for skilled wood harvesters, a second training location at Northern Maine VTI in Presque Isle has been added to the successful Washington County VTI program which has operated since 1972 in Calais.

For the six-week production cutting phase of the 22-week training program, students attending NMVTI will work out of Great Northern Paper Company’s Rocky Brook camp along with the Company’s regular woods crews.

In addition to the instructor’s camp and site facilities made available by Great Northern, student accommodations in modern camps like the one shown at the right, have been provided by International Paper Company and Diamond International Corporation. Paper company support for garage and maintenance facilities at the camp is made possible through the American Pulpwood Association’s Northeastern Manpower & Training Committee.

S. D. Warren, the oldest paper company in Maine still operating under its original name, celebrated its 125th year. Younger, but still celebrating, was the company’s Tree Farm family which marked its 25th year of promoting good forest practices.

It also was the 100th anniversary of Scott, the parent company, the 90th anniversary of Hollingsworth & Whitney Company and the 25th anniversary of H & W’s merger with Scott.

BEST WISHES TO SCOTT’S FAMILY anniversary for Scott Paper Company and S. D. Warren Company, a division of Scott. One-quarter of all Scott’s woodlands are in Maine and its capital investment in the State is greater than its investment in any other state. So the Company’s 3,800 Maine employees participated in a series of events honoring milestones in Scott’s history.
P & P INDUSTRY HELPS MCRR TURN A PROFIT

Thanks in part to Maine's thriving pulp and paper industry, freight trains operated by the Maine Central Railroad promise to keep rolling for many years to come, according to Maine Central Vice President, Brad Peters.

"We are fortunate to be the beneficiaries of the pulp and paper industries," he said, explaining that almost every one of the Company's major routes is anchored by a pulp or paper mill to provide a stable source of business and revenue. MCRR is one of only three railroads in New England presently making a profit in freight service.

FRASER EXPANDS MAINE MILL Local economy gains $6-million

Fraser Paper, Ltd. in Madawaska has announced that its $42-million total expansion is three-quarters complete, on schedule and within budget.

Activity is expected to be at its peak during this last part of the project with as many as 360 workers employed on the job. The major effort over the next six weeks will go toward rebuilding the Company's No. 7 paper machine at a cost of $9-million to operate as a swing machine, alternating between fine bond grades and groundwood directory paper.

When the expansion is completed in March, 1980, the mill will have a new coater and will have installed a new repulping system, rebuilt one paper machine, speeded up two others and installed a new billblade coater.

It is estimated that by the time the project is finished, $6-million will have been added to the local economy for services, supplies and materials. Fraser Inc.'s pulp mill across the river in Edmundston, N.B., which supplies stock to the Maine plant, recently completed a $91-million modernization.

GNP TEACHES PREPAREDNESS State, county and local government employees, together with personnel of the Bangor & Aroostook Railroad participated in Great Northern Paper Company's eight-week training seminar on the transportation of hazardous materials.

Great Northern uses a wide variety of chemical substances which Company officials point out are entirely safe when handled and applied properly. To be prepared for any emergency situation outside the mill, the ten-year-old program dealing with chemicals has been expanded over the past three years to include protection for citizens of the area should an unforeseen accident involving hazardous materials occur during delivery to the mill by truck or rail.

Topics for the eight sessions were: hazardous materials in transit; definitions, classes and dangerous properties of hazardous materials; recognizing and identifying hazardous materials in transit; obtaining technical assistance; command and control of incidents; terminating and reporting incidents; and planning for emergencies involving hazardous materials.

Left to right are: Dale Phenicie, company coordinator, Jack Norris, Millinocket fire department; Howard Mehlman, Great Northern Paper; Carl Andrews, Penobscot County Sheriff's Department; Vernon Wark, Bangor & Aroostook Railroad; and seated, Jasper Haines, Jr., Millinocket fire department.
Mr. Robert J. Shinners  
Vice President - Operations  
Great Northern Paper Company  
Millinocket, Maine 04462

Dear Bob:

The newsletter of the Public Affairs Department for the week ending December 7 follows:

**SENATOR LONG AND HYDROPOWER**

"The case you presented for the development potential of hydroelectric power as a renewable, non-polluting source of energy was most convincing....I am pleased to advise you that, in its report of the windfall profits tax bill, the members of the Senate Finance Committee agreed to extend tax-exempt bond financing (without size limitation) and to include dams, as well as related energy generating facilities and structures and fish passageways, as qualifying properties....The Committee on Finance will press for adoption of this provision...."

----Russell Long

In a letter to Senator Muskie of Maine, the chairman of the Senate Finance Committee indicated his support for incentives for hydroelectric power development, Muskie and several other New England senators, including Cohen of Maine, had written Long urging him to support the provisions. Long will be the co-chairman of the conference committee which will draft the final compromise between the House and Senate versions of the bill. Two years ago it was Long's last-minute decision that killed hopes for incentives for hydropower.

While in Washington on December 5, I visited the offices of the two Senators as well as those of Senator Nelson of Wisconsin and Congressmen Emery and Snowe of Maine. I discussed energy, a woods labor issue and a report being prepared by the Environmental Protection Agency on spraying. From Senator Nelson's staff, I obtained a copy of an amendment to the Windfall Profits bill he had prepared dealing with small hydro, under 25 megawatts. Tom Heyerdahl of the Cohen staff and Jim Case and Bob Rose of the Muskie staff all believe that the Congress will finally pass a windfall profits tax bill with incentives for business before the end of 1979. The three also predicted quick action will come when a compromise has been reached on the key issue of how much of a tax should be imposed on the oil companies.
**MAINE SCENE**

After his visit to Great Northern's timberlands, Ellsworth newspaperman James Russell Wiggins wrote a full-page article reporting that "by and large, this great renewable resource is being dealt with more intelligently than it was handled in the past."...Ed Chase of the woodlands department of Great Northern Paper is one of the 15-members of the new Ground Water Protection Commission. He was appointed by House Speaker Martin. Other members include Dan Boxer, the Portland attorney who specializes in environmental matters, and Senator McBreairty of Perham. The commission meets for the second time next week....A contribution was approved for the Millinocket Bowling League.

### COMING EVENTS

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Sincerely,

[Signature]
Great Northern Paper
a company of
Great Northern Nekoosa Corporation

Paul K. McCann
Manager Public Affairs
December 15, 1979

Mr. Robert J. Shinners
Vice President-Operations
Great Northern Paper Company
Millinocket, Maine 04462

Dear Bob:

The newsletter of the Public Affairs Department for the week ending December 14:

**CHEMICALS IN THE WORKPLACE**

Maine became the first state in the nation in 1979 to adopt a chemical substance identification law, regulating chemicals in the workplace. Before the Legislature approved the law, the industrial lobby was successful in getting major changes made in the bill. The law becomes effective January 1. On December 14, the Bureau of Labor of the Department of Manpower Affairs held a hearing in Augusta on regulations designed to implement the law. Director Marvin Ewing, a former union leader, told that the proposals were "pro-safety, not pro-union or pro-management..." Ewing and an assistant attorney general said compliance will have to be voluntary because the law contains no penalties. Ewing emphasized, however, that he will not hesitate to go to the Legislature and seek penalties if there isn't compliance.

The hearing attracted approximately 60 persons and lasted almost an hour and a half. Everybody agreed that they support the intent of the law. But spokesmen for industry challenged the state agency's right to issue regulations as well as the contents of the proposed set. Labor representatives supported the proposals.

Steve Clarkin, an attorney for Associated Industries of Maine, led off with an attack on the regulations, saying in part:

---There is no authority in the law for the Bureau to issue regulations;

---The Bureau has no right to include in regulations provisions specifically rejected by the Legislature;

---The intent of the law was to regulate toxic and hazardous substances, not all chemicals;

---Nothing in the law requires employers to break down chemicals—all that is needed is the common name of the chemical;
Chemicals (continued)

--The Bureau is demanding employers disclose confidential information—which could go to competitors;

--The Bureau is exceeding its authority in requiring information on training programs be submitted to the agency.

Representatives of several other businesses spoke, supporting the intent of the law but criticizing the regulations. Gary Cook, an international representative of the United Paperworkrs International Union, said it's vital that workers know the chemical name of substances—"the common name doesn't tell anybody anything." Two other representatives of the UPIU spoke as well as members of other unions. Dale Phenicie will report on their testimony in a memorandum. Dale also will draft a letter to Ewing explaining why the maintaining of cumbersome lists of chemicals in all areas of the mill isn't a practical approach from Great Northern's experience.

Ewing will promulgate the final regulations before the end of the year. It looks like Associated Industries of Maine will challenge the regulations in the Legislature, or the courts.

MAINE SCENE

Governor Brennan soon will have two vacancies to fill on the Human Rights Commission. David Key of Bucksport and Mary Spence of Lewiston will be leaving the five-member panel...The Boise-Cascade mill in Rumford closed down for two days after an explosion ripped a hole in the facility's main exhaust stack...Sources say there are five people under consideration for the post of director of the Land Use Regulation Commission—Alec Giffen of the State Planning Office, Chuck Ritzi of the Department of Fisheries & Wildlife, Jeff Petot of the Attorney General's staff and Linda Harvel and Marshall Wiebe of the Department of Conservation...Pratt & Whitney, greeted last year as welcome new "clean industry", is having difficulties with the Department of Environmental Protection. The company has been denied permission to put hazardous wastes on the North Berwick town dump because of the possibility of groundwater contamination...A $25,000 grant for the Aroostook Valley Health Center has been approved by the Great Northern Nekoosa Foundation and a check will be presented next week by Tom Pinkham and Orville Tripp...The renomination of John Turbye to the Board of Environmental Protection is being urged by Associated Industries of Maine. Turbye is a retired Scott engineer...Preliminary returns of a poll of members of Associated Industries of Maine show that fuel costs and hazardous waste regulations are the two issues of most concern to industry.

WASHINGTON WATCH

As you know from the newspaper accounts, the Senate finally reached an agreement on December 14 on the amount of money which will be raised under the Windfall Profits Tax. That's what Tom Heyerdahl of Senator Cohen's staff and others had predicted earlier in the week. The Senate was in session today, a Saturday, and was expected to quickly approve the legislation and send it to conference committee. The White House has announced it opposes several of the energy tax incentives contained in the bill approved by the Senate Finance Committee—including those for hydro. Since the administration is anxious to have the bill approved, it is expected to accept the hydro incentives according to Washington lobbyists.
"Playing Catch Up"

Directors of the Paper Industry Information Office were briefed on developments in the hazardous waste field by Wally Rogers of S. D. Warren at a December 14 meeting in Augusta. Rogers is chairman of the hazardous waste subcommittee of Associated Industries of Maine. "You can't stay with it...the people in the public sector are well organized and well informed. They have money available. It leaves industry playing catch up beyond belief," he told directors in urging that member companies make representatives available to participate in AIM activities. Rogers says the staff of the State Department of Environmental Protection has completed a second version of the hazardous materials spill fund proposal, sticking to their demand that $250,000 be raised by imposing fees on transporters of such materials. The DEP would use $75,000 of the money each year for paying three new staff members. "They don't need the staff or the money," Rogers said. But he said the recent Falmouth accident is being promoted by DEP staffers as justification. DEP Commissioner Warren is telling Ron Colby of AIM that he doesn't care how the fees are structured as long as the money is raised. Industry has a choice: try to kill the bill or work with DEP to make it workable insofar as fees are concerned. Some Augusta observers believe industry can block the legislation on the grounds the DEP is again going beyond federal requirements.

Governor Brennan and U.S. Representative Snowe will be among speakers at the annual meeting of PIIO, January 25-26.

Public Relations

Dan Boxer, the Portland attorney who specializes in environmental matters, John Christie of Ad-Media, the Augusta advertising agency, and Lynwood Hand, Great Northern's legislative counsel, came to Millinocket on November 12 for a meeting with Bob Bartlett, Paul Firlotte, Veli Lapinoja, Dick Noyes and Peter Yacavone in which the energy picture was discussed in relationship to a 1980 advertising program... George Smith, sales manager of Pinkham Lumber, was interviewed on a Presque Isle television station on December 11. The subject was the overseas shipment of lumber...Contributions were approved for the North­east District YMCA, the Mattawamkeag Christmas Fund, Maine Institution for the Blind, an Associated General Contractors of Maine project and the Multiple Sclerosis Society...An advertisement was placed in the Medway Middle School yearbook...A Christmas greetings advertisement was prepared for the Katahdin Times. We'll also sponsor holiday music on the local radio stations...George Campbell, state development director, wrote to express his thanks for Great Northern's assistance to a weekly newspaper publisher who feared he couldn't obtain paper... New pocket telephone cards were distributed...Nekoosa calendars for 1980 were mailed...Copies of the new GNN style book were distributed... Roger Boynton is starting a project of updating the 35 mm slide show on Great Northern. Suggestions will be welcomed.

Spruce Budworm

John Houghton, Great Northern's forest economist, called the proposed state share of financing for the 1980 spruce budworm project "inadequate" at a hearing December 11 before Conservation Commissioner
Spruce Budworm (continued)

Barringer. His statement was distributed to the press and quoted in all Maine newspapers the following day. Three television stations also included portions of his remarks in their coverage of the annual hearing at which Barringer considered views on how much of the financing should come from the so-called general fund. The rest is paid by a tax on landowners and in the past by federal funds. The hearing provoked the usual criticisms from Bill Butler of the Woodsmen's Association, Charles Fitzgerald of Atkinson and Larry Lack of Stueben who continued to attract attention from the press that far outweighs their apparent following.

**Coming Events**

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<tr>
<td>December 19</td>
<td>Meeting, Legislative Council, Augusta, screening of bills for session opening January 2, 10:30 a.m.</td>
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<tr>
<td>20</td>
<td>Herbicide Committee, Paper Industry Information Office, University of Maine, Orono, 9 a.m.</td>
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Public Hearing, procedures for administration of the Solid Waste Management Subsidy Law, Augusta Civic Center, 10 a.m.

Sincerely,

pmc/b
Mr. Robert J. Shinners  
Vice President-Operations  
Great Northern Paper Company  
Millinocket, Maine 04462  

Dear Bob:

The newsletter for the Public Affairs Department for the week ending December 21 follows:

**Great Northern and Windfall Profits**

There were a dozen people gathered in the office of Senator Packwood on December 19. Besides the Senator and two members of his staff, the group included representatives of the Sierra Club, the National Audubon Society, the Sheet Metal Workers' International Union, the Solar Energy Association and an attorney (and former member of Congress) representing several utilities. They all represent groups promoting the tax credits and other incentives for alternate energy sources included in the Windfall Profits legislation. I was invited to hear the briefing by John Colvin of the Packwood staff.

Packwood warned that he understood Al Ullman, the chairman of the House Ways and Means Committee, wanted to kill all of the credits—including additional investment tax credits for co-generation projects and tax exempt bonds for all new hydro facilities. Packwood proposed that the group put the pressure on Ullman and Congressman Conable of New York, a key Republican, who was "going along" with Ullman. The associations agreed to sponsor a Washington news conference and get associates to do the same thing in Oregon and New York. Packwood said there is "plenty of support for the incentives" on the conference committee which was scheduled that afternoon to meet for the first time. The House had just passed a tax bill, providing no new credits. The Senate in its version provided billions of dollars worth of credits which would be financed by the tax.
Windfall Profits (continued)

What chance do the tax exempt bonds for hydro have of final approval? Slim, say Washington observers. The Treasury says approval of tax free industrial development bonds would mean a $1.4 billion revenue loss in the next decade. House members are traditionally cool to the use of bonds. But, as Colvin says, "I have been a pessimist from the beginning. The bonds are still there." During the Senate debate, Packwood and Senator Moynihan both amended the bond provisions, slightly broadening their scope.

During the week, I drafted letters which were sent by Bill Laidig of Great Southern to two members from Georgia of the House Ways & Means Committee who oppose the tax free bonds for hydro. Congressman Emery and Congresswoman Snowe also said they would go to Conable to urge approval for the bonds. While in Washington, I also visited the offices of Ullman, Conable and Senator Cohen.

The Legislature

Lynwood Hand, Great Northern's legislative counsel, went to Augusta for the December 19 meeting of the leaders of the Legislature when they considered appeals from members who had had bills turned down for the session opening January 2. This time a bill which would exempt logging roads from provisions of the site location law was unanimously accepted. The first time around it had been rejected. Great Northern also wants to see legislation introduced amending the Maine Guarantee Authority law to specifically include hydroelectric facilities. Energy Director Joseph says it will be a provision in the Brennan administration program. If not, the legislative leaders have told Representative Huber they will allow her to introduce the bill.

The Yacavone Letter

In addition to all employees and retired employees of the company, copies of Peter Yacavone's annual letter to employees were sent to nearly 400 businessmen, educators, community leaders, legislators, state and local government officials, suppliers and others in Maine and Washington. The total mailing: 5,214.

Another Battle

Because of the regional director's participation in a review of the program, there had been expectations that the U.S. Forest Service's regional office would drop its opposition to federal financial support for the spruce budworm control program. Not so. A state official says that the reasons for the rejection were the same as last year: (1) inadequate economic justification, (2) unknown risks of continual spraying and (3) lack of supply-demand projections. Governor Brennan is expected to again go over the head of the regional office to Washington. With support from the Maine Congressional Delegation, the Governor was successful in 1979.
TALKING WITH JOHN JOSEPH

The Office of Energy Resources is one of several subdivisions of the executive branch of state government. Established in 1973, the office today is located in an old home a short distance from the capitol. There is no room for chairs for those waiting to see one of the approximately 20 staff members. Bob Monks, the former candidate for governor and the U.S. Senate, was the first director of the office. Next came Abbey Page. She was followed by John Joseph who has stayed on under Governor Brennan. Joseph, at one time closely associated with Conservation Commissioner Barringer, is an economist. When he first took the job, he toured the Great Northern power systems.

Paul Firlotte and I talked with Joseph on December 17. Some of his comments:

If Maine is going to avoid having cumbersome federal energy efficient buildings standards imposed on construction within the state, Maine's present voluntary law has got to be made mandatory by the Legislature.

Industry must support car pooling by employees...it strengthens the hand of the Governor in negotiating gasoline quotas with the Federal Department of Energy.

Coal must be incorporated into the state's fuel mix.

I hope people don't have a problem getting firewood from paper companies.

Electrical power generating facilities with co-generation capability should be located close to population centers so that heat can be captured for use by homeowners and industries. That's why Joseph and his staff asked for a delay in the construction of the coal-fired plant planned at Sears Island by Central Maine Power Company.

The annual report of state government says the agency "was established to provide a comprehensive energy plan for the State of Maine, to analyze and recommend policies pursuant to that plan; to coordinate all state energy programs; to manage all federal energy programs to be implemented in Maine; to encourage conservation of energy; to encourage, to direct and sponsor research and development of Maine's native energy resources; and to provide information on all of those activities to the citizens of Maine."

PUBLIC RELATIONS

Roger Boynton went to Ashland on December 18 to take a photograph of the presentation of the Great Northern contribution to the regional medical center. It will be distributed to the news media in Aroostook County....Members of the East Millinocket Chamber of Commerce will hear Paul Firlotte discuss the bark boiler now under construction at a meeting to be hosted by Great Northern on January 7....A Great Northern Nekoosa Foundation contribution to the Maine Maritime Academy building program has been approved....Another contribution went to the Maine Institute for the Blind.
Coming Events

January
2 Legislature convenes.
3 Meeting, directors, Maine Forest Products Council, Augusta Civic Center, 1 p.m.
10 Public hearing, Board of Environmental Protection, proposal to regulate logging roads under site-selection law, Augusta Civic Center, 1 p.m.
12 Meeting, Committee of 50, What The Maine Forest Means To You, Tarratine Club, Bangor, 10 a.m.
16 Public hearing, determination of capitalization rate, Tree Growth Tax Law, State Bureau of Taxation, Augusta Civic Center, 1 p.m.

Meeting, discussion of revisions in zoning standards, Land Use Regulation Commission, Bolton Hill, Augusta, 9:30 a.m.
17 Annual meeting, Maineport Council, Searsport, 6 p.m.
25-26 Annual meeting, Paper Industry Information Office, Sheraton, South Portland.

Sincerely,

Mary Bailey          Roger Boynton
Margie King          Rhonda Reed
Paul McCann

Happy Holidays
from

Merry Christmas

Great Northern Paper
A company of
Great Northern Nekoosa Corporation
Residents of Portage Lake and nearby communities are invited to visit the new garage and headquarters of the Aroostook District between 9 a.m. and 12 noon on Saturday, July 21. Equipment used to harvest and truck wood from the forest to the wood chip plant and for shipment to the pulp mills will be on display. There will also be showings of a 35 mm color slide presentation on Great Northern Paper Company.

Inside the garage, mechanics can work on a number of vehicles or pieces of equipment at the same time...needed parts come from the inventory at right -- over 3,000 different items are available within the garage.
New headquarters and garage for Great Northern’s Aroostook District

The Aroostook District of the Woodlands Department of Great Northern Paper Company has its headquarters in a new $750,000 office building and garage in the town of Portage Lake.

The Aroostook District includes 550,000 acres of Great Northern timberlands. Besides the office building and garage, a wood chip plant and slashing operations are also located in Portage. Two wood harvesting operations are located in the Machias Lake and Rocky Brook areas west of Portage.

There are 205 men and women on the payroll of the district.

From Company timberlands within the district, 152,000 cords of wood are annually cut for chipping at Portage or for shipping to the pulp and paper mills in East Millinocket or Millinocket or for conversion into lumber in the mills of the Pinkham Lumber Company, a division of Great Northern, in Nashville Plantation. In addition to the wood harvested from company owned lands, 159,000 cords are purchased from other owners.

The District makes a substantial contribution to the economy of Aroostook County with an annual payroll of approximately $3,341,000. Approximately $13,000,000 is paid out to many suppliers of goods and services, ranging from logging contractors to the trucking firms and the railroads.

The district is one of five in the Woodlands Department. Two others have headquarters in Aroostook County, one at Fort Kent and the other at Oakfield. Great Northern Paper Company was founded in Maine in 1899 and today employs over 4,100 people in its woodlands in the manufacturing of lumber and the making of paper.

Until the new building was completed, headquarters for the district had been at Sherman. The move puts the garage and offices near the wood chip plant and at the starting point for the Company’s road network.

The new building contains 18,000 square feet of space with 10,000 in the garage maintenance areas, 8,000 in the parts department, and in offices for the administrative staff and foresters of the district.

Major maintenance on approximately 125 vehicles is routinely performed in the new garage as well as other repairs not made at the work site in logging operations. The vehicles range from mechanical harvesting equipment to skidders to trucks to automobiles.

The offices include a work area with space for computer hook-ups for the foresters who plan for the use of the forest resources in the district, a conference room and offices for the administrative staff.

The forestry staff has this expanded work area in the building.

A conference room is on the second floor of the office area.

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