

2005

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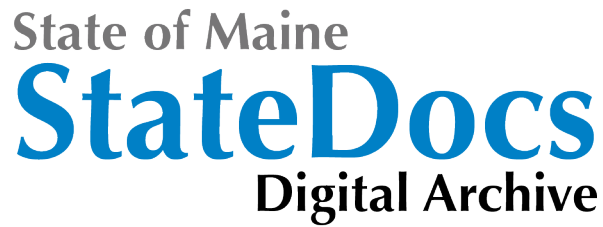
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2005 Archive of **Governor Baldacci's Press Releases**

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Governor Directs State Flag to be Flown at Half-Staff

January 2, 2005

Contact: Lee Umphrey, 287-2531

Joy Leach, 287-2531

AUGUSTA – In accordance with President Bush's proclamation and in respect for the victims of the tsunami disaster, Governor John E. Baldacci has directed that the United States flag and the State of Maine flag be flown at half-staff from sunrise to sunset Monday, January 3, 2005 through Friday, January 7, 2005.

The Governor noted that Mainers across the state have generously donated resources and services to assist the tsunami victims. "Maine people, organizations and businesses have once again responded to help those in great need," he said. "We join in our hope that relief will come soon to those impacted by this horrible tragedy."

DirigoChoice Coverage Celebrated by Maine Businesses

January 3, 2005

Contact: Lee Umphrey, 287-2531

Trish Riley, 624-7442

AUGUSTA – Governor John E. Baldacci today marked the beginning of DirigoChoice health coverage for Maine businesses. Joined by representatives of the business community enrolled in DirigoChoice, the Dirigo Health Agency, Dirigo Health Board of Directors, Governor's Office of Health Policy and Finance, Anthem Blue Cross & Blue Shield, and legislators, the Governor noted that 216 small businesses and 867 sole proprietors from across the state are currently enrolled or are enrolling for February 1st.

"Today marks an important milestone – the promise of Dirigo Health is a reality," said Governor Baldacci. "These are real people; real businesses; and real coverage. Maine continues to be a national leader in improving health care for its citizens.

"DirigoChoice is good for business and part of my overall economic development strategy. The proof of the viability of the product is the fact that businesses from Madawaska to Berwick have signed on. They are the best testimony of success of the product. More than 2700 Maine people from across the state have already applied for the innovative health program, DirigoChoice. Today, 1800 of them can use their DirigoChoice benefit cards for health coverage and 900 more are expected for February 1st."

Small businesses are crucial to this public-private partnership. Small business owners including Maureen McQuade of Inn by the Sea in Cape Elizabeth spoke about the benefits that they and their employees are able to access through DirigoChoice. McQuade reports that all of the Inn's employees are participating – previously only 40% of employees participated in the company's health plan. Sole Proprietor Mary Mayo-Wescott of MaineLight Production noted that DirigoChoice allowed her to access affordable health insurance after she lost her previous health insurance coverage in July 2004.

DirigoChoice provides hard working Maine people a more affordable, high quality option for health coverage. A hallmark of the insurance product is discounts that reduce monthly rates and deductibles that are based on income. Comprehensive benefits include 100% coverage of preventive benefits and cash back incentives for participation in wellness programs.

The Governor noted that DirigoChoice is an important part of the Dirigo Health Reform legislation passed nearly two years ago with strong legislative support. "We must continue the work to bring down our health care costs in order to achieve universal access to coverage. Long term and sustainable progress will be achieved as we bring our health care costs down and ensure the best possible quality of care."

More information on DirigoChoice and Dirigo Health Reform can be found at <http://dirigohealth.maine.gov/>

Governor Introduces Budget

January 7, 2005

Contact: Lee Umphrey, 287-2531

Rebecca Wyke, 624-7800

AUGUSTA – Governor John E. Baldacci today released his budget for Fiscal Years 2006-2007. The Governor's introduction of the budget follows. In addition, budget text and supportive charts and documents are accessible at <http://www.maine.gov/governor/baldacci/issues/budget/index06-07.html> .

I am pleased to present the Fiscal Year '06-'07 State Budget.

The budget represents a 3.76% increase from two years ago and includes \$250 million in additional education funding and immediate property tax relief to Maine citizens. When combined with the last biennium budget, the 3.5% overall budgetary increase is the lowest general fund average rate increase of any Administration in the past 30 years. As a result of the hard work on the part of many, Maine's overall state tax burden has fallen during my first two years from 8th to 13th place nationally.

This budget does more to provide tax cuts and investments that will improve Maine's competitiveness, broaden our economic base, and create more opportunities for Maine people.

The budget includes the following tax cuts:

- \$225 million in immediate property tax relief
- \$153 million in business machinery tax cuts
- \$ 51 million in income tax cuts by eliminating indexing
- and additional tax breaks for shipbuilding, veterans and others

In addition, the budget continues critical investments to education, health care and economy, including:

- \$ 2 million in R&D to our University System and an additional \$ 2 million surplus – for a total of \$ 4 million.
- \$ 1 million to match a like contribution by the Osher Foundation for scholarships to community colleges - so that doors are open wider to Maine citizens.
- This budget also includes full funding for the Pine Tree Zone program, which has already begun to provide substantial benefits to economically distressed areas of the state. To date 37 companies have participated and 2300 new jobs are being created across the state.
- The budget protects the Dirigo program and safeguards our commitment to Maine's business community and our uninsured.

By February 1st, 2700 Maine people representing 216 small businesses and 867 sole proprietors from across the state will be enrolled. We will continue to:

- reduce the number of uninsured,
- maintain current levels of eligibility,
- ensure access to health care statewide,
- and allow businesses to join state government in purchasing prescription drugs

And we will continue our commitment to invest in the conservation of Fish & Wildlife and environmental protection of our natural resources for future generations.

This budget also continues my goal of restructuring government.

- We are proposing an enterprise-wide approach to managing State government through initiatives to consolidate financial, information technology, payroll, human resources, and administrative hearings services.
- Through centralized management of these backbone operations we can more effectively control state government spending.
- We must continue our efforts to consolidate and streamline state government by controlling spending, while growing personal incomes and our economy
- Under LD 1, we will institute tax and spending caps on local, county and state governments. These will yield long-term relief to our citizens.

This is a sound, responsible, balanced budget, one that provides significant tax relief, continues critical investments, and builds on our successes. I look forward to working with the Legislature – Democrats, Republicans, Greens and Independents – to ensure that Maine has a bright future ahead.

Governor's Office Releases MaineCare Fact Book

January 10, 2005

Contact: Lee Umphrey, 287-2531

Trish Riley, 624-7442

Augusta – The Governor's Office of Health Policy and Finance today released Understanding MaineCare: A Chartbook about Maine's Medicaid Program produced for the Office by Rachel Garfield, a PhD candidate in Health Policy at Harvard University and former staff member to the nationally recognized Kaiser Commission on Medicaid and the Uninsured.

The chartbook provides important background information about the State's Medicaid program, called MaineCare, including:

- MaineCare is a foundation to meet Dirigo Health Reform's goal of universal access to coverage -- all Mainers below poverty are eligible for MaineCare.
- MaineCare serves as a critical safety net for health care, covering services for about 300,000 Maine citizens at some point during the year, although the year-round caseload is lower.
- Spending on elders and persons with disabilities account for 56% of MaineCare dollars, although these populations constitute only 26% of enrollees.
- Long-term care and behavioral health services, not generally funded by private insurance, constitute the majority of MaineCare expenditures (p. 23).
- From 1996-2004 MaineCare expenditures grew 9.2% on average. Behavioral health expenditures led at 12.2% followed by other providers (e.g.: non-physician providers like therapists and home health) and prescription drug costs (p.25). However, MaineCare's initiative to reduce prescription drug costs have brought Maine's cost growth (10.9%) well below the national average (19.3%) (pp. 27 & 28).
- MaineCare covers people who would otherwise be uninsured. Free care by Maine's hospitals declined substantially following the implementation of a waiver to provide coverage to previously uninsured childless adults (p. 10).
- Compared to other New England states Maine spends a slightly higher share of total expenditures on Medicaid. Eligibility requirements for children are the most restrictive in New England (p. 33), only New Hampshire has tighter eligibility for parents and only New Hampshire and Connecticut has tighter eligibility for low income populations (pp. 33, 34 & 35) than Maine.

"The MaineCare program provides critical health care to people otherwise uninsured and serves as a high risk pool providing long-term care and services for persons with physical and mental disabilities," said Trish Riley, Director of the Governor's Office of Health Policy and Finance.

The Chartbook can be found on-line at:

<http://www.dirigohealth.maine.gov/dhsp07c.html> and

<http://www.maine.gov/governor/baldacci/healthpolicy/reports/index.html#chartbook>.

This report was made possible by the National Academy for State Health Policy with a grant from the Robert Wood Johnson Foundation's State Coverage Initiatives Program, housed at Academy Health.

Governor Introduces Primary Seat Belt Proposal

January 12, 2005

Contact: Lee Umphrey, 287-2531

Joy Leach, 287-2531

AUGUSTA – Governor John E. Baldacci was joined today by legislators, government officials and advocates from the health care, transportation and public safety sectors to highlight the need for enactment of a primary seat belt law. The Governor noted that Maine has one of the lowest seat belt use rates in the country, with a devastating impact on our health care system and safety.

“Our goal is to make Maine the healthiest state in the nation and reduce our overall health care costs,” said Governor Baldacci. “We have established a record of success with Dirigo Health that we can save money for individuals, hospitals, taxpayers, and business if we focus on prevention. This proposal to establish tighter seat belt laws is important as a prevention tool. We spend \$32 million each year hospitalizing people who chose not to wear a seat belt. This cost is paid for by employers, insurers, Medicare, Medicaid, individuals, and hospitals. We can not afford the luxury of inaction.”

Senator Christine Savage, sponsor of a parallel bill in the legislature, and Senator Dennis Damon, Senate Chair of the Transportation Committee, spoke in favor of the primary seat belt proposal, specifically addressing the impact on families and the cost to all citizens in the state. Representatives from the medical community echoed these themes. As an example of the physical and health care system costs Dr. Erik Steele, Chief Medical Officer of Eastern Maine Healthcare Systems, unrolled a 30-foot long, \$78,000 medical bill of a patient of Eastern Maine Medical System who had been in an automobile accident and had not been wearing a seat belt. Dr. Steele noted that individuals wearing safety belts have a significantly better chance walking out of a hospital following an accident than individuals who are unbuckled.

Dr. Lani Graham, Acting Director of the Bureau of Health, noted, “The humble seat belt is as good health care technology as much of the latest mechanical health care wizardry available. It saves lives, prevents injuries and reduces health care costs. We just need to assure that Maine people use it. Clearly, a Primary Seat Belt law would support the Dirigo Health Plan and the Governor’s goal of making Maine people the healthiest in the nation.”

Provisions regarding seat belt use were included in the Governor’s proposed FY 2006-FY 2007 budget. “I included this initiative in my budget because of its tangible savings in health care and measurable benefits to the taxpayers of this state,” said the Governor. “If we work together on initiatives like this one, I firmly believe that we can make Maine safer and healthier even as we tighten our fiscal belt to bring down our tax burden.”

Governor Applauds Agreement to Aid Maine Students

January 14, 2005

Contact: Joy Leach, 287-2531

Anne Haskell, 623-3263

AUGUSTA – Governor Baldacci praised Norway Savings Bank today as they signed a participation agreement with the Finance Authority of Maine to begin offering a unique student loan through the Maine Higher Education Loan Purchase Program (HELPP).

“Students win when local lenders like Norway offer these benefits,” said Governor Baldacci. “Today’s students need more resources than ever while they are in school and this program offers them at no cost to taxpayers.”

The Governor remarked that accessing higher education and carrying student debt were two issues highlighted by young people at last June’s REALIZE!Maine summit. “The State also wins because the HELPP program impacts youth retention,” said the Governor. “Access to higher education and addressing student debt were recommendations that came out of the REALIZE!Maine summit – they are key issues young people wrestle with when determining their future. This program will help young people in Maine obtain quality higher education and will give students another tool to use in building their lives here in Maine.”

Norway Savings Bank President Robert Harmon said, “We are proud to be making a real difference for students by offering the maximum amount available while they are in school.” Paying for college is an immense financial undertaking for most families. Indeed, students and parents are borrowing more than ever to meet the costs of higher education.

As a participant in the HELPP program, Norway Savings Bank is reaching out to students and parents who are making their way through the college admissions and financial aid application process by providing education loans. Norway Savings Bank’s commitment to helping students fulfill their dreams of making college a reality is made possible through the HELPP program by making these loans for the next academic year.

For more information on HELPP Loans contact FAME at 1-800-228-3734. Norway Savings Bank will start making these loans after March 2005.

Governor Announces Native American Manufacturing Initiative

January 18, 2005

Contact: Lee Umphrey, 287-2531

Penobscot Indian Nation: Tim Love, 817-7334

Maliseets: Brenda Commander, 532-4273

Micmacs: Russell Dennis, 800-355-1435

Passamaquoddy: (Indian Township) Roger Ritter, 796-2301

Passamaquoddy: (Pleasant Point) Craig Francis, 853-2600

AUGUSTA – Governor John Baldacci and the five Native American Tribes in Maine today unveiled a new initiative that could result in long-term economic opportunities for Maine's Native Americans and numerous small-and medium-sized manufacturers throughout the state. This initiative is made possible through the successful award of a \$200,000 Cluster Enhancement Grant from the Maine Technology Institute. Key to the initiative is a partnership between the Department of Economic and Community Development (DECD), the Maine Manufacturing Extension Partnership (MEP), the Aroostook Band of Micmacs, the Houlton Band of Maliseet Indians, the Penobscot Nation, the Passamaquoddy Tribe at Indian Township and the Passamaquoddy Tribe at Pleasant Point.

"The Native American Manufacturing Initiative is a unique opportunity to strengthen Maine's manufacturing cluster and build Native American manufacturing capabilities and capacities as a sustainable economic development strategy," Governor Baldacci said. "The manufacturing cluster strategy we plan to develop has already been successful in enhancing economic opportunities for entrepreneurial Native American tribes in several other states. This project represents a chance to take full advantage of emerging economic opportunities and enhance the overall self-sufficiency of our Native American communities."

"Our goal," DECD Commissioner Jack Cashman said, "is to identify and capitalize on Maine's tribal manufacturing capacities to fulfill procurement opportunities in government and private sectors. This will further position Maine's Native American tribes as contributing players in the growth of the state's emerging technology clusters, while creating high skill/wage employment."

Opportunities include developing effective business partnerships and expanding and adapting the tribes' economic infrastructure to address global challenges. One particular target will be the Department of Defense (DoD), which annually solicits about \$50 billion in federal research and development and manufacturing contract opportunities. The DoD has established a policy to purchase products and services from small, disadvantaged and women-owned businesses, with specific set-asides for Native American corporations.

"This is one of the most exciting and potentially far-reaching programs the Maine MEP has ever been involved in," said Rod Rodrigue, Director of the Maine MEP. "There are tremendous business opportunities for both Maine's Native Americans and numerous small and medium sized manufacturers throughout the state. We are pleased to be involved in this effort and I believe this has the potential to give a shot in the arm to Maine's declining manufacturing sector."

"The realization of a sustainable economic development strategy for Maine's Native American communities has always been a priority and a critical element of my administration's overall economic development strategy," Governor Baldacci said. "I am delighted to announce this initiative."

Governor Delivers State of the State Address

January 25, 2005

MADAM PRESIDENT, MR. SPEAKER, MADAM CHIEF JUSTICE, MEMBERS OF THE LEGISLATURE, DISTINGUISHED GUESTS, MY FELLOW CITIZENS,

I WOULD ALSO LIKE TO RECOGNIZE THE FIRST LADY OF MAINE, KAREN BALDACCI, AND OUR SON JACK. KAREN'S WORK IN THE AREAS OF EDUCATION, LITERACY, WELLNESS AND NUTRITION AND LOCAL AGRICULTURE HAS GREATLY BENEFITED MAINE.

WHEN I CAME BEFORE YOU TWO YEARS AGO FOR MY INAUGURAL ADDRESS, I SPOKE OF THE MANY CHALLENGES FACING OUR STATE AND THE OPPORTUNITIES WE WANTED TO CREATE.

THE OPPORTUNITY TO BRING GOOD JOBS WITH BENEFITS AND BUSINESSES TO MAINE - TO LOWER THE COST OF HEALTH CARE; TO IMPROVE OUR SCHOOLS; AND PRESERVE OUR NATURAL RESOURCES.

AT THE TIME, WE WERE FACING A BUDGET DEFICIT OF WELL OVER ONE BILLION DOLLARS.

HEALTH CARE COSTS WERE SOARING, AND PEOPLE AND BUSINESSES WERE LOSING THEIR HEALTH INSURANCE.

TWO OF OUR MAJOR PAPER COMPANIES HAD GONE BANKRUPT.

AND OUR PROPERTY TAX SYSTEM WAS OUT OF LINE WITH THE INCOMES OF SO MANY MAINE PEOPLE.

TWO YEARS LATER, THE STATE OF THE STATE IS SOUND, OUR FUTURE IS BRIGHT, AND WE'VE MADE SIGNIFICANT PROGRESS. I BELIEVE WITH YOUR HELP AND HARD WORK, MAINE IS ON THE PATH TO BECOMING A NATIONAL LEADER IN PROVIDING OPPORTUNITIES FOR ALL OF ITS CITIZENS.

I BELIEVE THIS FOR MANY REASONS.

THE TWO PAPER COMPANIES ARE BACK IN BUSINESS IN MILLINOCKET, EAST MILLINOCKET AND LINCOLN AND ARE NOW EMPLOYING 100'S OF WORKERS EARNING 1000'S OF DOLLARS AND BENEFITS, A REAL JUMP START TO THE ECONOMY OF NORTHERN AND CENTRAL MAINE. I'D LIKE TO RECOGNIZE THEM AND THEIR WORKERS AND THANK THEM FOR THEIR CONTRIBUTIONS TO OUR STATE. I WOULD LIKE THEM TO RISE AND ACCEPT ON BEHALF OF THEIR COMMUNITIES, THE WELL WISHES OF THE STATE....KATAHDIN PAPERS, ROSAIRE PELLETIER, AND KEITH VANSBOTTER OF LINCOLN PAPER AND TISSUE.

JOBS ARE GROWING, INCOME IS GROWING AND THE TAX BURDEN IS FALLING.

IN THE LAST YEAR, WE'VE ADDED NEARLY 5,000 NET NEW JOBS TO MAINE'S ECONOMY.

MAINE'S PERSONAL INCOMES AND WAGES ARE GROWING THREE TIMES AS FAST AS THE REST OF THE COUNTRY.

MAINE IS THE NUMBER 1 STATE IN NEW ENGLAND FOR AGRICULTURAL INCOME AND OUR EXPORT BUSINESS HAS GROWN THE EIGHTH FASTEST IN THE COUNTRY.

WE'VE INCREASED OUR FINANCIAL RESERVE BY \$50 MILLION AND WE'VE BALANCED OUR BUDGETS WITHOUT RAISING BROADBASED TAXES. OUR STATE TAX BURDEN HAS FALLEN FROM 8TH TO 13TH IN THE COUNTRY AND UNDER MY ADMINISTRATION, THE GENERAL FUND BUDGET HAS AVERAGED A RATE INCREASE THAT IS THE LOWEST IN 30 YEARS.

ON THE DIFFICULT ISSUES OF TAXES, HEALTH CARE AND JOB CREATION, WE'VE MADE REAL PROGRESS.

THE 122ND LEGISLATURE IS OFF TO AN UNPRECEDENTED START. IN THE LAST THIRTY DAYS WE HAVE ACHIEVED WHAT WE HAVE NOT BEEN ABLE TO ACHIEVE FOR THE LAST THIRTY YEARS.

FRIDAY I SIGNED INTO LAW, LD 1 WHICH REFORMS GOVERNMENT SPENDING AND LOWERS MAINE'S PROPERTY TAXES.

THIS BILL SAVES TAXPAYERS MONEY BY ESTABLISHING SPENDING CAPS AT ALL LEVELS OF GOVERNMENT, EXPANDING THE INDIVIDUAL AND FAMILY PROPERTY TAX RELIEF PROGRAM, AND ENSURING THAT INCREASED FUNDING FOR SCHOOL DISTRICTS WILL GO BACK TO MAINE CITIZENS IN THE FORM OF PROPERTY TAX RELIEF.

I WANT TO CONGRATULATE AND THANK THE BILL SPONSORS SENATE PRESIDENT BETH EDMONDS AND HOUSE SPEAKER JOHN RICHARDSON, ALONG WITH SENATOR DENNIS DAMON, SENATOR PETER MILLS, REPRESENTATIVE RICHARD WOODBURY AND REPRESENTATIVE HAROLD CLOUGH AND THE REST OF THE JOINT SELECT COMMITTEE WHO HAVE WORKED TIRELESSLY AND HAVE SHOWN US WHAT IS THE BEST IN MAINE POLITICS. THEY HAVE RISEN ABOVE SPECIAL INTERESTS AND PARTISAN INTERESTS, AND PLACED THE PEOPLE OF MAINE FIRST. CONGRATULATIONS ON A JOB WELL DONE. I ASK THEM TO RISE AND ACCEPT THE WELL WISHES OF THE STATE.

I ALSO WANT TO CONGRATULATE OTHERS WHO WORKED FOR THE SUCCESS OF THIS PACKAGE:

BUSINESS LEADERS LIKE DANA CONNORS – CHAMBER OF COMMERCE

LOCAL GOVERNMENT LEADERS

SENIOR CITIZENS, LIKE AARP AND MANY OTHERS.

TOGETHER WE'VE ENACTED A PROPERTY TAX RELIEF INITIATIVE IN RECORD TIME THAT IS COMPREHENSIVE

BIPARTISAN

BOLD;

AND INDEED, HISTORIC.

AND BY THE WAY IT SAVES PROPERTY TAX PAYERS ON AVERAGE STATEWIDE IN 2 YEARS ABOUT \$207.

IT IS AT MOMENTS LIKE THESE THAT I AM ESPECIALLY PROUD TO BE YOUR GOVERNOR.

SOUNDS A LITTLE LIKE THE BEST SPORTS NEWS STORY OF THE YEAR WHEN THE RED SOX FINALLY WON THE WORLD SERIES.

SOME FANS MAY HAVE THOUGHT THE RED SOX COULD NEVER WIN. BUT THERE WERE THOSE, LIKE MANY OF US HERE IN THIS CHAMBER AND THROUGHOUT OUR STATE WHO "KEPT THE FAITH".

JUST AS THE RED SOX PROVED THE CRITICS WRONG, MAINE CAN COMPETE AND CAN WIN.

LAST YEAR MAINE WON A NATIONAL COMPETITION AGAINST STATES ACROSS THE COUNTRY AND BROUGHT T-MOBILE TO CENTRAL MAINE.

A FORTUNE 100 COMPANY, BRINGING 700 GOOD PAYING JOBS AND BENEFITS TO THIS REGION OF THE STATE, COVERING FULL HEALTH CARE AND PENSION PLANS. AND I WANT TO RECOGNIZE CRAIG NELSON OF FIRST PARK AND JOE WISCHERATH OF MAINE & COMPANY FOR THEIR EFFORTS. PLEASE RISE AND ACCEPT THE WELL WISHES OF THE HOUSE.

AN OPERATION IN NORTHERN MAINE IS ALSO SAVING MILLIONS OF DEPARTMENT OF DEFENSE DOLLARS, WHILE SUPPORTING AMERICAN TROOPS AND PROVIDING EXCELLENT SALARIES AND FULL BENEFITS TO AROOSTOOK COUNTY WORKERS.

THE INITIATIVE AT THE FORMER LORING AIR FORCE BASE TO REFURBISH MILITARY VEHICLES FOR A FRACTION OF THE COST OF NEW VEHICLES HAS GROWN JOBS IN AROOSTOOK COUNTY FROM 50 TO 320. AND THE RECENT CONTRACT AWARD WILL ADD ANOTHER 240 NEW JOBS IN 2005.

IN THE NEXT TWO YEARS, WE HOPE TO BEGIN TO REALIZE EQUIVALENT SAVINGS IN STATE AGENCIES AND MUNICIPALITIES BY REBUILDING SCHOOL BUSES AND HEAVY EQUIPMENT VEHICLES.

THESE ARE THE TYPES OF INITIATIVES THAT WILL CONTINUE TO BUILD MAINE'S ECONOMY – HOMEGROWN AND BUILT ON MAINE VALUES AND TALENTS. I WANT TO RECOGNIZE ART CLEAVES AND HIS BROTHER GARY IN THEIR LEADERSHIP IN THAT EFFORT.

OUR ECONOMIC CLIMATE IN MAINE IS GETTING STRONGER. RECENTLY, THE CITY OF PORTLAND WAS NAMED THE NUMBER ONE MARKET IN SMALL BUSINESS VITALITY. A STUDY, CONDUCTED BY THE AMERICAN CITY BUSINESS JOURNAL, NAMED PORTLAND THE STRONGEST SMALL BUSINESS SECTOR IN THE UNITED STATES.

WHILE OTHER STATES SEE HEALTH CARE COSTS SOAR AND INDIVIDUALS AND BUSINESSES LOSE THEIR INSURANCE, WE ARE TAKING ACTION. HERE IN MAINE NEARLY 3000 PEOPLE REPRESENTING OVER 250 SMALL BUSINESSES AND NEARLY 1000 SOLE PROPRIETORS ARE ALREADY ENROLLING IN OUR NATIONALLY ACCLAIMED DIRIGO HEALTH PROGRAM. OUR PARTNER ANTHEM BLUE CROSS BLUE SHIELD IS SELLING DIRIGO IN EVERY PART OF THE STATE. DIRIGO IS AN IMPORTANT NEW CHOICE IN THE MARKET AND MAINE'S SMALL BUSINESSES ARE EMBRACING IT, PROVING THAT NOTHING SUCCEEDS LIKE SUCCESS. DIRIGO IS A FIRST STEP AND GETS BETTER AS EACH NEW BUSINESS JOINS.

MANY HAVE WRITTEN TO ME:

MAUREEN MCQUADE FROM THE INN BY THE SEA IN CAPE ELIZABETH SAYS THAT "UNTIL DIRIGO, HEALTH INSURANCE WASN'T AN OPTION FOR MANY OF HER WORKERS AND THAT WAS UNACCEPTABLE".

CINDY NOYES OF NOYES FLOWER AND PLANT SHOP IN CARIBOU REPORTS THAT LOWER DIRIGO INSURANCE RATES HAVE ENABLED HER TO GIVE HER STAFF A RAISE.

CHANG HO YEE, A TAILOR WROTE TO THANK US. BEFORE DIRIGO HE HADN'T HAD HEALTH COVERAGE IN 7 YEARS. HE SAID HE AND WIFE WERE WELL NOW BUT DIDN'T KNOW WHEN SICKNESS WOULD COME ALONG.

THESE ARE JUST THREE EXAMPLES. REAL BUSINESSES, REAL PEOPLE, AND A REAL SOLUTION.

AND, WE'VE MADE SIGNIFICANT STRIDES IN CONSOLIDATING GOVERNMENT SERVICES, PARTICULARLY WITH THE MERGER OF THE LARGEST DEPARTMENT OF STATE GOVERNMENT HUMAN SERVICES AND MENTAL HEALTH AND MENTAL RETARDATION. I'D LIKE TO SAY THANK YOU ESPECIALLY TO THE STATE WORKERS. WITHOUT THE PEOPLE ON THE FRONT LINES, WE WOULD NOT BE GETTING THE SERVICES TO THOSE TRULY IN NEED.

BUT THERE IS MORE WORK TO DO.

MAINE MUST BE A NATIONAL LEADER IN PROVIDING OPPORTUNITIES, CREATING GOOD PAYING JOBS WITH BENEFITS.

A LEADER IN PROVIDING AFFORDABLE, ACCESSIBLE, HIGH QUALITY HEALTH CARE FOR ALL MAINE CITIZENS.

A LEADER IN EDUCATING YOUNG STUDENTS AND OLDER WORKERS ALIKE WITH THE SKILLS OF THE MODERN ECONOMY.

A LEADER IN PRESERVING AND PROTECTING OUR NATURAL RESOURCES FOR OUR CHILDREN AND THEIR CHILDREN WELL INTO THE FUTURE.

I WANT TO DISCUSS ALL OF THESE GOALS WITH YOU TONIGHT.

FIRST, HOW CAN WE PROMOTE JOBS, OPPORTUNITIES, AND GOOD INCOMES.

IT IS IMPORTANT TO INVEST IN OUR GROWING INDUSTRIES. THIS SESSION WE HAVE THE OPPORTUNITY TO INVEST IN OUR FUTURE THROUGH A STRATEGIC AND TARGETED BOND PACKAGE. WE FACE NECESSARY INVESTMENTS IN ROADS AND BRIDGES, RAILROADS, CLEAN AIR AND WATER, LAND PRESERVATION, RESEARCH & DEVELOPMENT, AND OUR UNIVERSITIES AND COLLEGES. ON BOTH SIDES OF THE AISLE, WE KNOW THAT CAPITAL INVESTMENTS ARE SOUND FISCAL POLICIES.

NEXT WEEK I WILL INVITE LEADERSHIP FROM BOTH SIDES OF THE AISLE TO MEET WITH ME TO MAP OUT A BIPARTISAN STRATEGY ON BONDING. OUR STATE DEBT PER CAPITA IS 30% BELOW THE NATIONAL

AVERAGE. WE CAN'T AFFORD NOT TO INVEST IN OUR FUTURE. WE HAVE AN OBLIGATION TO INVEST IN THE FUTURE OF OUR CHILDREN AND OUR COMMUNITIES.

IN MY BOND PACKAGE I WILL STRONGLY SUPPORT BIOMEDICAL RESEARCH AND SUSTAINED RESEARCH AND DEVELOPMENT FUNDING.

RESEARCH & DEVELOPMENT PERFORMANCE IS ESSENTIAL TO THE GROWTH OF OUR NEW ECONOMY. MY LAST BUDGET PROVIDED A 40% INCREASE IN R&D FUNDING TO THE UNIVERSITY SYSTEM. BIOMEDICAL RESEARCH JOBS ON AVERAGE PAY \$60,000 PER YEAR. BIOTECHNOLOGY EMPLOYMENT IN MAINE HAS TRIPLED IN THE LAST TEN YEARS. AND WE ARE JUST BEGINNING.

TONIGHT I AM PLEASED TO ANNOUNCE THREE INITIATIVES THAT WILL ENHANCE BOTH THE BIOMEDICAL SECTOR AND EASTERN AND NORTHERN MAINE BY CREATING A BIOMEDICAL TRIANGLE.

THE NEW RESEARCH TRIANGLE WILL FOCUS ON FIVE SEPARATE AND DISTINCT AREAS OF HUMAN HEALTH: DIABETES, CANCER, HEART DISEASE, OBESITY, AND OSTEOPOROSIS.

- FIRST, THE UNIVERSITY OF MAINE TRUSTEES YESTERDAY ANNOUNCED THEIR INTENTION TO CREATE A NEW GRADUATE SCHOOL OF BIOMEDICAL SCIENCES AT ITS BANGOR CAMPUS.
- THIS WILL JOIN A NEW COLLEGE OF ALLIED HEALTH PROFESSIONALS, ALSO AT THE BANGOR CAMPUS, A JOINT VENTURE OF THE UNIVERSITY OF MAINE AND EASTERN MAINE COMMUNITY COLLEGE. SISTER NORBERTA AND DR. CLIFF ROSEN OF ST. JOSEPH'S HOSPITAL WILL BECOME AN IMPORTANT PIECE OF THIS INITIATIVE.
- THIRD, EASTERN MAINE HEALTH CARE, THE JACKSON LABORATORY, AND THE UNIVERSITY OF MAINE ARE JOINING TOGETHER TO CREATE A NEW MAINE INSTITUTE FOR HUMAN GENETICS AND HEALTH IN A PINE TREE ZONE IN BREWER.

SUPPORTED BY MY BUDGET AND BOND PROPOSAL THIS YEAR, THESE THREE NEW INSTITUTIONS WILL BUILD ON THE STRENGTHS OF BANGOR AND BREWER AND SURROUNDING TOWNS – THE JACKSON LABORATORY, MDI BIOLOGICAL LABORATORY, THE UNIVERSITY OF MAINE, AREA HOSPITALS IN NORTHERN CENTRAL AND EASTERN MAINE, AND THE COMMUNITY COLLEGE SYSTEM. THIS EFFORT, ALONG WITH SOUTHERN MAINE'S SUCCESSES, WILL PROVIDE THE CRITICAL MASS TO CREATE JOBS AND IMPROVE PUBLIC HEALTH, CREATE RESEARCH AND DEVELOPMENT CAPACITY, AND DEVELOP OUR HEALTH CARE WORKFORCE.

MY 2003 JOBS BOND SUPPORTED BIOMEDICAL RESEARCH STATEWIDE AND A NEW SCIENCE BUILDING AT THE UNIVERSITY OF SOUTHERN MAINE. OUR NEW BIOMEDICAL TRIANGLE WILL COMPLEMENT AND AUGMENT SOUTHERN MAINE'S EFFORT AND CREATE A COLLABORATIVE APPROACH TO RESEARCH STATEWIDE.

TONIGHT I AM HONORED TO RECOGNIZE THE MAYORS OF BANGOR AND BREWER – FRANK FARRINGTON AND JOE FERRIS -- WHO ARE HELPING THESE PROJECTS BECOME REALITY IN THEIR COMMUNITIES. I'M ALSO HONORED TO RECOGNIZE CHANCELLOR JOSEPH WESTPHAL, UMO PRESIDENT

ROBERT KENNEDY, AND EASTERN MAINE HEALTH'S NORM LEDWIN. PLEASE STAND AND RECEIVE OUR WELCOME.

SCIENCE IS ONE PART OF OUR ECONOMIC DEVELOPMENT STRATEGY. THE CREATIVE ECONOMY IS ANOTHER.

TODAY I SIGNED AN EXECUTIVE ORDER CREATING A TWENTY ONE MEMBER MAINE CREATIVE ECONOMY COUNCIL, TO BUILD A VIBRANT ECONOMY ON A FOUNDATION OF INVESTMENTS IN OUR YOUTH, OUR CULTURAL INSTITUTIONS, ENTREPRENEURSHIP, AND TECHNOLOGY. I AM PLEASED TO RECOGNIZE JOHN ROHMAN, WHO WILL BE LEADING THIS NEW COUNCIL WITH THE DEPARTMENT OF ECONOMIC & COMMUNITY DEVELOPMENT.

OUR BUDGET PROPOSES NEW EFFORTS TO SUPPORT THE CREATIVE ECONOMY AT THE MARGARET CHASE SMITH POLICY CENTER, AT OUR FILM OFFICE, IN ARTS EDUCATION, AND AT OUR NEW OFFICE OF INNOVATION.

AS A STATE WE MUST CONTINUE TO EMBRACE ARTS, CULTURE AND TECHNOLOGY AS AN ECONOMIC ENGINE. WE MUST EMBRACE INNOVATION AND ENTREPRENEURSHIP IN OUR SCHOOLS AND WORKPLACES. WE MUST CELEBRATE THAT OUR YOUNG PEOPLE ARE THRIVING IN OUR REVITALIZED DOWNTOWNS. WE MUST CELEBRATE THAT OUR EXTRAORDINARY NATURAL RESOURCES ATTRACT NEW RESIDENTS, TOURISTS, AND THE JOBS THAT COME WITH THEM.

AS I PROMISED IN LAST YEAR'S BUDGET ADDRESS, TOGETHER WE WILL SUPPORT OUR TOURIST ECONOMY. WITH THE SUPPORT OF MY BUDGET, THE UNIVERSITY OF MAINE AND THE COMMUNITY COLLEGE SYSTEM WILL EDUCATE TOURISM WORKERS AND ENTREPRENEURS, AND LAUNCH A NEW CENTER FOR TOURISM RESEARCH IN MAINE.

WE WILL ALSO SUPPORT OUTDOOR RECREATIONAL TOURISM BY DEVELOPING A PINE-TREE PROGRAM FOR NATURAL RESOURCE BASED TOURISM BUSINESSES. MY OFFICE WILL WORK WITH REPRESENTATIVE STAN MOODY TO DEVELOP HIS PROPOSAL.

LIKE MANY OF YOU, MY PHONE CALLS ARE LOST WHILE I'M ON THE ROAD. RECENTLY, I WAS DRIVING TO PORTLAND AND MY CALL WAS REPEATEDLY LOST. THIS MADE ME THINK – WHEN WILL WIRELESS SERVICE ACTUALLY SERVE ALL OF MAINE. THERE ARE COMMUNITIES FROM CAPE ELIZABETH TO SEBEC WHERE THERE IS VERY LITTLE SERVICE. MAINE'S BUSIEST ROAD, THE TURNPIKE, IS PLAGUED BY SERVICE PROBLEMS.

PEOPLE VISITING MAINE USED TO TELL JOKES ABOUT THE OLD DOWNEASTER WHO WOULD SAY "YA CAN'T GET THERE FROM HERE." WELL, NOW PEOPLE VISITING MAINE ARE SAYING "CAN YOU HERE ME NOW!"

MAINE'S TELECOMMUNICATIONS INFRASTRUCTURE IS SOUND. THROUGH SUBSTANTIAL INVESTMENTS BY VERIZON AND OTHERS WE HAVE A FIBER BACKBONE THAT IS SECOND TO NONE. STILL, IN THIS FAST-PACED GLOBAL ECONOMY WE CANNOT REST. WE NEED TO BUILD ON OUR FOUNDATION TO KEEP EVERY ADVANTAGE WE HAVE.

TONIGHT I AM ANNOUNCING "CONNECT MAINE," A BROAD AND AGGRESSIVE TELECOMMUNICATIONS STRATEGY FOR THIS STATE. CONNECT MAINE WILL GIVE NEARLY EVERY MAINER THE OPPORTUNITY TO PLUG INTO THE GLOBAL ECONOMY FROM THEIR COMMUNITY. IT WILL ENSURE THAT:

90% OF MAINE COMMUNITIES HAVE BROADBAND ACCESS BY 2010; 100% OF MAINE COMMUNITIES HAVE QUALITY WIRELESS SERVICE BY 2008; AND

MAINE'S EDUCATION SYSTEM HAS THE TECHNOLOGY INFRASTRUCTURE THAT LEADS THE NATION.

THE CONNECT MAINE STRATEGY WILL BE DEvised WITH INPUT FROM PUBLIC AND PRIVATE AGENCIES OVER THE NEXT FEW MONTHS. THESE GOALS WILL BECOME REALITY WITH HARD WORK AND VISION.

HERE IN MAINE WE'VE WORKED HARD TO PROTECT HEALTHCARE AND JOBS. THE TIME HAS COME TO PROTECT ALL MAINE CITIZENS AGAINST DISCRIMINATION. HOW CAN WE SAY WE SUPPORT MAINE'S ECONOMY, WHEN WE DO NOT PROTECT AGAINST WORKPLACE DISCRIMINATION. MAINE IS NO PLACE FOR DISCRIMINATION AND I INTEND TO OFFER LEGISLATION TO PROTECT BASIC CIVIL RIGHTS FOR ALL CITIZENS.

OUR SECOND MAJOR STRATEGY IS TO CONTINUE PROGRESS ON HEALTH CARE.

WE'VE ALREADY DONE A LOT BUT DIRIGO HEALTH IS ABOUT MORE THAN AN INSURANCE CARD – IT'S ABOUT MAKING HEALTH CARE BETTER AND MORE AFFORDABLE FOR ALL OF US. ALL OF US IN MAINE KNOW SOMEONE WITH A CHRONIC ILLNESS WHICH CAN TAKE A TOLL ON THE QUALITY OF OUR LIVES AND ON OUR FAMILIES. THERE IS A TESTED, NEW WAY TO PROVIDE BETTER CARE FOR THOSE CHRONICALLY ILL. IT IS WORKING NOW IN SOME PARTS OF MAINE AND NEEDS TO BE PRACTICED EVERYWHERE IN MAINE. THAT'S WHY I'VE CONVENED A TASK FORCE OF PHYSICIANS, HOSPITALS, NURSES, CONSUMERS AND POLICYMAKERS TO CHARGE THEM TO WORK WITH MAINE'S COMMUNITIES AND ITS HEALTH PROVIDERS AND BUSINESSES. TONIGHT WE CONTINUE THE TASK OF MAKING MAINE THE HEALTHIEST STATE. MAINE'S "CARE MODEL" WILL SHOW HOW WE CARE FOR EACH OTHER AND WORKING TOGETHER WE WILL REDUCE THE RATE OF CHRONIC ILLNESS IN MAINE AND HELP MAINE'S FAMILIES STAY STRONG.

THIS ISN'T A NEW PRODUCT OR A QUICK PILL TO GET WELL – IT'S A CONCERTED NEW WAY TO DO BUSINESS TO HELP US LOSE WEIGHT, PREVENT DISABILITY AND MAKE SURE THAT THOSE WHO ALREADY HAVE A CHRONIC ILLNESS GET THE RIGHT CARE AT THE RIGHT TIME FOR THE RIGHT PRICE.

THE OTHER GREAT CHALLENGE BEFORE US IS THE COST OF PRESCRIPTION DRUGS.

WHY SHOULD A RESIDENT OF CALAIS PAY ONE PRICE FOR PRESCRIPTION MEDICINES, AND A RESIDENT ACROSS THE BORDER PAY MUCH LESS?

WE ARE REACHING ACROSS THE BORDER TO WORK WITH THE CANADIAN GOVERNMENT TO ALLOW MAINE RESIDENTS TO BUY PRESCRIPTIONS AT LOWER PRICES.

WE ARE ALSO USING THE PURCHASING POWER OF STATE GOVERNMENT TO NEGOTIATE BETTER RATES AND DISCOUNTS.

WE WON'T JUST BUY FROM CANADA. WE WILL NEGOTIATE LOWER PRICES LIKE CANADA. I HAVE RECENTLY SENT A LETTER TO OTHER GOVERNORS TO JOIN OUR INITIATIVE, AND TO BUILD UP OUR PURCHASING POWER.

SEVERAL HAVE ALREADY RESPONDED AND WE WILL INVITE MAINE BUSINESSES, LARGE AND SMALL, TO JOIN THE EFFORT AND LOWER THEIR HEALTH COSTS AS WELL.

I HAVE ALSO ASKED THE FEDERAL GOVERNMENT TO ALLOW MAINE TO REIMPORT DRUGS FROM CANADA, USING THE PENOBSCOT NATION AS A BULK WHOLESALER AND DISTRIBUTING LOWER COST PRESCRIPTION DRUGS TO PHARMACIES THROUGHOUT MAINE.

WHILE DIRIGO HEALTH REFORM IS A WORK IN PROGRESS IT'S PROGRESS IS ALREADY CLEAR. JUST ASK THE 3000 PEOPLE ALREADY ENROLLED. HEALTH REFORM IS HARD WORK BUT AS WE SUCCEED WE SEND A MESSAGE THAT MAINE PEOPLE CARE ABOUT EACH OTHER AND WILL WORK TOGETHER TO TACKLE REAL PROBLEMS.

OUR THIRD STRATEGY IS TO PROVIDE WORLD-CLASS EDUCATION TO YOUNG STUDENTS AND OLDER WORKERS ALIKE.

EIGHTEEN MONTHS AGO WE LAUNCHED THE COMMUNITY COLLEGE SYSTEM.

LAST YEAR I SET AN AGGRESSIVE GOAL TO INCREASE MAINE'S HIGH SCHOOL TO COLLEGE RATE FROM 55% TO 70% BY THE END OF THE DECADE.

COMMUNITY COLLEGES HAVE ALREADY INCREASED ENROLLMENT BY A THIRD. IN FACT SOUTHERN MAINE COMMUNITY COLLEGE IS THE FIFTH FASTEST GROWING COMMUNITY COLLEGE IN THE COUNTRY - NEARLY DOUBLING ITS DEGREE ENROLLMENT IN TWO YEARS.

TONIGHT I WANT TO BUILD ON THAT MOMENTUM AND ANNOUNCE THE EARLY COLLEGE FOR ME PROGRAM. WE WILL MATCH THE GRANT OF THE OSHER FOUNDATION AND HELP NON-TRADITIONAL STUDENTS GET INTO AND SUCCEED IN COMMUNITY COLLEGE.

I AM ALSO HONORED TO ANNOUNCE A NEW STUDENT ASSISTANCE PROGRAM OFFERED BY THE FINANCE AUTHORITY OF MAINE. LAST WEEK THE BOARD OF DIRECTORS VOTED TO AUTHORIZE \$2 MILLION IN NEW SCHOLARSHIPS FOR THE SCHOOL YEAR BEGINNING NEXT SEPTEMBER.

THIS NEW SCHOLARSHIP MONEY WILL ASSIST 2,500 OF MAINE'S MOST NEEDY STUDENTS TO ACCESS HIGHER EDUCATION.

TONIGHT I AM ALSO ANNOUNCING MY SUPPORT FOR THE CREATION OF A SUNRISE BUSINESS AND CAREER CENTER. THE CENTER WILL SERVE STUDENTS FROM LUBEC TO CHERRYFIELD IN WASHINGTON COUNTY. THIS IS THE ONLY PART OF THE STATE THAT WITHOUT A VOCATIONAL EDUCATION CENTER. THE CENTER WILL PROVIDE SECONDARY EDUCATION AND CAREER RE-TRAINING FOR ADULTS

ADVERSELY AFFECTED BY OUR CHANGING ECONOMY. IT WILL ALSO HAVE A SMALL BUSINESS INCUBATOR TO STIMULATE NEW JOB GROWTH IN PINE TREE ZONES ACROSS DOWNEAST MAINE.

OUR FOURTH STRATEGY IS TO PROMOTE THE ENVIRONMENT AND SUSTAINABLE DEVELOPMENT.

I'M PROUD THAT MAINE LEADS THE NATION IN THE NUMBER OF ACRES IN FORESTS THAT ARE MANAGED IN A CERTIFIED ENVIRONMENTALLY SOUND MANNER. AND, WE PLAN TO INCREASE CERTIFIED GREEN ACREAGE BY 40% BY 2007.

ALREADY IT IS PAYING OFF. BECAUSE OF THESE EFFORTS, TIME INCORPORATED HAS INCREASED ITS MAINE GREEN PAPER PURCHASE BY OVER 10%.

"MAINE GREEN" WILL BECOME A GLOBAL IMAGE.

I'M ALSO VERY PROUD OF THE HUNDREDS OF VOLUNTEERS WHO CONTRIBUTED MANY THOUSAND HOURS OF THEIR TIME TO MAKE OPERATION KEEP ME WARM A GREAT SUCCESS. LAST FALL, WHEN HEATING OIL PRICES WENT TO \$2 DOLLARS/GALLON AND FEDERAL FUNDING FOR HEATING AID WAS INADEQUATE, A PUBLIC PRIVATE PARTNERSHIP WAS CREATED.

STATE AGENCIES PACKAGED SIMPLE WEATHERIZATION KITS. CHURCH AND CIVIC VOLUNTEERS INSTALLED THEM IN HOMES OF 1,600 OF OUR MOST VULNERABLE SENIORS.

THE COST OF THE PROGRAM WAS UNDER \$80,000.

THE SAVINGS TO LOW-INCOME ELDERLY WILL EXCEED \$700,000 OVER THE LIFE OF THE IMPROVEMENTS. THE PROGRAM HAS PROVED SO SUCCESSFUL, AND SO MANY PEOPLE HAVE POINTED OUT THAT MANY MORE LOW INCOME ELDERLY COULD BENEFIT, THAT I PLEDGE WE WILL CONTINUE "OPERATION KEEP ME WARM".

SOME OF THE LEADERS OF THE PROGRAM ARE HERE TONIGHT.

I WOULD LIKE TO ASK BETH NAGUSKY OF OUR OFFICE OF ENERGY INDEPENDENCE AND THE VOLUNTEERS HERE TONIGHT WHO MADE THE PROGRAM A SUCCESS TO RISE.

THANKS YOU ON BEHALF OF THE PEOPLE OF MAINE.

MONTH AFTER MONTH THE EVIDENCE GROWS THAT OUR RELIANCE ON OIL TO FUEL OUR ECONOMY MAKES MAINE MORE VULNERABLE TO FORCES WE CAN NOT EASILY CONTROL, THIS INCLUDES ESCALATING PRICES AND THE RISK OF OIL SHORTAGES. BECAUSE OF THIS I HAVE WORKED TO MAKE MAINE STATE GOVERNMENT A LEADER ON THE PATH TOWARD ENERGY INDEPENDENCE.

WE NOW PURCHASE 40% OF OUR ELECTRICITY FROM MAINE'S OWN RENEWABLE POWER RESOURCES. WE HEAT STATE OFFICE BUILDINGS WITH BIODIESEL; ALL NEW AND RENOVATED STATE BUILDINGS WILL HAVE U.S. "GREEN" BUILDING STANDARDS; AND WE ARE IMPROVING THE FUEL ECONOMY OF THE STATE FLEET BY PURCHASING MORE HYBRIDS AND SMALLER VEHICLES.

THESE ENERGY SAVING STEPS HAVE SAVED THE STATE \$776,000 IN TRANSPORTATION FUEL COSTS AND REDUCED STATE GOVERNMENT GREENHOUSE GAS EMISSIONS BY 8% IN THE PAST 2 YEARS.

I AM FULLY COMMITTED TO ADVANCING THESE SUSTAINABLE ENERGY PRACTICES STATEWIDE, AND CREATING AN ENERGY INDEPENDENT MAINE THAT DEPENDS LESS ON MIDEAST OIL AND MORE ON THE RENEWABLE ENERGY RESOURCES WITHIN OUR OWN BORDERS.

I AM INTRODUCING LEGISLATION THAT GIVES MAINE PEOPLE INCENTIVES TO PURCHASE AND INSTALL SOLAR ENERGY SYSTEMS IN THEIR HOMES AND SMALL BUSINESSES. THESE INCENTIVES WILL HELP MAINE PEOPLE TO CONTROL THEIR HIGH AND VOLATILE ENERGY PRICES, AND AT THE SAME TIME IMPROVE THE AIR WE ALL BREATHE.”

OUR FINAL STRATEGY IS TO CONTINUE OUR EFFORTS TO STREAMLINE GOVERNMENT.

THE BEST THING WE IN STATE GOVERNMENT CAN DO IS TO PRACTICE WHAT WE PREACH. SO WE ARE.

THIS YEAR WE WILL CONSOLIDATE FINANCIAL, INFORMATION TECHNOLOGY, PAYROLL, HUMAN RESOURCES, AND ADMINISTRATIVE HEARINGS SERVICES.

THROUGH CENTRALIZED MANAGEMENT OF THESE BACKBONE OPERATIONS WE CAN MORE EFFECTIVELY CONTROL STATE GOVERNMENT SPENDING SAVING OVER \$11 MILLION OVER THE NEXT 2 YEARS.

IN ADDITION, THE DEPARTMENT OF HEALTH AND HUMAN SERVICES IS IN THE PROCESS OF REDESIGNING ITS CHILD WELFARE SYSTEM TO REDUCE THE NUMBER OF CHILDREN THAT COME INTO STATE CUSTODY AND TO LESSEN THE TIME THAT IT TAKES TO PLACE CHILDREN IN PERMANENT ADOPTIVE FAMILIES OR TO RETURN THEM TO THEIR BIRTH PARENTS.

WE CURRENTLY HAVE 13% FEWER CHILDREN IN OUR FOSTER CARE SYSTEM THAN WE DID A YEAR AND A HALF AGO, AND WE WILL CONTINUE TO REDUCE THE NUMBER OVER THE NEXT BIENNIUM, WHILE FULFILLING OUR COMMON OBLIGATION TO PROTECT CHILDREN. THERE IS NO SOCIAL SERVICE AGENCY BETTER THAN A HEALTHY FAMILY.

WITHOUT SACRIFICING OUR ABILITY TO INTERVENE WHEN IT IS REALLY NECESSARY, WE WILL SUPPORT MORE CHILDREN IN THEIR FAMILY AND COMMUNITY. MAINERS KNOW THE VALUE OF A SAFE FAMILY, AND OUR CHILD WELFARE SYSTEM MUST SUPPORT, NOT FRUSTRATE, SAFE FAMILIES.

WE ARE NOT ALONE IN OUR EFFORTS TO REINVENT GOVERNMENT.

PEOPLE ALL OVER MAINE ARE THINKING ABOUT HOW TO DELIVER PUBLIC SERVICES MORE EFFICIENTLY.

OVER IN LEWISTON AND AUBURN THE MAYORS OF THE TWO CITIES HAPPEN TO BE BROTHERS....LIONEL AND NORMAN GUAY.

THEY HAVE SET UP A TASK FORCE CHAIRED BY JUSTICE BOB CLIFFORD AND COMMUNITY CREDIT UNION PRESIDENT DONNA STECKINO TO LOOK AT WAYS TO COMBINE SERVICES IN THE TWIN CITIES. A NEW COMBINATION OF LEWISTON AND AUBURN.....THE “LA OF THE EAST!

TONIGHT I AM PLEASED TO ANNOUNCE \$15,000 TO SUPPORT THESE COLLABORATIVE EFFORTS OF LEWISTON AND AUBURN THAT WILL LEAD TO SO MANY OTHER NEW OPPORTUNITIES. I'D LIKE TO ASK THE MAYORS GUAY TO RISE.

ALL OF THESE EFFORTS WILL PAY OFF IN THE LONG RUN.

BUT THAT'S THE MAINE WAY, THE MAINE SPIRIT.

AS I SPEAK TO YOU THIS EVENING, CITIZEN SOLDIERS OF THE MAINE NATIONAL GUARD ARE DEPLOYED IN IRAQ AND AROUND THE WORLD.

WHEN THE 152D MAINTENANCE COMPANY LEAVES THIS SUNDAY MORNING FOR TRAINING BEFORE THEIR DEPLOYMENT TO IRAQ, THE MAINE ARMY NATIONAL GUARD WILL HAVE MOBILIZED AND DEPLOYED OVER 65% OF THEIR ORGANIZATION.

AS A STATE, WE HAVE SHARED IN THEIR HIGHS AND LOWS DURING THIS PERIOD TO MOURN THE LOSS OF MANY WONDERFUL PEOPLE.

I HAVE SPOKEN WITH MANY OF THE SOLDIERS AND MANY OF THE FAMILIES.

THEY DO NOT SEEK PUBLICITY.

THEY JUST WANT TO DO THEIR PART TO DEFEND THEIR COUNTRY TO HELP OTHERS IN THE WORLD.

WHEN ASKED WHAT WE AT HOME CAN DO TO ASSIST THEM, THE ANSWER IS ALWAYS THE SAME – "TAKE CARE OF THE FAMILIES".

AND WE WILL DO OUR PART.

TO PROTECT MILITARY FAMILIES AND THOSE RETURNING FROM DEPLOYMENT, I AM PROPOSING

- TO MAKE PERMANENT THE WAIVER OF CONTINUING EDUCATION REQUIREMENTS FOR PROFESSIONAL LICENSING OF THOSE SERVING OVERSEAS
- TO RELIEVE BUSINESSES OF UNEMPLOYMENT CHARGES WHEN A SOLDIER RETURNS FROM THEIR DEPLOYMENT
- AND IN OUR BUDGET, WE PROPOSE A SPECIAL LICENSE PLATE. THE FUNDS RAISED FROM THE SALE OF THE PLATE WILL GO TOWARDS THE FAMILY SUPPORT GROUP THAT HELPS THE FAMILIES OF SOLDIERS WITH MEDICAL, FINANCIAL, SCHOLARSHIP AND EMERGENCY ASSISTANCE.

THESE ARE SMALL THINGS.

BUT THEY MATTER – BECAUSE WE ARE ALL FAMILY IN MAINE.

THAT'S WHY WE'RE ALL HERE TONIGHT.

I WOULD LIKE TO ASK GENERAL LIBBY TO RISE.

TO MAKE PEOPLE'S LIVES BETTER.

IT'S NOT ABOUT POLITICS.

IT'S NOT ABOUT PERSONAL GAIN.

IT'S ABOUT KEEPING TRUE TO THE TRADITION WE HAVE BEEN GIVEN.

GOVERNOR PERCIVAL BAXTER ONCE SAID

"TO COME TO KNOW MAINE AND ITS PEOPLE

IS A WONDERFUL EXPERIENCE

FOR THE ALMIGHTY HAS LAVISHLY BESTOWED

HIS BLESSINGS UPON US."

WE ARE ALL BLESSED.

EVERYONE IN THIS CHAMBER....EVERYONE WATCHING AND LISTENING AT HOME TO LIVE IN THIS
WONDERFUL STATE.

LET US DEDICATE OURSELVES TONIGHT, AS THE MEN AND WOMEN OVERSEAS HAVE, TO KEEP THE
BLESSING ALIVE FOR FUTURE GENERATIONS.

THANK YOU AND GOOD NIGHT.

Governor Guarantees Heating Oil Deliveries

January 26, 2005

Contact: Lee Umphrey, 287-2531

Joy Leach, 287-2531

AUGUSTA - Governor John Baldacci today signed a procedural proclamation to ensure heating oil deliveries are made to Maine residents during this prolonged period of freezing temperatures.

The text of the proclamation follows:

WHEREAS, the northeastern United States, including Maine, is experiencing arctic cold temperatures and dangerous wind chills; and

WHEREAS, this cold weather is expected to continue for several days; and

WHEREAS, fuel oil delivery in Maine is in great demand because of the cold and because supplies have lagged behind demand; and

WHEREAS, federal rules determine the number of hours the driver of a fuel oil delivery vehicle may operate; and

WHEREAS, many drivers in the state are approaching their federal limit on hours of operation, and may have to cease deliveries; and

WHEREAS, these conditions threaten public health and safety and endanger public property if fuel oil cannot be delivered to Maine homes and businesses; and

WHEREAS, the declaration of a State of Emergency will facilitate the granting of a waiver from the Federal Department of Transportation to allow fuel oil delivery drivers to operate additional hours,

NOW THEREFORE, I, John Elias Baldacci, Governor of the State of Maine, by virtue of the authority vested in me by the Constitution and laws of Maine, find that these conditions constitute a civil emergency under 37-B M.R.S.A. section 742, and for the purpose of facilitating a waiver to Federal Department of Transportation Rules do hereby declare that a State of Emergency exists as of January 26, 2005.

Governor Announces Community Development Block Grants

January 31, 2005

Contact: Lee Umphrey, 287-2531

Jack Cashman, 624-9800

AUGUSTA – Governor John E. Baldacci today announced the Department of Economic and Community Development has awarded more than \$4.9 million in Community Development Block Grants (CDBG). The monies fund Public Facility and Public Infrastructure programs.

“These critical grants promote important projects in municipalities across the State,” said Gov. Baldacci. “This is another example of successful partnerships between local communities and the State to build a thriving economy and infrastructure for all Maine citizens.”

Eight communities will receive a total of up to \$500,000 for their public infrastructure projects. Eight communities will receive a total of up to \$300,000 for their public facility projects. The combined total of sixteen funded applications from each program represents communities in ten of Maine’s sixteen counties. The complete list of projects follows below.

Successful applicants for the Public Infrastructure grants involve activities to improve water and sewer systems. The activities for the successful Public Facility applicants include project activities that directly benefit the health and welfare of low and moderate income persons in their respective geographic areas.

Funding for the CDBG program originates with the U.S. Department of Housing and Urban Development (HUD) and is administered by the Office of Community Development. This year, HUD allocated just under \$15.7 million for the Maine program. Communities receiving grants leverage funds to complement the awards.

Jack Cashman, Commissioner of the Department of Economic and Community Development, stated, “Community Development Block Grants provide vital program funds to towns and cities in Maine. This is an important tool available to the Department to work with local communities to meet development objectives and bring economic and community improvements to distressed areas.”

2005 CDBG Public Facility Program (Listed by Community, Project Description and Grant Award)

Bath - Facility for developmentally challenged persons - \$300,000

Boothbay Harbor - Community health facility - \$300,000

Bradford - Community center - \$300,000

Brighton Plantation - Community center renovation - \$40,000

2005 Archive of Governor Baldacci's Press Releases

Dover-Foxcroft - Removal of architectural barriers - \$77,300

Jonesport - Town library - \$300,000

Unity - Head Start facility - \$300,000

Washington County - Community learning center - \$300,000

TOTAL \$1,917,300

2005 CDBG Public Infrastructure

Caribou - Water system improvements - \$500,000

Eagle Lake - Supplemental water supply - \$500,000

Ellsworth - Sewer system improvements - \$500,000

Farmington - Water system improvements - \$374,000

Harrington - Parking area improvements - \$60,000

Van Buren - Water/Sewer system improvements - \$500,000

Washington County - Sewer system improvements at Indian Township - \$500,000

Wilton - Water system improvements - \$60,000

TOTAL \$2,994,000

AmeriCorps*VISTA Sponsor Applications Now Being Accepted

February 1, 2005

Contact: Joy Leach, 287-2531

Chip Curry, 287-4341

AUGUSTA - Communities for Children and Youth, an initiative of Governor Baldacci's Children's Cabinet, is seeking organizations that can effectively utilize a full time, full year AmeriCorps*VISTA member to improve the lives of children and youth across the State of Maine.

"Maine is making investments in raising strong, healthy youth with the skills and resources they need to succeed," said Governor Baldacci. "AmeriCorps*VISTA members strengthen community efforts to achieve these goals."

Communities for Children and Youth, AmeriCorps*VISTAs serve full time to promote the growth development of youth who at increased risk of poverty. Organizations, schools, and agencies that support mentoring, youth development programs, and early childhood development programs are encouraged to apply.

Sponsor Applications are now being accepted. Informational meetings will be held the week of February 7th in Augusta, Portland, Bangor and Ft. Kent, as well as a tele-conference session. Call for specific times and locations.

For more information and Sponsor Applications call, 1-866-385-8124 or log onto www.mainevista.net. Application deadline is March 7, 2005.

DirigoChoice Enrollment Open for Individuals

February 1, 2005

Contact: Lee Umphrey, 287-2531 / Trish Riley, 624-7442

AUGUSTA - Governor John E. Baldacci announced today that individuals can now enroll in DirigoChoice, the new Dirigo Health Plan, by calling Anthem Blue Cross and Blue Shield of Maine. Coverage for eligible individuals will start as early as April 1st.

"This is the next important phase of DirigoChoice coverage," said Governor Baldacci. "Individuals can now access the important DirigoChoice discounts and quality benefits such as no-cost preventive care."

While small businesses and self-employed workers have been able to enroll since fall 2004, this marks the first time individuals have been able to enroll. Eligible individuals must reside in the State of Maine and includes: the unemployed; individuals who do not work more than twenty hours a week for any single employer; and individuals employed in an eligible business of two to fifty employees where the employer has not offered health insurance in the last twelve months.

As of February 1, 2005, DirigoChoice has 2,700 members from across the State. Membership includes 250 small businesses and 1,000 self-employed workers. DirigoChoice provides a comprehensive benefits package including hospital, physician and specialist visits and also prescription drugs. In addition, DirigoChoice benefits include: discounts based on household income that lower monthly costs and deductibles; no-cost preventive care; immediate coverage for pre-existing conditions; Mental Health Parity; and, the Healthy ME Rewards Program.

"DirigoChoice is a unique program because it brings small groups and individuals into one insurance pool," said Karynlee Harrington, Executive Director of the Dirigo Health Agency. "You will not find this arrangement in most other health insurance programs. Insurance costs for small groups are typically lower than for individuals. This means that individuals will likely find DirigoChoice to be especially competitive with other plans in Maine's individual insurance market."

Anthem Blue Cross and Blue Shield is braced for significant interest from individuals who haven't been able to enroll through an employer group. Anthem has brought in extra staff to handle the expected increase in telephone calls.

There is a limit of 4,500 members from individuals and self-employed workers in the first year. There is no similar limit on small business enrollment.

To get a rate quote and begin the application process, individuals should call Anthem Blue Cross and Blue Shield at 1-800-585-0099.

More information on DirigoChoice and Dirigo Health Reform can be found at <http://dirigohealth.maine.gov/>

Governor Unveils Bond Package

February 9, 2005

Contact: Lynn Kippax, 287-2531

Joy Leach 287-2531

AUGUSTA – Governor Baldacci today unveiled the details of his \$197 million bond package. The package for review by the Legislature includes critical investments for jobs, transportation infrastructure, clean water and the environment, education, and Land for Maine's Future.

The text of the Governor's remarks and follow. Additional information on the Governor's economic development strategy, budget and bonds packages can be found online at <http://www.maine.gov/governor/baldacci>

This bond package will create good paying jobs with benefits and grow Maine's economy. It is fiscally sound – it is equal to the amount of principal being retired by the end of the biennium. It is well within the state's 5% debt to revenue goal.

This investment proposal leverages more than \$250M in federal and private matching funds, for a total infusion of nearly one-half billion dollars into Maine's economy. A half billion dollars in construction, real estate, finance, research, and engineering will create or sustain more than 2000 jobs in 2006 alone, with more jobs to come in the future.

In the last two years we have created 5000 net new jobs, saved paper industry jobs, created Pine Tree Economic Opportunity Zones, provided tax relief, controlled government spending, focused on business costs, focused on education to train a future work force, and created Dirigo Health to help small businesses and workers.

It is time to invest in Maine's future. Our state debt per capita is 30% below the national average. Our economy is sound. It is time to work together, time to pull together. I met last week with bipartisan leadership to outline my approach on jobs and investments. I invite them to meet again next week so that we can stay focused and working together.

Today we turn to the future – to make investments in strategic sectors, investments in research & development, investments in education, and investments in Maine's communities. Today we have the opportunity to bring more good paying jobs with benefits to every region of the state. My jobs bond proposal has three major focal points –

First – investments in Maine's traditional industries.

Our natural resource-based industries – including farming, fishing, and forestry – are our backbone. We will support irrigation and agricultural marketing. We will support fishing by retaining our working waterfronts and our small harbors. We must invest in environmental infrastructure and clean water so

that we can open clam flats for jobs in Machias and elsewhere. We must support forestry by investments in freight rail and removing road postings on our rural highways.

We must also move our natural-resource based industries into the twenty-first Century through research and development. We will become world leaders in aquaculture and bio fuels from our fields and forests – creating new jobs through innovation and technology. The University of Maine's aquaculture facility in Hancock County is just one example of how world-class marine research will allow Maine to capitalize on its ocean-based economy and traditional maritime heritage. We have a unique asset – it's called the Gulf of Maine. This bond provides funding for more than 22 marine research institutions working together to pull jobs from this phenomenal resource.

Second – investments in Biomedical research & development.

Maine's past R&D investments are paying off. The State's investments in R&D infrastructure and programs have increased 30-fold over the last 10 years. Maine has surpassed the national average for R&D activity and federal funding in not-for-profit institutions for several years – led primarily by Maine's biomedical research laboratories. We are creating spin-off companies from our academic institutions. We have increased the amount of R&D invested to a new Maine record. But more investment is needed. While Maine is gaining in all key indicators, we still lag the nation.

In my State of the State address, I proposed a research triangle connecting the University System, Maine's hospitals, and private research institutes including the Jackson Laboratory. Today's investment package continues my commitment to realizing Maine's full biotechnology potential statewide. Companies in Maine that receive benefits from Maine's R&D investments pay 12% more than average Maine companies and have 23% faster increases in employment. Biotechnology jobs pay more than \$60,000 per year.

Third – investments to realize the potential of our creative economy and to retain youth in our state.

The economy of the future is knowledge-based and mobile. I propose aggressive funding to continue the success of the New Century Community Program, investing in museums, libraries, and theaters across the state. I propose money for housing investments including workforce and downtown housing – keeping Maine cities affordable for our young people. In cities like Lewiston-Auburn, Dover Foxcroft, Farmington, and Bangor we are building a new economy – investing in creativity and quality of life and social capital -- and attracting young business people and new jobs. I proposed sustained funding for Community Colleges and the University System. I propose funding for tribal housing as well – recognizing the economic strength of Maine tribes' honored and revered cultural traditions – and knowing that our diversity is our strength as a State.

Finally, we will invest \$50 Million dollars in the Land for Maine's Future program. Our economic growth is determined by our quality of life. Our tradition of public access to Maine's land is a fundamental part of Maine's quality of life and Maine's competitive advantage as a state.

Our future is bright and we have made significant progress. This bond package will continue strategic, targeted investments that will keep Maine on the path to becoming a national leader in providing opportunities for all of its citizens.

Governor Requests Federal Assistance for January Storm

February 11, 2005

Contact: Lynn Kippax 287-2531

Joy Leach 287-2531

AUGUSTA - Governor John Baldacci today requested snow emergency assistance from the federal government for the late January storm that brought up to 23 inches of snow and blizzard conditions to Maine.

If the assistance is granted, the Federal Emergency Management Agency (FEMA) would reimburse 75% of eligible costs related to snow removal incurred by local communities and the Maine Department of Transportation in designated counties. Eligible costs include overtime for public works and public safety personnel, equipment costs, and supplies such as sand and salt.

"Although we are proud of the fact that in Maine we know how to handle snow, this was an extraordinary storm," Governor Baldacci said. "We had record 24-hours snowfall and blizzard conditions. These are the kinds of conditions that this federal assistance was intended for."

Assistance is being requested for three (3) Maine counties: York, Cumberland and Washington. In order to be eligible, a county must have received record or near record snowfall, and have encountered other extreme conditions such as blowing and drifting snow.

"We believe our application is well within eligibility requirements, but FEMA does have a thorough review process and several other states are also requesting assistance," the Governor said. "We expect the review process may take several weeks."

A copy of the letter follows.

Dear Mr. President:

Under the provisions of Section 501 (a) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. §§ 5121-5206 (Stafford Act), implemented by 44 CFR § 206.35 and in accordance with 44 CFR § 206.227, I request that you declare an emergency for Cumberland, Washington and York Counties in the State of Maine as a result of the severe threat to public health and safety caused by the inaccessibility of collector streets, minor arterial roads and principle arterials due to extreme snowfall and winter storm conditions. I am specifically requesting Public Assistance only in Categories A (Debris/snow clearance) and B (Emergency Protective Measures).

Beginning on Saturday, January 22 and continuing through Sunday, January 23, the severe snowstorm that impacted New Jersey, New York, Connecticut, Rhode Island and Massachusetts also struck Maine. An extraordinary 24-hour weather event left from 17 to 23 inches of snow in the affected counties, and

featured life-threatening blizzard and wind chill conditions. The National Weather Service posted Winter Storm Warnings and Blizzard Warnings all along the coast of Maine for the duration of the storm.

The following table shows official National Weather Service records of snowfall amounts for this events, as well as previous maximum snowfall for the affected counties:

Snowfall of January 22nd through the 23rd, State of Maine

County - Cumberland, Town - Pine Point Beach, Snowfall Total - 20.0 inches, Snowfall Record (24 hour period) - 7.4 inches, Station Name - Scarborough

County - Washington, Town - Whiting, Snowfall Total - 17.0 inches, Snowfall Record (24 hour period) - 13.3 inches, Station Name - Eastport

County - York, Town - Kittery Point, Snowfall Total - 23.0 inches, Snowfall Record (24 hour period) - 10.2 inches, Station Name - Hollis

Many businesses throughout the affected area were closed, and public events were cancelled. The storms disrupted public safety systems, grounded air traffic and disrupted ground transportation. Winds gusts between 35 and 40 miles per hour were reported, with a gust of 72 miles per hour reported at Cape Elizabeth in Cumberland County. Hurricane force winds blew offshore. Road crews and their equipment were stretched to the limit to deal with the rapidly drifting snow. On January 22 and 23 I made special appeals to the public to stay off the roads for personal safety and so crews could keep up with snow removal. Brutal cold added to the storm's danger, with wind chill values as low as 33 degrees below zero recorded.

In response to the situation I have taken appropriate action under State law and directed the execution of the State Emergency Plan on Saturday, January 22 in accordance with Section 501 (a) of the Stafford Act.

Maine State Government has faced revenues shortfalls for each of the last three two-year budget cycles, and is currently engaged in budget deliberations to close yet another revenue gap for the forthcoming biennium. Municipal governments are similarly facing budget crises, forcing them to curtail services.

Pursuant to 44 CFR § 206.35, I have determined that the impact of this winter storm is of such severity and magnitude that effective response is beyond the capabilities of the State and affected local governments, and that supplementary Federal assistance is necessary to save lives, protect property, public health, and safety, or to lessen or avert the threat of a disaster. I am specifically requesting snowstorm response and snow removal assistance for the State and affected counties and municipalities and assistance to support extraordinary actions taken to maintain public health and safety.

The following State and local resources have been or will be used to alleviate the conditions of this emergency: Assets of all Maine departments including but not limited to those of the Department of Transportation, Maine State Police and the Maine Emergency Management Agency; all county and local road clearance and emergency management and response agencies, and other state agencies as needed

to protect public property, assist those affected local governments and individuals in responding to and recovering from this event, and to provide any other assistance to protect the public health and safety.

I certify that for this emergency, the State and local governments will assume all applicable non-Federal share of costs required by the Stafford Act.

I have designated Arthur W. Cleaves as the State Coordinating Officer for this request. He will work with the Federal Emergency Management Agency in damage assessments and may provide further information or justification on my behalf.

Sincerely,

John Elias Baldacci

Governor

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Governor Requests Federal Assistance for February Storm

February 15, 2005

CONTACT: Lynn Kippax 287-2531 Joy Leach 287-2531

AUGUSTA - Governor John Baldacci today requested snow emergency assistance from the federal government for last week's storm that brought up to 32 inches of snow in a 24-hour period to Maine.

If the assistance is granted, the Federal Emergency Management Agency (FEMA) would reimburse 75% of eligible costs related to snow removal incurred by local communities and the Maine Department of Transportation in designated counties. Eligible costs include overtime for public works and public safety personnel, equipment costs, and supplies such as sand and salt.

"This was an extraordinary storm that created severe conditions across the state, coming on the heels of another record snowfall less than three weeks ago," Governor Baldacci said. The Governor last week requested snow emergency assistance for 3 counties affected by the January 22 blizzard in Maine.

Assistance is being requested for thirteen (13) Maine counties: Androscoggin, Aroostook, Cumberland, Franklin, Hancock, Kennebec, Knox, Oxford, Penobscot, Piscataquis, Somerset, Washington and York. In order to be eligible, a county must have received record or near record snowfall, and have encountered other extreme conditions such as blowing and drifting snow. Dover-Foxcroft actually doubled its previous record amount for a 24-hour snowstorm, going from 16 to 32 inches. Sagadahoc, Lincoln and Waldo counties do not appear to meet eligibility requirements because rain in the early part of the storm held down snow totals.

"We believe our application is well within eligibility requirements, but FEMA does have a thorough review process and a number of other states have requested emergency or disaster assistance," the Governor said. "We expect the review process may take several weeks."

A copy of the letter follows.

Dear Mr. President:

Under the provisions of Section 501 (a) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. §§ 5121-5206 (Stafford Act), implemented by 44 CFR § 206.35 and in accordance with 44 CFR § 206.227, I request that you declare an emergency for Androscoggin, Aroostook, Cumberland, Franklin, Hancock, Kennebec, Knox, Oxford, Penobscot, Piscataquis, Somerset, Washington and York Counties in the State of Maine as a result of the severe threat to public health and safety caused by the inaccessibility of collector streets, minor arterial roads and principle arterials due to extreme snowfall and winter storm conditions beginning February 9, 2005 and continuing through February 13, 2005. I am specifically requesting Public Assistance only, in Category B (Emergency Protective Measures, to include snow removal). Because of the historic nature of this event, in some cases doubling the record snow event for the affected region, I further request an additional 24 hours of eligible time, bringing the total to 72 hours for snow clearing and emergency operations.

Beginning in southern Maine in the late hours on Wednesday, February 9, moving northeastward and continuing through Friday, February 11 in northern Maine, a record snowstorm impacted Maine. An extraordinary weather event, a 24-hour event for all affected counties, left up to 32 inches of snow and featured icy roads, high winds and low visibility. The National Weather Service Forecast Office in Caribou Maine, reported snow falling up to 3 inches an hour across a swath of northern Maine. The National Weather Service posted Winter Storm Warnings throughout Maine for the duration of the storm. Though snowfall had ended in all areas by late on Friday February 11, snow removal efforts continued across the state through Sunday, February 13.

The following table shows official National Weather Service records of snowfall amounts for this events, as well as previous record snowfall amounts for the affected counties:

County - Androscoggin, Town - Auburn, Snowfall Total - 21.0 inches, Snowfall Record in 24 hour period - 16.5 inches, Station Name - Durham

County - Aroostook, Town - Caribou, Snowfall Total - 19.6 inches, Snowfall Record in 24 hour period - 12.0 inches, Station Name - Grand Isle

County - Cumberland, Town - Raymond, Snowfall Total - 23.0 inches, Snowfall Record in 24 hour period - 11.0 inches, Station Name - Scarborough

County - Franklin, Town - Rangeley, Snowfall Total - 24.0 inches, Snowfall Record in 24 hour period - 17.0 inches, Station Name - Kingfield

County - Hancock, Town - Lamoine, Snowfall Total - 20.0 inches, Snowfall Record in 24 hour period - 14.0 inches, Station Name - Ellsworth

County - Kennebec, Town - Winslow, Snowfall Total - 22.0 inches, Snowfall Record in 24 hour period - 15.6 inches, Station Name - Albion

County - Knox, Town - Hope, Snowfall Total - 17.0 inches, Snowfall Record in 24 hour period - 16.5 inches, Station Name - Port Clyde

County - Oxford, Town - Hebron, Snowfall Total - 27.0 inches, Snowfall Record in 24 hour period - 9.0 inches, Station Name - Center Lovell

County - Penobscot, Town - Dexter, Snowfall Total - 29.0 inches, Snowfall Record in 24 hour period - 19.5 inches, Station Name - Springfield

County - Piscataquis, Town - Dover-Foxcroft, Snowfall Total - 32.0 inches, Snowfall Record in 24 hour period - 16.0 inches, Station Name - Dover-Foxcroft

County - Somerset, Town - Norridgewock, Snowfall Total - 22.5 inches, Snowfall Record in 24 hour period - 15.0 inches, Station Name - Harmony

County - Washington, Town - Calais, Snowfall Total - 18.0 inches, Snowfall Record in 24 hour period - 15.0 inches, Station Name - Eastport

County - York, Town - York, Snowfall Total - 22.0 inches, Snowfall Record in 24 hour period - 14.0 inches, Station Name - Limington

*For each impacted county, this was a 24-hour event

Many businesses and virtually all schools throughout the state were closed, and most public events were cancelled. State of Maine offices were closed from 1:00 pm Thursday, February 10 through 10:00 am Friday, February 11. The storm disrupted public safety systems, grounded air traffic and disrupted ground transportation. Heavy wet snow brought down power lines; at the height of disruption over 47,000 household and businesses were out of power, many in rural areas that were difficult for power crews to reach. Power was not fully restored until late Sunday, February 12, meaning some areas were out of power for 3 three days. The American Red Cross opened shelters in the most heavily impacted areas. At the height of the event in southern Maine, a night wilderness search was initiated for a snowmobiler lost in the storm. Road crews and their equipment were stretched to the limit to deal with the wet, heavy, rapidly drifting snow.

In response to the situation I have taken appropriate action under State law and directed the execution of the State Emergency Plan on Thursday, February 10 in accordance with Section 501 (a) of the Stafford Act. On Friday, February 11, I declared that a State of Emergency existed in the State of Maine, in response to the widespread power outages. This action made it possible to activate a waiver to Federal rules governing hours of operation by operators of power restoration vehicles. That State of Emergency remains in effect.

Maine State Government has faced revenue shortfalls for each of the last three two-year budget cycles, and is currently engaged in budget deliberations to close yet another revenue gap for the forthcoming biennium. Municipal governments are similarly facing budget crises, forcing them to curtail services. Coming on the heels of the severe storm of January 22-23 of this year, for which I have also requested emergency snow removal assistance, this storm has truly devastated the resources of the entire state.

Pursuant to 44 CFR § 206.35, I have determined that the impact of this winter storm is of such severity and magnitude that effective response is beyond the capabilities of the State and affected local governments, and that supplementary Federal assistance is necessary to save lives, protect property, public health, and safety, or to lessen or avert the threat of a disaster. I am specifically requesting snowstorm response and snow removal assistance for the State and affected counties and municipalities and assistance to support extraordinary actions taken to maintain public health and safety.

The following State and local resources have been or will be used to alleviate the conditions of this emergency: Assets of all Maine departments including but not limited to those of the Department of Transportation, Department of Inland Fisheries and Wildlife, Maine State Police and the Maine Emergency Management Agency; all county and local road clearance and emergency management and response agencies, and other state agencies as needed to protect public property, assist those affected

local governments and individuals in responding to and recovering from this event, and to provide any other assistance to protect the public health and safety.

I certify that for this emergency, the State and local governments will assume all applicable non-Federal share of costs required by the Stafford Act.

I have designated Arthur W. Cleaves as the State Coordinating Officer for this request. He will work with the Federal Emergency Management Agency in damage assessments and may provide further information or justification on my behalf.

Sincerely,

John Elias Baldacci

Governor

Governor Remembers Georgette Berube

February 16, 2005

CONTACT: Lynn Kippax 287-2531

Joy Leach 287-2531

AUGUSTA – Governor John Baldacci learned today of the passing of former State Legislator Georgette Berube, who served the people of Maine for more than 24 years. The Governor served in the State Senate with Berube.

The Governor remembered Berube as an ardent advocate of senior and youth issues. He noted that Berube was deeply committed to promoting issues that all of Maine – and especially the Lewiston area – care about. Maine has lost a dedicated public servant.

Governor Back to Work in State House

February 18, 2005

CONTACT: Lynn Kippax 287-2531

Joy Leach 287-2531

AUGUSTA – Governor Baldacci arrived back at the State House this morning, two days after falling on ice outside the Blaine House and breaking three ribs. The Governor met with a group of reporters in his office for a brief update on his condition and to discuss the importance of budget and bonds issues being considered by the Legislature.

“I feel very good. My wife and son have taken good care of me,” said Governor Baldacci. “I am lucky.”

The Governor thanked those who have been sending their wishes for his speedy recovery, and praised the doctors and staff at Maine General Medical Center, where he was treated and released following the accident.

Governor Baldacci will remain in Augusta throughout the long holiday weekend as previously scheduled, working primarily from the Blaine House.

Governor Directs Flags to Be Flown at Half-Staff in Lewiston to Remember Georgette Berube

February 23, 2005

CONTACT: Lynn Kippax 287-2531

Joy Leach 287-2531

AUGUSTA – In remembrance and honor of former State Senator Georgette Berube, whose funeral will be held tomorrow in Lewiston, Governor John E. Baldacci has directed that the United States flag and the State of Maine flag be flown at half-staff in the City of Lewiston from sunrise to sunset tomorrow, Thursday, February 24, 2005.

Governor Baldacci Re-Injures Rib

February 26, 2005

CONTACT: Lynn Kippax 287-2531

Joy Leach 287-2531

AUGUSTA – Last night at approximately 8:30 p.m. Governor John Baldacci sought medical attention after re-injuring a rib. The Governor, who was watching television with his son Jack at the Blaine House, turned his torso and heard a popping sound in the area of his recent injury. He was transported by an on-duty Executive Protection Unit officer to MaineGeneral Medical Center, where he was admitted for observation.

Ten days ago the Governor fell on a patch of ice outside the Blaine House, fracturing three ribs. He had returned to work and had been conducting business as usual through the week.

The Governor is expected to be released from the hospital later today. Doctors are encouraging him to rest. Governor Baldacci will be represented at the National Governors' Association winter meeting in Washington, D.C. by the members of the administration who were to staff him.

Governor Announces Community Development Block Grants

March 2, 2005

CONTACT: Lynn Kippax 287-2531

Joy Leach 287-2531

Orman Whitcomb, 624-9819

AUGUSTA – Governor John E. Baldacci today announced the Department of Economic and Community Development has awarded \$1.875 million in Community Development Block Grants (CDBG) to communities across the State. The grants support Downtown Revitalization, Community Enterprise and Non-Profit Development programs.

“Maine’s Community Development Block Grant program provides vital resources for projects in municipalities across the State,” said Governor Baldacci. “All Maine citizens benefit from the infrastructure improvements and economic development initiatives supported by such successful partnerships between local communities and the State.”

Two communities - Caribou and Norway - will receive a total of \$500,000 each for Downtown Revitalization projects. These successful applicants will be using the funds for major enhancement projects to improve community and economic conditions and promote private investment.

Five communities will receive \$125,000 each for Community Enterprise Program. The communities of Augusta, Bath, Calais, Old Orchard Beach, and Van Buren will be using the funds to establish façade improvement programs and to complete small scale streetscape improvements.

The Non-Profit Development Program applicant – in Norway – will be using the \$250,000 in funds to assist in the rehabilitation and reuse of an abandoned mill facility in a downtown district.

The total of eight funded applications represents communities in six of Maine’s sixteen counties.

Funding for the CDBG program originates with the U.S. Department of Housing and Urban Development (HUD) and is administered by the Office of Community Development. This year, HUD allocated just under \$15.7 million for the Maine program. Communities receiving grants leverage funds to complement the awards.

Jack Cashman, Commissioner of the Department of Economic and Community Development, stated, “The Community Development Block Grant program is an important tool available to the Department to work with local communities to meet development objectives and bring economic and community improvements to distressed areas.”

Governor Dispatches Rapid Response Team to Jay

March 2, 2005

CONTACT: Lynn Kippax 287-2531

Joy Leach 287-2531

AUGUSTA - Governor Baldacci has requested that the Maine Department of Labor's Rapid Response Team be dispatched to Jay. On Tuesday International Paper announced plans to shut down the No. 1 paper machine at the Androscoggin Mill in early April. According to the company, as many as 100 jobs could be affected by the shut down.

The Rapid Response Team brings state government to the people by providing information on a range of available state services. "There is a lot that state government can do to help. We're staying on top of this," the Governor said. "Every Maine job is important to me and my Administration."

"I've reached out to International Paper President Robert Amen. I expect to hear more from Mr. Amen next week," Governor Baldacci said Wednesday. "We have more to discuss. Our conversation is not over."

Although Governor Baldacci hopes that the shutdown of the No. 1 machine is temporary, the Governor said he is working with everyone to look for operational alternatives for the machine. "It's at times like these when we need to pull together and look for ways to save jobs and boost the economy of the region."

The Governor has been working closely with members of the Legislature on the issue. Representatives Raymond Pineau, Bruce Bryant and Rodney Jennings have been active in the effort, the Governor said. "I appreciate their help in trying to save existing Maine jobs and at the same time work to create new opportunities for everyone in Maine."

Governor Mourns Passing of Maine Guardsman Recently Returned from Iraq

March 3, 2005

CONTACT: Lynn Kippax 287-2531

Joy Leach 287-2531

AUGUSTA – Governor John E. Baldacci confirmed that a member of the 133rd Engineer Battalion of the Maine Army National Guard died today in New York. The Joint Force Headquarters was notified by Ft. Drum Casualty Assistance Office that SFC Michael D. Jones passed away this morning.

SFC Jones served in A Company 133rd Engineer Battalion that arrived last week in Fort Drum, N.Y., after serving a year in Iraq. Shortly after the flight overseas, Jones became seriously ill. He was rushed to State University of New York (SUNY) Hospital where he underwent emergency surgery. SFC Jones' condition grew continually worse until he died this morning.

"Our thoughts and prayers are with Sergeant Jones' wife, Lori and their three children, as well as his family during this difficult time," said Governor Baldacci. "Michael served his state and his nation honorably and all of Maine mourns his loss."

Two companies of the 133rd returned home to Maine yesterday, and the rest are expected to arrive back tomorrow and Saturday. The Governor noted that all the members of the 133rd served with distinction in Iraq. They were integral to the mission of the reconstruction of infrastructure in the country.

"The loss of Sergeant Jones and the other fallen members of the 133rd weigh heavy on our hearts," said the Governor.

Flags will be ordered to be flown at half-staff on the day of the Sergeant Jones' funeral.

Governor Calls for Action Plan for MaineCare Claims Improvements

March 3, 2005

CONTACT: Lynn Kippax 287-2531

Joy Leach 287-2531

AUGUSTA - On Wednesday, Governor Baldacci met with Department of Health and Human Services (DHHS) Commissioner Jack R. Nicholas and insisted that the Department develop an action plan to address provider issues with the MaineCare Claims Management System (MECMS). Commissioner Nicholas later addressed the Appropriations Committee on MECMS, outlining the action plan.

"The transition to a new computer system has proved difficult for everyone," said Governor Baldacci. "I've told the Commissioner that he has 30 days to fix the problem. This has to be done. I'm taking action. People will be held accountable."

In his meeting with Commissioner Nicholas, the Governor directed that the following changes be implemented:

Within the next 30 days the Governor expects DHHS to make reliable and predictable payments to all 7,000 agency providers--not just the 1900 designated as high risk.

Improve response capability through streamlined communication with providers and the public. Communications must be easy to understand as the department works to effectively reconcile interim payment to providers.

DHHS will provide the Governor with weekly reports on claims payment status that provide clear and accurate details helpful to providers and the legislators.

Provide for increased MECMS training opportunities for providers.

DHHS has been ordered to hire temporary staff from both the Muskie School and from the Public Consulting Group to help DHHS effectively respond to the volume of inquiries from providers on claim status.

DHHS will make essential staff changes so that computer systems are functioning and operating so as to serve all DHHS stakeholders. "It's important that we pay our bills promptly," Governor Baldacci said.

The Governor acknowledged the efforts of creditors, employees, and Maine banks in extending short-term loans to service providers affected by the change in the MECMS computer system.

Governors Commit to Portsmouth Naval Shipyard

March 4, 2005

CONTACT: Lynn Kippax 207-287-2531

Pamela Walsh 603-271-2121

PORTSMOUTH, NH - Governors John Baldacci and John Lynch today reiterated their commitment to work together on behalf of Portsmouth Naval Shipyard during the Base Realignment and Closure (BRAC) process. The Maine and New Hampshire governors noted that the shipyard is the most efficient, innovative and cost-effective in the nation, and has strategic and geographic importance to national defense.

The governors today communicated their support for the yard to Naval Admiral Kirk Donald, Director of Naval Reactors. Governor Lynch and the Congressional Delegations of both states were present at the facility for a tour with the Admiral. Governor Baldacci, who was unable to attend the shipyard, spoke on the phone with Admiral Donald prior to the tour.

Governor Lynch noted, "Thanks to the skilled and dedicated workers at the yard, Portsmouth Naval Shipyard is the Navy's lead shipyard for submarine maintenance and repair."

"The yard holds numerous records for cost and schedule performance on its overhaul work resulting in substantial savings to the Navy," said Governor Baldacci.

The governors stated, "Portsmouth Naval Shipyard and its highly skilled workers are assets to the Department of Defense and we are determined to do everything possible to make that case to Federal officials."

Governors Lynch and Baldacci noted that they are confident in the ability of their federal representatives to advocate for the facility. "We appreciate the commitment of the Maine and New Hampshire Congressional Delegations in vigorously fighting to preserve Portsmouth Naval Shipyard."

The governors will visit the yard with Assistant Secretary of Defense for Homeland Defense Paul McHale later in the month.

Governor Directs Flags to be Flown at Half-Staff

March 8, 2005

CONTACT: Lynn Kippax 287-2531

Joy Leach 287-2531

Governor Directs Flags to Be Flown at Half-Staff to Remember First Sergeant Michael D. Jones

AUGUSTA – In remembrance and honor of First Sergeant Michael D. Jones, whose memorial service will be held Wednesday in Augusta, Governor John E. Baldacci has directed that the United States flag and the State of Maine flag be flown at half-staff from sunrise to sunset tomorrow, Wednesday, March 9, 2005.

First Sergeant Jones died on March 3rd in Syracuse, New York of a non-combat related illness. He had just returned from duty in Iraq. First Sergeant Jones was assigned to the Maine Army National Guard's 133rd Engineer Battalion from Belfast, Maine.

At the family's request, the memorial service for First Sergeant Jones is closed to press. There will be no graveside ceremony.

New England Governors Presented Report on Region's Energy Needs

March 9, 2005

CONTACT: Beth Nagusky, 287-4315

Joy Leach, 287-2531

AUGUSTA - The Power Planning Committee of the New England Governors Conference (NEGC) presented a report to the Governors on the need for additional natural gas supplies or other energy options to fuel New England's projected energy demands. The NEGC report concludes that energy shortages could occur after 2010 if natural gas supply is not increased, or other measures are not taken to reduce energy consumption or increase reliance on non-gas supply sources.

On a peak winter day over two-thirds of the region's gas is used for heating, primarily in southern New England, but in recent years the electric generation sector has become increasingly reliant on natural gas. "Today's reliance on natural gas to generate 40 percent of the region's electricity, combined with very high natural gas prices, are two of the primary factors contributing to recent electric price increases," according to Beth Nagusky, Director of Energy Independence and Security. "The study gives Governor Baldacci and the other New England Governors important information about the region's projected electricity demand and the upsides and downsides of the options available to meet that demand."

The study examined the benefits and costs of nine different scenarios to meet New England's projected energy demand, including four liquefied natural gas options. The relative cost of each option is listed below:

Cost of Switching by Million \$ / Billion Cubic Feet:

Low Oil Price Premium 0.61

High Oil Price Premium 1.18

Electric Energy Efficiency 2.82

Coal Gasification 3.64

Nuclear Generation 3.97

Renewable Generation 4.50

On-Shore, In-Region Expansion 5.77

On-Shore, In-Region LNG 5.97

Off-Shore, In-Region LNG 6.17

On-Shore, Out-of-Region Storage 6.31

The study concludes that LNG expansion options increase the reliability of the natural gas system, but are more costly than the other options studied, primarily because of the high projected cost of natural gas. The study examined the effect each of the options would have on gas reserve margins in New England. All of the options work to either directly increase natural gas supply (LNG scenarios), or indirectly increase supplies through demand reduction or use of other supply-side resources.

"This study shows that Governor Baldacci's commitment to energy conservation, energy efficiency and renewable power are right on target. These are not only the lowest cost options to meet our energy needs, but they will help us meet our greenhouse gas reduction goals and will benefit the Maine economy," said Nagusky.

The report was prepared in response to the January 2004 "Cold Snap," when the confluence of high heating and electricity demand tested the natural gas supply and delivery infrastructure in New England. The report, entitled "Meeting New England's Future Natural Gas Demands: Nine Scenarios and Their Impacts," has been posted on the state's energy information website, www.maineenergyinfo.com.

Emergency Alert Notification System Unveiled

March 11, 2005

CONTACT: Lynn Kippax, 287-2531

Ginnie Ricker, Maine Emergency Management Agency, 624-4471

Jan DeVinney, Division of Deafness, 624-5964 TTY, 624-5963 (V)

Mary Edgerton, Maine Center on Deafness, 800-639-3884 (V/TTY)

AUGUSTA – At a Blaine House ceremony today, Governor John Baldacci announced the launching of a statewide emergency alert notification system for deaf and hard of hearing people. The Governor was joined by representatives from the Maine Emergency Management Agency (MEMA), the Division of Deafness (DoD) and the Maine Center on Deafness (MCD), who worked closely together to develop the new service.

“This state-of-the-art emergency alert and notification system for deaf and hard of hearing people in Maine is the most sophisticated and comprehensive of its kind in the nation,” said Governor Baldacci. “The unique partnership between Maine Emergency Management Agency (MEMA), the Division of Deafness (DoD) and the Maine Center on Deafness has made this important service a reality. Maine now leads the nation in addressing this problem.”

Art Cleaves, Director of Maine Emergency Management Agency noted, “This service is part of Maine’s seamless, integrated and robust communications, enabling rapid contact with first responders to ensure emergency alert notification and enhance homeland security to all affected persons in the State, including at-risk populations.”

The need for such a service was first identified during the Ice Storm of 1998, when widespread power outages trapped many Mainers in their homes. Hearing individuals were able to obtain information about the storm through their battery-powered radios. Deaf people, however, were isolated in their homes with no way to learn about the seriousness of the storm, how long it was expected to last, and when electric power would be restored.

Jan DeVinney, director of DoD, has experienced first hand the lack of communications for deaf individuals. In her commute she has often missed notification of road and bridge closures broadcast over the radio. Jan has recently been using text messaging, which has enabled her to receive notification of traffic problems and to alter her routes accordingly and communicate immediately with others.

Last year the Legislature expanded the existing Telecommunication Equipment Program to include emergency alert pagers. Funding for development was obtained with a Homeland Security grant. MEMA, DoD and MCD working with the National Weather Service, Maine Department of Transportation, Department of Public Safety, Maine Turnpike Authority, Bureau of Health and the Office

of Information Technology (OIT), developed the alert system. Independent companies such as NorthEast Paging and Cingular also provided their expertise to this unique undertaking.

Depending on where deaf and hard of hearing people are located, either one-way pagers, two-way pagers or NOAA weather alert radios with digital or amplified messages are now being distributed through the Telecommunications Equipment Program. Anyone in Maine with a hearing loss may qualify to obtain equipment. The cost to the applicant is determined by income. Each person receiving equipment also receives training and a resource book with information about how to stay safe during emergencies.

Jonathan Connick, director of the Maine Center on Deafness stated, "The program is up and running. We have equipment available and have developed a manual so that the notification system can be utilized to its maximum to ensure the safety of Maine's 120,000 deaf and hard of hearing citizens."

Governor Directs Flags to be Flown at Half-Staff in the Town of South Berwick to Remember Marine Corporal Neil Regonini

March 11, 2005

CONTACT: Lynn Kippax 287-2531

Joy Leach 287-2531

AUGUSTA - In remembrance and honor of Corporal Neil Regonini, whose funeral will be held Sunday, Governor John E. Baldacci has directed that the United States flag and the State of Maine flag be flown at half-staff in the Town of South Berwick from sunrise to sunset Sunday, March 13, 2005.

Corporal Regonini died on March 5th in Nashua, New Hampshire in an auto accident. He had recently returned from duty in Iraq.

Governor Requests Federal Assistance for this Week's Storm

March 11, 2005

CONTACT: Lynn Kippax 287-2531

Joy Leach 287-2531

AUGUSTA - Governor John Baldacci today requested snow emergency assistance from the federal government for this week's storm that brought up to 29 inches of snow in a 24-hour period to Maine. Eight of Maine's sixteen counties appear to have met eligibility requirements for assistance.

If the assistance is granted, the Federal Emergency Management Agency (FEMA) would reimburse 75% of eligible costs related to snow removal incurred by local communities and the Maine Department of Transportation in designated counties. Eligible costs include overtime for public works and public safety personnel, equipment costs, and supplies such as sand and salt.

"This storm started as rain, went to freezing rain, and ended up with 29 inches of snow in Fort Kent, high winds and record cold temperatures," Governor Baldacci said. "Public works crews have said these were the worst conditions they can remember. And this is the forth major storm in a little over 6 weeks." The Governor previously requested snow emergency assistance for 3 counties affected by the late January blizzard in Maine, and for 13 counties affected by the major storm in early February.

Assistance is being requested for eight (8) Maine counties: Androscoggin, Aroostook, Cumberland, Oxford, Penobscot, Piscataquis, Somerset and York. In order to be eligible, a county must have received record or near record snowfall, and have encountered other extreme conditions such as blowing and drifting snow.

The Governor said that because FEMA is reviewing a number of requests from other states, including the two previous requests from Maine, the state may not receive confirmation of assistance on the current request for several weeks.

A copy of the letter follows.

March 11, 2005

President George W. Bush

The White House

Washington, D. C. 20500

Dear Mr. President:

Under the provisions of Section 501 (a) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. §§ 5121-5206 (Stafford Act), implemented by 44 CFR § 206.35 and in

accordance with 44 CFR § 206.227, I request that you declare an emergency for Androscoggin, Aroostook, Cumberland, Oxford, Penobscot, Piscataquis, Somerset and York Counties in the State of Maine as a result of the severe threat to public health and safety caused by the inaccessibility of collector streets, minor arterial roads and principle arterials due to extreme snowfall and winter storm conditions beginning March 8, 2005 and continuing into March 9, 2005. I am specifically requesting Public Assistance only, in Category B (Emergency Protective Measures, to include snow removal). Because of the nature of this event, in some cases radically exceeding the record snow event for the affected region, and exacerbating conditions such as freezing rain and snow-blocked drainage systems, I further request an additional 24 hours of eligible time, bringing the total to 72 hours for snow clearing and emergency operations.

Beginning in the late hours on Tuesday, March 8 and continuing through Wednesday, March 9, a record snowstorm impacted Maine. This extraordinary weather event, a 24-hour event for all affected counties, left up to 29 inches of snow and featured freezing rain, sleet, slush-filled streets, icy roads, high winds and low visibility. The storm started as heavy rain, causing streets to flood with slush in areas where drainage systems were clogged with snow. Precipitation rapidly changed to snow across the state as temperatures plunged to record lows. The unique weather conditions also delivered periods of significant freezing rain to a portion of the state, necessitating massive salt and sanding operations to keep roadways open and safe. As the storm moved off, strong winds moved in; a gust of 80 mph was recorded at Lubec in downeast Maine.

The following table shows official National Weather Service records of snowfall amounts for this event, as well as previous record snowfall amounts for the affected counties:

Snowfall of March 8th through the 9th, State of Maine

County - Androscoggin, Town - Auburn, Snowfall Total - 12.0 inches, Snowfall Record (24 hour period) - 11 inches, Station Name - Scarborough, Cumberland County (contiguous county)

County - Aroostook, Town - Fort Kent, Snowfall Total - 29 inches, Snowfall Record (24 hour period) - 18.0 inches, Station Name - Bridgewater

County - Cumberland, Town - Bridgton, Snowfall Total - 12.0 inches, Snowfall Record (24 hour period) - 11.0 inches, Station Name - Scarborough

County - Oxford, Town - Hartford, Snowfall Total - 17.0 inches, Snowfall Record (24 hour period) - 9.0 inches, Station Name - Upper Dam

County - Penobscot, Town - Mount Chase, Snowfall Total - 14.0 inches, Snowfall Record (24 hour period) - 14.0 inches, Station Name - West Forks, Somerset County (contiguous county)

County - Piscataquis, Town - Wellington, Snowfall Total - 18.5 inches, Snowfall Record (24 hour period) - 16.0 inches, Station Name - Dover-Foxcroft

County - Somerset, Town - Jackman, Snowfall Total - 14.0 inches, Snowfall Record (24 hour period) - 14.0 inches, Station Name - West Forks

County - York, Town - Buxton, Snowfall Total - 13.0 inches, Snowfall Record (24 hour period) - 11.0 inches, Station Name - Scarborough, Cumberland County (contiguous county)

Many businesses and virtually all schools throughout the state were closed or had curtailed hours, and most public events were cancelled. State of Maine offices delayed opening on Wednesday March 9 through much of the State, and in Aroostook County were closed all day. The storm disrupted public safety systems, grounded air traffic and disrupted ground transportation. Power outages numbered more than 12,000 by Wednesday morning. A wilderness rescue effort was necessary in Piscataquis County for four snowmobilers bogged down in deep snow and blinded by blizzard-like conditions. Public works crews and their equipment were stretched to the limit to deal with the mix of heavy blowing and drifting snow, freezing rain and snow-clogged drainage systems. Some towns were forced to hire additional contractors to keep roads open.

In response to the situation I have taken appropriate action under State law and directed the execution of the State Emergency Plan on Tuesday, March 8 in accordance with Section 501 (a) of the Stafford Act. The State Emergency Operations Center was activated Tuesday morning and remained on Level 2 activation through Wednesday, March 9. Because of the rapid response of power crews, power outages were contained and repaired such that evacuation and sheltering were not required for this event, although all local response entities were on alert should such services be required. The excellent work by the National Weather Service and local media in forecasting the severity of the storm also encouraged individual preparedness to shelter in place.

Maine State Government is currently in budget deliberations to close the third revenue shortfall in as many two-year budget cycles. Several major storms at the end of the winter season have more than exhausted municipal snow removal budgets, in a state that knows how to plan for snow. Coming on the heels of the severe storms of January 22-23 and February 9th through 11th of this year, for which I have also requested emergency snow removal assistance, this storm has added another blow to the already devastated resources of the entire state.

Pursuant to 44 CFR § 206.35, I have determined that the impact of this winter storm is of such severity and magnitude that effective response is beyond the capabilities of the State and affected local governments, and that supplementary Federal assistance is necessary to save lives, protect property, public health, and safety, or to lessen or avert the threat of a disaster. I am specifically requesting snowstorm response and snow removal assistance for the State and affected counties and municipalities and assistance to support extraordinary actions taken to maintain public health and safety.

The following State and local resources have been or will be used to alleviate the conditions of this emergency: Assets of all Maine departments including but not limited to those of the Department of Transportation, Department of Inland Fisheries and Wildlife, Maine State Police and the Maine Emergency Management Agency; all county and local road clearance and emergency management and response agencies, and other state agencies as needed to protect public property, assist those affected

local governments and individuals in responding to and recovering from this event, and to provide any other assistance to protect the public health and safety.

I certify that for this emergency, the State and local governments will assume all applicable non-Federal share of costs required by the Stafford Act.

I have designated Arthur W. Cleaves as the State Coordinating Officer for this request. He will work with the Federal Emergency Management Agency in damage assessments and may provide further information or justification on my behalf.

Sincerely,

John Elias Baldacci

Governor

Cancelled - "Tough Choices in Health Care"

March 12, 2005

Contact: Trish Riley, 624-7442

Adam Thompson, 624-7445

Augusta – Due to the worsening forecast, "Tough Choices in Health Care" has been cancelled.

"Because people will be traveling long distances in very bad weather, we've had to make this decision," said Governor Baldacci.

Originally scheduled for Saturday in Augusta, Brewer and South Portland and then postponed to Sunday, the "Tough Choices" meetings are cancelled for this weekend.

GOHPF will work to reschedule the meetings later this year, depending on the availability of AmericaSpeaks and other coordinating team members. More details will follow in the coming weeks.

Governor Welcomes Pentagon Official to Brunswick Naval Air Station

March 14, 2005

CONTACT: Lynn Kippax 287-2531

Joy Leach 287-2531

AUGUSTA – Governor John Baldacci today welcomed Assistant Secretary of Defense for Homeland Defense Paul McHale to Brunswick Naval Air Station (BNAS) and detailed the merits of the proposed Joint Armed Forces Reserve Center to be located at the facility. Congressional Delegation members, who also support the joint training center, joined the Governor and Assistant Secretary for a tour of the facility.

The Joint Armed Forces Reserve Center would train the Army National Guard, Air National Guard and US Marine Corps Reserve units at BNAS. The planned center is a unique project that will improve national and state defense while saving taxpayer dollars by efficiently consolidating the training of three Reserve Components.

The Governor noted to the Assistant Secretary, “We want to make sure Maine’s fighting men and women receive the best tools and resources available, and the proposed center will meet this goal.”

Governor Baldacci also expressed his support for Brunswick Naval Air Station as the Base Realignment and Closure (BRAC) process continues. He thanked the Congressional Delegation for their commitment to preserving the facility. “We are working together and fighting together to keep Brunswick and our other bases,” said Governor Baldacci. “We believe that these bases are important to their communities and to our national defense.”

Governor Visits Portsmouth Naval Shipyard with Assistant Secretary of Defense

March 14, 2005

CONTACT: Lynn Kippax 287-2531

Joy Leach 287-2531

AUGUSTA – Governor John Baldacci today visited Portsmouth Naval Shipyard with Assistant Secretary of Defense for Homeland Defense Paul McHale. Members of the Maine Congressional Delegation and New Hampshire Governor John Lynch joined Governor Baldacci and the Assistant Secretary for a tour of the facility.

Following the tour, Governor Baldacci signed a Memorandum of Agreement with the U.S. Coast Guard regarding mutual cooperation in the enforcement of safety and security zones created by the Coast Guard in Maine waters. The agreement empowers state and local law enforcement officers who have authority to enforce state criminal laws to make arrests in situations that were previously preempted by federal law.

Portsmouth Naval Shipyard currently hosts three U.S. Coast Guard cutters and is collaborating with the Coast Guard to provide additional protection for the base, area ports, and the surrounding communities. The Governor noted, "Given the strategic location of the shipyard, in the geographic center of the northeast region, this is a vital asset with the ability to provide rapid emergency response support to communities across the region. The agreement signed today greatly enhances the ability of State officers and the Coast Guard to work together to ensure maritime security."

Governor Baldacci also spoke in support of Portsmouth Naval Shipyard as the Base Realignment and Closure (BRAC) process continues. The Governor recognized the Congressional Delegation for their work to preserve the shipyard, and he lauded the partnership of labor and management at the shipyard that has resulted in a reduction of operating costs. "The quality workforce and cooperation between labor and management contributes to making this shipyard the most efficient and effective facility," said the Governor. "This is a viable shipyard that is necessary to our national security."

State Grants to Help Towns Improve Efficiencies

March 15, 2005

CONTACT: Lynn Kippax 287-2531

Laurie Lachance, President, MDF, 622-6345

AUGUSTA - Governor John Baldacci, together with the Maine Development Foundation, announced today that \$1,000,000 will be distributed to 121 municipalities and other governmental entities. A list of projects awarded funding to help consolidate local services is attached.

Governor Baldacci included the funds for these competitive grants as part of his FY 2005 budget as a means of exploring the joint delivery of services as one way to reduce local government spending and counteract escalating property taxes. Grants will help towns implement cooperative services as well as conduct planning and feasibility studies to develop regional solutions.

"I am delighted with the response we received to this program," said the Governor. "The number and type of projects submitted for funding demonstrate strong commitment by local officials to work together to reduce property taxes all across Maine." Over the course of the summer, Governor Baldacci will visit a number of the communities receiving grants to highlight their efforts and showcase the efficiencies being achieved.

Grants were awarded to applicants from across Maine. Some examples of the types of projects funded include:

- Consolidating the emergency communication services of 13 towns and the county sheriff
- Expanding a regional recycling center to service additional towns
- Consolidating a municipal public works department, water district, and wastewater treatment facility into one location
- Examining approaches to centralize municipal property assessing services among three towns, with the potential to expand countywide
- Assessing the fire equipment needs of five towns to prevent duplication
- Combining the municipal accounting and finance systems of three towns
- Studying the feasibility of consolidating the fire and police services of two towns into a single, joint public safety service

A review panel consisting of municipal officials, each of whom has successfully engaged in a regionalization effort, and state officials with experience in finance, taxation, and regional planning selected the projects that will receive funding. "The review panel strove to fund as many projects as

possible and therefore all projects received less than their full grant request,” said Laurie Lachance, President of the Maine Development Foundation. “This will provide seed money for some very innovative regionalization efforts, she said.”

The Maine Development Foundation, who will administer the 26 projects chosen to receive funding, will provide progress reports and a concluding analysis of how the grant projects will help lower property taxes for residents in those communities.

The Maine Development Foundation received 41 applications that included 137 municipalities and government entities with requests for funding totaling more than \$3 million.

As part of the citizen-initiated School Finance Act of 2003, Maine voters approved funding for an ongoing grant program to stimulate regional service delivery. Another grant cycle is expected to be announced in the fall 2005.

Fund for the Efficiency of Local and Regional Services Cooperative Services Grants Awarded

Participating Municipalities - Project Title - Grant Award

Auburn, Durham, Greene, Leeds, Lewiston, Livermore, Livermore Falls, Lisbon, Minot, Mechanic Falls, Poland, Turner, Wales, Androscoggin County - Regional Communication - \$100,000

Biddeford, Saco, Old Orchard Beach, Sanford - Emergency Dispatch Consolidation - \$120,000

Gardiner, Gardiner Wastewater Department, Gardiner Water District - Proposal for Common Facility and Cooperative Services - \$110,000

Gorham, Windham - Regional Emergency Vehicle Repair Center - \$100,000

Lewiston, Auburn - Efficient Delivery of Local Services - \$45,000

Madison, Skowhegan, Norridgewock, Anson - 4-ton RMV Hot Patcher - \$20,000

Mapleton, Castle Hill, Chapman - Joint Municipal Accounting and Finance Program - \$35,000

Oakland, Belgrade, Waterville, Winslow - Regional Transfer and Recycling Facility - \$110,000

Pittsfield, Canaan, Detroit, Hartland, Palmyra, Plymouth, Solon - Regional Recycling Center Enhancements - \$75,000

Waterville, Winslow - Public Safety Services Consolidation Project - \$30,500

Wiscasset, County of Lincoln, County of Sagadahoc, Lincoln-Sagadahoc Multi-county Jail Authority - Multi-county Jail Project - \$20,000

Yarmouth, Cumberland, North Yarmouth - Regional Dispatch Center - \$100,000

Totals \$865,500

Fund for the Efficiency of Local and Regional Services Planning Grants Awarded

Participating Municipalities - Project Title - Grant Award

Augusta, Gardiner, Winthrop, Kennebec Valley Council of Governments, Kennebec County - Kennebec Valley Assessing Project - \$10,000

Dexter, Garland, Exeter, Ripley - Regionalization of Assessment Services - \$10,000

Farmington, Jay, Livermore, Livermore Falls, Wilton - Joint Fire Service Study - \$10,000

Fort Kent, Allagash, St. Agatha, Madawaska, Frenchville, New Canada, Van Buren, Fort Fairfield, Caribou, Aroostook County - Aroostook Regional Financial Accounting Center - \$10,000

Norway, Lewiston, Poland, Farmington, Wales - Establishing a Municipal Services Group - \$10,000

Oakland, Kennebec Valley Council of Governments, Augusta, Fairfield, Gardiner, Waterville, Winslow, Winthrop, Local School Districts in Winthrop, Monmouth, Augusta, Richmond, Fayette, and Waterville, Erskine Academy, MSAD 11, MSAD 16, MSAD 47, MSAD 49, MSAD 53, SU 42, SU 132, SU 133, SU 52 - Kennebec Valley Regional Purchasing Collaborative - \$10,000

Pittsfield, Canaan, Detroit, Palmyra - Multi-town Curbside Recycling Project - \$4,700

Scarborough, South Portland, Cape Elizabeth - Tri-Community Regional Dispatch - \$10,000

Standish, Gorham, Falmouth, Freeport, Gray, Greater Portland Council of Governments - Study of Collaborative Options for Municipal Financial and Administrative Services - \$10,000

Stetson, Brownville, Greenbush, Calais, Piscataquis County, Penobscot Valley Council of Governments, Washington County of Governments - Regional Assessing Program - \$10,000

Veazie, Bangor, Brewer, Hamden, Milford, Old Town, Orono, University of Maine, Maine Air National Guard - Bangor Area Storm Water Working Group - \$9,800

Wayne, Manchester, Readfield, Fayette, Mt Vernon, Monmouth, Livermore Falls, Maranacook School District - Lakes Region Planning Grant - \$10,000

Windham, Biddeford, Cape Elizabeth, Cumberland, Falmouth, Freeport, Gorham, Old Orchard Beach, Portland, Saco, Scarborough, South Portland, Westbrook, Yarmouth, Cumberland County Soil and Water Conservation District - Interlocal Stormwater Working Group - \$10,000

Yarmouth, North Yarmouth - Regional Sewer Services - \$10,000

Totals \$134,500

Governor Announces New England Patriots Return to Maine

March 16, 2005

AUGUSTA - Governor John Baldacci announced today that the New England Patriots have accepted his invitation to visit Maine and celebrate their 3rd Super Bowl championship in four years. Players and personnel of the organization will bring the Lombardi Trophy to Maine to participate in the state's largest ever ticker-tape parade in the City of Portland on April 8th.

In addition to celebrating the New England Patriots team, the Portland parade will honor and welcome home the thousands of Maine soldiers who have served in the current conflict in Iraq and other countries, as well as our veterans of past conflicts and Maine's local heroes – the first responders who daily risk their lives protecting Maine citizens.

"The New England Patriots have decided to participate in this tremendous event honoring our real patriots – the heroes who serve with pride in the Armed Forces and those who protect our communities," said Governor Baldacci.

New England Patriots owner Robert Kraft echoed the Governor's sentiments, indicating that they are eager to return to the State and celebrate with their fans and "are flattered to be included and graciously welcome the opportunity to team up with our troops during this event."

The ticker-tape parade will be held in downtown Portland on Friday, April 8 and is scheduled to begin at 3:30 p.m. The parade will honor thousands of soldiers and feature marching bands, military vehicles and a military flyover.

"I would like to thank the City of Portland and Mayor Jill Duson for organizing this tribute to our servicemen and women, and look forward to participating as we honor their service to their State and Nation," added Governor Baldacci.

Maine Joins ENERGY STAR Challenge

March 17, 2005

CONTACT: Lynn Kippax, 287-2531

Beth Nagusky, 287-4315

AUGUSTA - Today, St. Patrick's Day, Governor John E. Baldacci announced that Maine is joining the United States Environmental Protection Agency's ENERGY STAR Challenge. The Challenge calls on states, businesses and institutions to make building improvements that can reduce energy use by 10% or more. Today's announcement builds on past efforts to further "green" state government. Last year on St. Patrick's Day, the Governor signed an Executive Order to reduce energy usage, unhealthy air emissions, and greenhouse gases from state vehicles.

"The State is excited to join the EPA's ENERGY STAR Challenge," said Governor Baldacci. "Energy conservation and efficiency in state facilities saves taxpayers money, reduces our dependence on foreign energy sources, and reduces our contribution to global warming."

The Challenge calls for three important actions: assessing building energy usage, establishing efficiency improvement goals of at least 10%, and making efficiency improvements where cost-effective. EPA offers its national building energy performance rating system to support this challenge. This rating system has already been used to assess the energy efficiency of almost 20,000 buildings across the country. The State will promote these same goals with building owners and operators throughout Maine.

Maine currently tracks energy usage and greenhouse gas emissions from the building and transportation sectors of state government, and has reduced these emissions by 8% over the past two years. Maine has conducted an energy survey of State owned facilities and developed a preliminary estimate of the cost of energy improvements and the associated energy and cost saving benefits. The State is using the data gathered in the survey to develop a priority list for buildings that require efficiency improvements.

"Improving the energy performance of State buildings is one of 54 options identified in the DEP Climate Action Plan to meet the State's greenhouse gas reduction goals," noted the Governor. "If each building owner met this challenge, EPA has estimated that in 10 years we would reduce greenhouse gas emissions equal to the emissions from 15 million cars, and save approximately \$10 billion in energy costs each year."

Facilities are being treated through a variety of mechanisms including performance contracting and system benefit programs, and energy use is being tracked through building benchmarking. All new state buildings and publicly funded schools are being designed to be 20% more energy efficient than required by the State's commercial building energy code as well as to meet LEED silver standards.

To find out more about energy efficiency, please visit the state's energy information website <http://maineenergyinfo.org/>

2005 Archive of Governor Baldacci's Press Releases

CONTACT: Lynn Kippax, 287-2531

Beth Nagusky, 287-4315

Governor Directs Flags to be Flown at Half-Staff in the Towns of Lee, Lincoln and Carroll Plantation

March 21, 2005

CONTACT: Lynn Kippax 287-2531

Joy Leach 287-2531

AUGUSTA – In remembrance and honor of SSGT Michael Severance, whose memorial service will be held Thursday, Governor John E. Baldacci has directed that the United States flag and the State of Maine flag be flown at half-staff from sunrise to sunset, Thursday, March 24, 2005 in the Towns of Lee, Lincoln and Carroll Plantation. State Representative Rod Carr made the request at the behest of the family. Severance grew up in Lee, and has family still living in the area.

SSGT Severance died earlier this year in San Angelo, Texas. He had returned from duty in Iraq, having served with the 317th Airlift Unit with the Air Force. The service for Michael Severance will held in Lincoln and the burial will follow at Stevens Cemetery in Carroll Plantation. He will be buried with full military honors.

Governor Baldacci Thanks Thomas Welch

March 22, 2005

CONTACT: Lynn Kippax, 287-2531

Thomas L. Welch, 287-3831

AUGUSTA - Governor John Baldacci thanked Public Utilities Commission (P.U.C.) Chairman Thomas L. Welch, Tuesday, for his 12 years of service to the P.U.C. and to the people Maine.

Welch was appointed Chairman of the Maine Public Utilities Commission in May of 1993. Chairman Welch was reappointed to a second term in February, 1999. The current term expires in March of 2005. Governor Baldacci accepted Welch's resignation on Tuesday. Welch is expected to remain at his post, as Chairman, until April 1st of this year.

"Throughout his tenure at the P.U.C., Tom has worked hard to keep utility rates as low as possible. That's what Maine consumers and business demand," Governor Baldacci said Tuesday. The Governor said that he plans to move to appoint Welch's replacement in the near future.

Prior to joining the P.U.C., Welch was Chief Deputy Attorney General in the Pennsylvania Office of Attorney General, was a General Attorney for Bell Atlantic and Bell of Pennsylvania, and practiced law in San Francisco.

He has also been Assistant Professor of Law at Villanova University School of Law and Adjunct Professor of Law at Dickinson School of Law. Welch graduated from Stanford University in 1972 and Harvard Law School in 1975.

The Future of Maine's Forest Economy - Governor's Steering Committee to Issue Report

April 24, 2005

CONTACT: Lynn Kippax 207/287-2531

The details of what has been billed as the most important report on the Maine forest products industry in more than a century will be released Friday, March 25th during a meeting of the Governor's Steering Committee on Natural Resource-based Industries in Augusta.

"The report offers new and important details about Maine's forest products industry that will help the industry and state government capitalize on opportunities to expand the industry's economic impact on the state," Governor Baldacci said.

Among the notable findings in the report is that Maine sawmills are producing record volumes of lumber, marked by a 400-percent increase in the production of hardwood lumber and a 250-percent increase in softwood lumber since 1975. "Maine mills are producing more with fewer workers," steering committee co-chair Richard Davies said. "One of our economic advantages in world markets, and thanks to the amount of spruce in our forests, is light weight coated paper."

The meeting will feature a presentation of the Future Forestry Economy Project by Eric Kingsley of Innovative Natural Resource Solutions LLC, author of the report and consultant to the Department of Conservation, and an opportunity for attendees to share their thoughts about the recommendations contained in the report.

The conference, to be held at the Augusta Elks Lodge, 397 Civic Center Drive, Augusta, begins at 8:45 a.m. and ends at 3:30 p.m. The full report will be posted at <http://www.state.me.us/doc/mfs/fpm/ffe/> Friday.

Governor Nominates Lloyd LaFountain as Banking Superintendent

March 24, 2005

CONTACT: Lynn Kippax 207/287-2531

AUGUSTA - Governor John Baldacci today announced his nomination of former State Senator Lloyd P. LaFountain, III, to serve as superintendent of the Bureau of Financial Institutions. The superintendent is the state's chief regulator of state-chartered banks, savings and loan associations and credit unions and is responsible for ensuring the safety and soundness of Maine's financial institutions.

"I am extremely pleased that Lloyd LaFountain has agreed to serve as superintendent of financial institutions," said Governor Baldacci. "As the former chair of the Banking and Insurance Committee, he brings to the position an in-depth knowledge of financial service policy and a strong record of public service. I am confident of Lloyd's ability to foster healthy competition in the banking market, while protecting Maine consumers."

As a State Senator from Biddeford, LaFountain served for eight years (1996-2004) as chair of the Insurance and Financial Services Committee and its predecessor, the Banking and Insurance Committee. From 1994-1996, he represented district 19 (Biddeford) in the Maine House of Representatives. In his 10 years of legislative service, LaFountain served on more than a dozen task forces and special commissions, including several to improve regulatory efficiency and assist small businesses.

The superintendent of financial institutions is responsible for overseeing a regulatory framework that maintains public confidence in a secure and competitive financial system. Under the superintendent's direction, the Bureau:

- Ensures the strength and stability of financial institutions;
- Promotes reasonable and orderly competition;
- Encourages the development and expansion of financial services;
- Protects consumers against unfair credit practices.

The superintendent serves as an ex officio commissioner of the Maine Municipal Bond Bank and the Maine Health and Higher Education Facilities Authority, as well as a trustee for a variety of state of Maine trusts. The superintendent serves for a term of five years.

"The financial services sector has changed dramatically in the past decade as federal legislation has removed barriers to competition. Lloyd has been deeply involved in the development of state policies to ensure that Maine's financial institutions compete on a fair and level playing field. He understands the importance of creating a regulatory environment that encourages the growth of financial institutions

and attracts new institutions to the state. Vigorous financial markets are critical for Maine's continued economic growth," Baldacci stated.

LaFountain is a partner in the Biddeford law firm of LaFountain & LaFountain. He graduated from Suffolk University School of Law in 1987 and has a bachelor's degree from the College of Holy Cross.

Governor Directs Flags to Be Flown at Half-Staff in the Town of South Berwick

March 25, 2005

AUGUSTA – In remembrance and honor of Robert Brackett, former South Berwick Town Councilor, Governor John E. Baldacci has directed that the United States flag and the State of Maine flag be flown at half-staff from sunrise to sunset, Monday, March 28, 2005 in the Town of South Berwick. Funeral services for Mr. Brackett will be held that day. The Town Council made the request.

Governor Urges Action on Budget

March 28, 2005

CONTACT:

Lynn Kippax, 287-2531

Joy Leach, 287-2531

AUGUSTA – Governor John Baldacci today urged the Maine Legislature to pass the biennial budget. The Governor noted that the balanced budget passed by the Appropriations Committee more than a week ago maintains the critical principles of the budget he proposed in January. Governor Baldacci reiterated his commitment to work with all members to complete the process.

“The budget before the full Legislature is responsible to Maine taxpayers and addresses the hard choices that have to be made to grow our economy and jobs, maintain an efficient government, and protect essential services to vulnerable people in Maine,” said Governor Baldacci. “I continue to meet with members of the Legislature from all parties to ensure that the budget strengthens our economy and creates opportunity for all citizens.”

The Governor noted that the budget responsibly moves the Maine economy forward without raising broad-based taxes. The budget protects Maine’s most vulnerable citizens and makes significant investments in education and research and development.

“Starting the process with a projected shortfall in excess of \$700 million, a budget proposal was crafted to maintain the commitment to increase the state share of education costs by \$250 million and to maintain the commitment to property tax relief. Coupled with tax cuts, on-going spending reductions and efficiencies in government services, a crucial balance has been struck that meets the needs of all citizens while maintaining the State’s economic growth.”

Highlights of the budget:

- Honors the commitment the Legislature made to increase aid to education and to provide property tax relief in LD 1 (PL, Ch 2).
- o No broad-based taxes are used to balance the budget.
- o Maine stays on the path to lower its overall tax burden to the national average in 10 years.
- o Institutes spending caps and continued government restructuring at all levels.
- o Increases education funding by an additional \$250 million.
- Offers more than \$1.8 billion in tax exemptions, including over \$350M in property tax relief programs.
- Holds the line on overall State spending.

- o Restructures state government, including information technology, human resources, payroll processing, financial operations and administrative hearings creating efficiencies and savings.
- o Most state agencies remain close to flat funding over the next two years, reducing State agencies and programs over the next two years by nearly \$500 million.
- o Institutes joint purchasing efforts for public entities in prescription drugs and other services.
- o Makes further reductions to the administrative costs of state government.
- Makes a \$120 million principal payment on the unfunded liability of the retirement system (UAL) that will save at least \$340 million over the remaining life of the UAL.

The Governor praised the careful balance of priorities met in the budget passed by the Appropriations Committee. "New fines and fees make up less than one half of one percent of the budget," said the Governor. "We need to focus on the progress made with this package as a whole and pass this budget."

Governor Unveils Rural Economic Development Plan

March 31, 2005

CONTACT:

Joy Leach, 287-2531

Jeff Sosnaud, 624-9800

AUGUSTA – Governor Baldacci today unveiled a new economic initiative aimed at developing and expanding a range of tourism opportunities in Maine's rural communities. The Maine Nature Tourism Initiative involves tax incentive legislation designed to encourage new investment in outdoor recreation businesses and a series of recommendations that have been developed for the Governor by Texas-based FERMATA, Inc., a nationally known tourism development consulting firm.

"Natural resources and tourism are vibrant elements of our State and our economy," Governor Baldacci said. "This initiative will enable us to make the critical connections between our resources, tourism and economic development; to maximize our resources and by doing so to propel Maine as the premier tourist destination. With appropriate targeted investments, we can use the unique beauty of our landscape to bring new dollars into the state and help Maine's rural communities as they work to diversify their local economies."

Under the proposed legislation known as the Pine Tree Recreation Zone Act, both new hotel or resort proposals, as well as existing sporting camps, may qualify for a number of tax incentives that would enable them to create new jobs and pump new dollars into rural economies that are seeking to diversify. Representative Stan Moody, D-Manchester, is the lead sponsor of the bill.

"Our hotels and sporting camps are part of the significant network of small businesses that employ the majority of our workforce," Representative Moody said. "It is critical that we give them the support they need in order to remain competitive. The tax incentives offered through the Pine Tree Recreation Zone Act will help existing accommodations upgrade their offerings and enable new businesses to enter the market."

Proposed tax incentives include:

- ♣ Refund of 20 percent of approved project costs through refundable tax credits;
- ♣ Sales tax exemption on construction supplies and equipment; and
- ♣ Refund of new incremental meals and lodging tax generated for the first five years; refund must be used to implement an approved marketing plan.

In addition to the proposed legislation, the Governor also rolled out a number of recommendations that have been developed by FERMATA, Inc., which the Administration retained in September of 2004 to assess Maine's opportunities in nature-based tourism, one of the fastest growing niches in the nation's

travel industry. FERMATA, Inc. will begin working with stakeholders in three rural pilot project areas: the Western Mountains, the Highlands and Downeast. The projects include:

- ♣ Interpretive visitor centers;
- ♣ Incorporating numerous trailheads, historic sites, and nature centers into highway-based thematic itineraries; and
- ♣ Developing a uniform guide and map publication template.

These projects will provide Maine visitors with accurate and comprehensive information on opportunities to experience the state's world-class natural, historical and cultural resources.

"Tourism is an increasingly competitive industry around the world. I am committed to making the investments necessary to keep Maine high on the list of places that folks from away just have to visit in order to appreciate all that we have to offer," said the Governor.

Photos available

Governor Signs Civil Rights Bill

March 31, 2005

CONTACT:

Lynn Kippax, 287-2531

Joy Leach, 287-2531

AUGUSTA – Governor John E. Baldacci today signed LD 1196, An Act to Extend Civil Rights Protections to All People Regardless of Sexual Orientation. The Governor's remarks follow.

"LD 1196, is an Act To Extend Civil Rights Protections to All People Regardless of Sexual Orientation. I want to thank everyone who worked to move this effort forward.

"I'd like to congratulate Senator Turner, Senator Hobbins, and two dozen Senators from both sides of the aisle who showed the strength of their convictions. I congratulate Representative Pelletier-Simpson, Perry, and Walcott as well as over ninety members of the House who voted with their hearts—and their heads.

"Today, I want to congratulate the advocates and allies who have led the effort - marked by steady progress in broadening respect. For decades, legislators, governors and citizens have taken action on this bill time and time again. Our predecessors persevered with education and persuasion and compassion -- despite misunderstanding and fear.

"Let's not doubt the importance of this civil rights legislation. I learned yesterday - and according to the Attorney General -- that the number of reported sexual orientation hate crimes, has increased by 12 % in 2003.

Together with this new law, we will protect students who find the courage to be who they are. We will protect employees across Maine, who seek only to be rewarded for their productivity and their hard work. Discrimination against anyone is discrimination against everyone.

"Today, Maine joins the rest of the New England states, the Maritimes, over a dozen Maine communities, and some of our most innovative and successful businesses—in offering protection for everyone.

"This Act not only offers essential civil rights, but it serves as a welcome. Together we will send a message to the world. Maine is a State that embraces everyone who lives here, or moves here, or visits here, or returns home. Our doors are open to all people."

Governor Signs Budget

March 31, 2005

CONTACT:

Lynn Kippax, 287-2531

Joy Leach, 287-2531

AUGUSTA – Governor John Baldacci today signed the biennial budget.

The Governor stated, “The rate of growth for the two biennial budgets submitted by this Administration is 3.58%. That rate of growth represents the lowest General Fund increase by any Administration in the last thirty years.”

Governor Baldacci praised the Legislature for passing a bill that protects the core values he outlined in January.

“The budget responsibly moves Maine’s economy forward and holds the line on broad based tax increases,” said the Governor. “It protects those in need in our state, preserving the safety net for the poor and elderly. This budget also provides more than \$250 million in increased funding for education, the largest single increase in education spending in Maine’s history.”

The Governor noted that the budget provides significant tax relief and makes important investments in research and development to grow the Maine economy.

Governor Mourns Passing of Clyde Hichborn

March 31, 2005

CONTACT:

Lynn Kippax, 287-2531

Joy Leach, 287-2531

AUGUSTA – Governor John Baldacci mourns the passing today of Clyde Hichborn, a former State Senator and State House member representing the LaGrange area. The Governor served with Hichborn for many years in the State Legislature.

“Clyde was an extraordinarily caring and gentle man,” remembered the Governor. “He was a tireless advocate for the people and the region he served for so many years. My thoughts and prayers are with his family.”

Governor Notes Retirement of Maine Supreme Judicial Court Justice Paul Rudman

April 1, 2005

CONTACT: Lynn Kippax, 287-2531

Joy Leach, 287-2531

AUGUSTA - Maine Supreme Judicial Court Justice Paul L. Rudman has informed Governor Baldacci that he will retire from Maine's highest Court effective July 1, 2005. The Governor thanked Justice Rudman for his 13 years of service to the State of Maine. Justice Rudman was originally appointed to the Court in 1992.

"Justice Rudman is a public servant of the highest caliber," said Governor Baldacci. "He has faithfully served the People of Maine and upheld the laws of this State. I am grateful for the dedicated service of this highly-respected individual. He will be greatly missed on the Court."

Justice Rudman is a native of Bangor. He received his undergraduate degree from Yale University, and his law degree from George Washington University School of Law. Before his appointment to the Maine Supreme Judicial Court, Justice Rudman practiced law for 32 years and was a founding partner of the Bangor firm of Rudman & Winchell.

Justice Rudman has served as the Court's liaison to the Board of Overseers of the Bar and the Media & Courts Committee. He has been Chairperson of the Judicial Education Committee and the Sentence Review Panel. He has served on a number of community, professional and civic organizations.

On the Passing of His Holiness John Paul II

April 2, 2005

CONTACT:

Lynn Kippax, 287-2531

Joy Leach, 287-2531

3:06 pm

AUGUSTA – Governor John Baldacci mourns the passing today of the Holy Father, John Paul II. From humble beginnings, the Pope became one of the most important world leaders of our time.

The Governor noted the Pope's courage and compassion.

"John Paul II had a great impact on the Catholic Church and on human rights for all," said Governor Baldacci. "His grace touched millions as he traveled the globe to reach out to people. He fought against oppression, war, hunger and poverty around the world, and brought hope and peace to many. John Paul II transcended his role as leader of Catholics and became a leader for all peoples."

Flags at Half Staff to Remember Pope John Paul II

April 3, 2005

Contact: Lynn Kippax, 287-2531

Joy Leach, 287-2531

As a mark of respect for His Holiness Pope John Paul II, the President has ordered that the flag of the United States shall be flown at half staff at the White House and on all public buildings and grounds, at all military posts and naval stations, and on all naval vessels of the Federal Government in the District of Columbia and throughout the United States and its Territories and possessions until sunset on the day of his interment. Governor Baldacci has ordered that the flag of the State of Maine shall be flown at half staff for the same period.

Governor Outlines Proposed Adjustments to Learning Results

April 4, 2005

Contact: Lynn Kippax, 287-2531

Commissioner Susan Gendron, 624-6620

AUGUSTA – Governor John Baldacci was joined by Education Commissioner Susan A. Gendron today to unveil details of proposed modifications to the timeliness and structures for implementation of Maine's Learning Results. Governor Baldacci focused on the impact on teachers of the intense efforts to raise achievement for all Maine students, noting that comprehensive educational reform is complex and time-consuming work.

"Student learning is a direct result of interaction between teacher and student," said the Governor.

"Students need to be given the time to learn and teachers the time to teach. That's why we are suggesting this bold new initiative to improve Maine's public schools. While we have some of the best teachers, the best students and the best public schools in the country, we must take these necessary steps in order to maintain the high quality of our public schools. Our economic, social and cultural foundations for the future of Maine are in our schools."

In addition to modifications in Learning Results, the Governor announced the following initiatives:

- Establish a "Public Education Practitioners Board" co-chaired by First Lady Karen Baldacci and Commissioner Gendron. The Public Education Practitioners' Board will provide an educators' perspective and a sounding board from actual classroom and school building level front line people regarding the impact of school reform initiatives on teaching practice before such reform initiatives are considered for approval by the State.
- Re-direct funding to assist teachers in the development and administration of targeted local assessment funds and to improve their instructional practice. The designated funding of \$17 million is part of the Essential Programs and Services School Funding Model, and would build a collaborative process between administrators and teachers.
- Commit to prepare for the Second Session of the 122nd Legislature. The Governor is requesting that LD 1381 be held over and in the interim direct Commissioner Gendron to present an implementation plan to correct Maine's standing on teacher pay and to aid in recruitment and retention. Currently, the average teachers' salary in Maine ranks as the lowest in New England, while the average beginning teachers' salary in our state ranks 47th in the United States.

The proposed improvements and adjustments to Learning Results were presented with the following assumptions in mind:

- That the basic purposes for educational reform in Maine—to ensure that upon graduation all Maine students are effectively prepared for college, work, and citizenship—are today more compelling than in 1996 when the Learning Results were enacted.
- That Learning Results implementation, in many districts, is producing significantly richer and more effective conversations about teaching and learning, which is in turn leading to improved student learning. In these districts the development of the Local Assessment System (LAS) has been integrated into existing, connected systems of curriculum, instruction, professional development, and student academic support.
- That above all, we must be certain that students are not harmed during the development phase of systems to measure achievement of the standards.
- That modifications are being proposed at this time to permit more consistent and improvement in student learning in all Maine schools and districts. The goals of the modifications will be to stress quality over quantity; to pace the work in the hope of building systems that are truly effective and comparable across Maine.

Commissioner Gendron summarized the proposed modifications to Learning Results, many of which will require changes to Maine statute and regulations:

- Modify the graduation expectation for 2007-08 through the creation of the “Learning Results Credit” (LRC). For English Language Arts and Mathematics only, school administrative units will administer and collect a reduced number of assessments as defined by an updated version of the LAS Guide in combination with other evidence of student achievement. The LRC, which combines features of the existing credit-based approach with the Local Assessment System basis, will permit all districts across Maine to continue the development of comprehensive standards-based systems and continue to align curriculum, instruction, and assessment with the standards.
- Use the “Learning Results Credit” as the basis for meeting standards for diploma purposes in Science, Social Studies, Health/Physical Education beginning in 2009-10, and in Modern and Classical Languages and Visual and Performing Arts beginning in 2010-11.
- Limit the Local Assessment System to English Language Arts and Mathematics in grades PK-8, but continue to collect school level data in Science, Social Studies, and Health/Physical Education in grades 3-8.
- Clarify that decisions about high school diplomas for students with disabilities will be informed more strongly by a student’s Individualized Education Plan (IEP).
- Direct the Department of Education to develop guidelines and procedures for State validation of school district Local Assessment Systems and Comprehensive Education Plans.
- Broaden the basis for the Department to provide technical assistance to school districts to support the development of not only Local Assessment Systems, but the comprehensive school improvement

systems necessary to make assessments truly effective. This will necessitate significant re-alignment of Department human and fiscal resources to maximize capacity for providing assistance to local districts. The Department will also redouble efforts to partner with statewide and regional professional development and technical assistance service providers to mobilize all available resources in support of effective implementation.

In addition to the above modifications to statute and regulation, the Department will also be engaged in a broader review of other aspects of the implementation of the system of Learning Results including:

- Evaluating a redesign the Maine Educational Assessment (MEA) to measure and report progress on a smaller subset of performance indicators to provide greater predictability and focus for teachers and students.
- Monitoring emerging federal accountability requirements, particularly at the high school level, to ensure that Maine's overall testing program avoids duplication.
- Conducting a broad-based and comprehensive evaluation of all aspects of the implementation of Maine's Learning Results, involving all the key advisory committees (Policy and Technical Advisory Committees, the Learning Results Steering Committee, the State Board of Education, Education Committee leadership, and other stakeholder groups) for the purpose of identifying further actions and implementation supports to address current challenges and capacity issues, to be completed by August 1, 2005.

These proposals will be presented to the Joint Standing Committee on Education and Cultural Affairs beginning at 2:00 p.m. on Tuesday, April 5. Governor Baldacci and Commissioner Gendron expressed the hope that the numerous bills related to the Learning Results and the Local Assessment Systems will be considered in the light of the recommendations.

Governor Baldacci also noted that the recommended modifications represent a consensus set of ideas shared by associations representing teachers and school administrators. Over the past several weeks, discussions have been ongoing to ensure that a broad base of agreement is present at this stage of the process.

Governor Says MaineCare Moving Forward

April 4, 2005

CONTACT: Lynn Kippax 207/287-2531

Joy Leach 207/287-2531

One month ago, I charged the Department of Health and Human Services (DHHS) to make significant progress to solve problems with the MaineCare Claims Management System, including the following:

- Achieve reliable and predictable weekly payments for all 7,000 MaineCare providers.
- Improve response capability to provider inquiries about claim status.
- Develop and communicate an easy to understand and effective method for reconciliation of interim payments.
- Achieve a stable, fully functioning system, realizing that this will take much more than 30 days.

Much progress has been made in getting payments to providers during the past 30 days—but more work needs to be done to achieve these objectives.

DHHS reports that more claims to providers are being paid normally through the new claims processing system. Although the job is not complete, the extension of interim payments has been aggressively pursued to help relieve financial pressure on many providers with claims that did not process early on in the new system and DHHS will continue to address the problem of providers each week who have not received adequate payments. DHHS has taken a number of steps to respond to these provider-specific concerns.

- Increased staffing on phones.
- Established multiple ways to get status on claims, including web-based and interactive voice response.
- Increased communication and training with providers.

I am pleased significant progress has been made over the past month.

In order to further accelerate improvements and meet our commitments, I am implementing several new initiatives that will help speed up the progress in DHHS payments and achieve my stated objectives.

I have asked Becky Wyke to form a financial audit team to ensure accurate documentation and reconciliation of claims processed through the new claims management system. This team will come under the direction of the Department of Administrative and Financial Services with key support from financial staff of the Department of Health and Human Services.

I am also establishing a Governor's Provider Advisory Group that will take a direct role in obtaining input from a diverse source of valued MaineCare providers in order to facilitate communication, improve outreach and customer service, and identify problems quickly to be solved.

I'll ask them to work on two issues: first, to help us move through the current set of challenges with the claims management system implementation. Second, I'll ask that the group work to review the MaineCare program.

If we are to build a more efficient and responsive "customer centered" MaineCare system — we'll need their help. I'm working toward a better future, a future that ensures that Maine State government is a worthwhile business partner. We must and will offer excellent customer service and pay our bills on time.

Lastly, I have charged Dick Thompson, the State's Chief Information Officer, along with Department of Health and Human Services technology staff, to take steps to assume more control of the MaineCare claims management computer system operations.

I will pay close attention to MaineCare as DHHS works to improve their operations and increase customer service.

Governor Nominates Kurt Adams to Public Utilities Commission

April 7, 2005

CONTACT: Lynn Kippax, 287-2531

Joy Leach, 287-2531

AUGUSTA - Governor John Baldacci today announced the nomination of his Chief Legal Counsel, Kurt Adams, to serve as a member of the Public Utilities Commission (PUC). Since taking office, Governor Baldacci has promoted long term energy conservation and alternative energy solutions.

"I am extremely pleased that Kurt Adams has agreed to serve as a member of the PUC," said Governor Baldacci. "He brings to the position extensive experience and in-depth knowledge of energy, utility and telecommunications policy and a strong record of negotiating agreements for the benefit of the public good. I am confident of Kurt's ability to contribute to this vital commission."

As Chief Legal Counsel, Adams led the Governor's team that successfully negotiated the preservation of paper mills in the State. He worked with Democrats and Republicans in the Legislature to save these jobs. Adams's work helped preserve 1300 jobs in Penobscot County with a total annual payroll of \$3 million dollars.

Adams serves as Governor Baldacci's representative on the New England State Committee on Energy, a regional organization of Governor's representatives charged with fighting for lower rates for electricity consumers.

Most recently, Adams developed the Governor's Connect Maine initiative unveiled by the Governor in his State of the State address in January. Connect Maine is Maine's first comprehensive telecommunications strategy.

"Kurt will be a strong advocate for consumers," said Governor Baldacci. "The telecommunications industry is undergoing rapid change and oil and electricity prices are projected for record highs. Maine's economic recovery cannot afford major increases in energy prices. Maine needs a strong advocate at the PUC to fight for Maine's interests in regional (ISO-NE) and national (FERC) bodies."

Adams was born in Maine. Originally from Kittery, his family owns Kittery Trading Post. He earned a BA in Government from Skidmore College; an MA in International Affairs from The George Washington University; and a Juris Doctor, from the University of Maine School of Law.

Prior to serving in the Administration, Adams practiced law as a partner in the Portland firm Bernstein, Shur, Sawyer & Nelson. In this capacity, he developed his expertise in energy law and represented private clients before regional and federal bodies.

Maine's Secretary of State Selected to Serve on Federal Negotiated Rulemaking Committee

April 8, 2005

CONTACT: Joy Leach, 287-2531

Doug Dunbar, 626-8404

Maine's Secretary of State Selected to Serve on Federal Negotiated Rulemaking Committee to Develop National Standards for Licenses and ID Cards

Panel Created through the Intelligence Reform and Terrorism Prevention Act of 2004

AUGUSTA – Secretary of State Matthew Dunlap has been selected to serve on the Negotiated Rulemaking Committee that is being established by the United States Department of Transportation to develop recommendations for national minimum standards for driver licenses and identification cards.

Section 7212 of the Intelligence Reform and Terrorism Prevention Act of 2004 requires the Secretary of Transportation to establish the Committee and put forth recommendations this year. The Committee is scheduled to convene for its first session in Washington on April 19th.

Secretary Dunlap will serve as the representative from the National Governors Association. He was recommended for appointment to the Committee by Governor John Baldacci. Senator Susan Collins, who played a central role in passage of the Intelligence Reform and Terrorism Prevention Act of 2004, also recommended Dunlap.

In making their recommendations, Governor Baldacci and Senator Collins indicated that Maine's long history of successfully implementing motor vehicle laws and procedures would benefit the rulemaking process. They also noted that the State's rural characteristics and its lengthy international border are considerations that make Maine's participation in the rulemaking process advantageous.

"Secretary Dunlap will bring valuable information and insight to this rulemaking process," said Governor Baldacci. "His experience will be essential as this panel plays a central role in negotiations designed to enhance homeland security."

As Maine's Secretary of State, Matthew Dunlap oversees the Bureau of Motor Vehicles. Established in 1905, the Bureau is responsible for licensing drivers and issuing state identification cards. It also maintains driving records and carries out investigations related to a broad range of motor vehicle law. Additionally, the Bureau has responsibilities related to vehicle registration and ownership.

"It's important that Maine's interests and those of all state governments be represented in this rulemaking process. The results of this effort are expected to set the tone and direction for future policies and procedures related to the issuance of licenses and other personal identification credentials.

States have been carrying out these responsibilities for many decades and have specialized expertise in this area,” Dunlap commented.

The Negotiated Rulemaking Committee is expected to conduct work sessions for at least four months in order to craft recommendations for enhancing the integrity and strengthening the security of driver licenses and identification cards.

Governor Names Creative Economy Council Members

April 8, 2005

CONTACT: Lynn Kippax, 287-2531

Joy Leach, 287-2531

AUGUSTA – Governor Baldacci named the membership of his new Creative Economy Council today. The Governor created the council by Executive Order following his State of the State Address. The council's purpose is to advise, support and advance public and private initiatives building Maine's Creative Economy. The council is made up of a statewide slate of advisors drawn from technology companies, universities, Native American tribes, arts institutions, venture capital firms, design firms, and more.

"As we transition Maine's economy, we are focused on the future – the world of small business start-ups and artists who are transforming Maine communities," said the Governor. "This new council lines up some of Maine's largest employers and financiers alongside young entrepreneurs and artists. We are tapping into the explosive potential to transform our thinking on economic development and the future of Maine."

"I'm honored to have the Legislative Co-chairs at the table. Senator Cowger and Representative Eder will act as liaisons between the Council and all Legislators as we build tomorrow's economy," commented Governor Baldacci.

Maine Creative Economy Council

Co-chairs

John Rohman, WBRC Architects, Bangor

Jeff Sosnaud, DECD, Augusta

Legislature's Co-chairs

Representative John Eder of Portland

Senator Scott Cowger of Kennebec County

Other Members

Rebecca Conrad, Rysen, Lewiston

Jill Goldthwait, Jackson Laboratory, Bar Harbor

Sheridan Kelly, Knife-Edge Productions, Orono

Dana Hutchins, Image Works, Portland

2005 Archive of Governor Baldacci's Press Releases

Tracy Michaud Stutzman, Highlands Guild, Dover-Foxcroft

Avrum Vinick, Waterville Main Street, Waterville

Lucinda Yates, Designs by Lucinda, Portland

Hank Schmelzer, Maine Community Foundation, Ellsworth

Tom Platz, Platz Associates, Architects, Lewiston

Oliver Wilder, Center for Maine Contemporary Art, Rockport

Sheila Jans, Quebec-Labrador Foundation, Madawaska

Stuart Kestenbaum, Haystack Mountain School of Crafts, Deer Isle

Susan Hammond, Four Directions Development, Indian Island

Diane Sammer, Maine Angels, Harpswell

Jessica Tomlinson, Maine College of Art, Portland

Virginia Gibson, UMaine School of Business, Orono

Howard Solomon, University of Southern Maine, Bowdoinham

Chris Houle, Quantrix, Portland

Alden Wilson, Maine Arts Commission, Augusta

Bob Daigle, Camden National, Camden

Jim Dowe, Bangor Savings, Bangor

Jean Maginnis, Swardlick Marketing, Portland

Martin Wilk, Eaton Peabody, Brunswick

Governor Announces New Office of Minority Health

April 11, 2005

Contacts: Lynn Kippax, 287-2531

Dora Anne Mills, MD, MPH, 287-3270

AUGUSTA – Governor John Baldacci announced a new Office of Minority Health today at the “Eliminating Health Disparities by 2010” Conference in Portland. The three-day regional conference is hosted by the Maine Department of Health and Human Services (DHHS) Bureau of Health and the University of New England. U.S. Surgeon General Richard H. Carmona, MD, MPH, who also spoke at the event on erasing health disparities.

Governor Baldacci noted the Office of Minority Health will exist within the Bureau of Health and will be implemented using existing resources and staff. “This new office will ensure that minority health issues will receive the assistance and attention that is deserved by Maine State Government,” remarked Governor Baldacci. “It will serve as a clearinghouse for information and technical assistance to help local communities, service delivery systems and service organizations.”

The Governor said that Maine is at the forefront in confronting the issue of providing healthcare access to all our citizens. Dirigo Health Reform, including the State Health Plan, will assist in addressing health disparities. The DirigoChoice health coverage program is covering more Maine people, with 5,263 members and climbing and more than 1,600 businesses joining.

The Governor outlined a number of steps taken by DHHS in recent years to build the capacity to support the underlying goals of an Office of Minority health. These steps include:

- ♣ Conducted assessments of the health status of our two largest racial minority communities in Maine: Native Americans and Latinos
- ♣ Conducted a study on integrating mental health needs of refugees into existing systems in Maine and have implemented a pilot to address those needs in Cumberland County
- ♣ Funded community-based organizations in Bangor and Portland---the Wabanaki Mental Health Association and the Center for Transcultural Health at the University of New England---to convene open, interactive, community processes to identify the health needs of and gather recommendations for action from individuals and organizations in racial and ethnic minority communities across the state
- ♣ In partnership with the health directors of the five federally-recognized Native American Tribes in Maine, established and funded initiatives to reduce tobacco use and chronic disease among Tribal members and enhance infectious disease monitoring and emergency preparedness systems for Tribal health departments

- ♣ Developed systems to assure the provision of and reimbursement for qualified interpreters' services (both spoken languages and sign language) in order to assure access to health and mental health services

- ♣ Created an on-line directory of specialty services for ethnic, racial and linguistic minorities in Maine.

"We know from national data that people who are racial and ethnic minorities face numerous health challenges," added Dora Anne Mills, MD, MPH, from the Bureau of Health. "With this new Office we plan on coordinating our efforts so we can improve our measurement of health disparities and assure more effective use of our health resources."

Governor Announces Additional Contracts with Cuba

April 13, 2005

Contacts: Lynn Kippax, 287-2531

Ned Porter, 287-7576

AUGUSTA – Governor John Baldacci today announced that the recently concluded trade mission to Cuba adds two more companies under the previous \$10 million export agreement signed last year. In December, a delegation signed a letter of understanding for up to \$10 million worth of agricultural purchases of Maine goods by Cuba. The Joint Communique was signed in Cuba by Maine Department of Agriculture Commissioner Robert Spear and Alimport (Cuban import agency) CEO, Pedro Alvarez Borrego. The United States lifted the embargo for certain agricultural products in 2001.

The most recent Maine delegation to Cuba, led by Commissioner Spear and Doyle Marchant, president of Cedar Spring Agricultural Company LLC, resulted in additional agreements for the sale of lumber and sardines to be exported from Maine. Governor Baldacci said, “These additional agreements show the importance of supporting expansion into the new export market that Cuba offers Maine agricultural producers. Promoting new markets for traditional Maine industries grows the Maine economy.”

Jim Robbins, president of Robbins Lumber in Searsmont, said that the contracts “really show how Maine family-owned companies like ours can look to new markets to expand a customer base.” Robbins’s company has contracted for an initial order of thirty shipping containers of pine, spruce, fir and hardwood.

Speaking for Connors Bumblebee, Brian Thomas, Territory Sales Manager, Latin America, said, “This contract will help to put increased production into our newly retrofitted and automated sardine plant in Prospect Harbor, keeping much needed sardine canning jobs in Maine.” Bumblebee has contracted for multiple shipping containers of sardines.

Robbins Lumber has been in the wood business since 1881 and boasts an annual production of approximately 25 million board feet of Eastern white pine as well as managing more than 30,000 acres of working pine forests. Connors Bumblebee leads the world in production of sardines and are the largest canned seafood company and maintains a highly automated plant in Prospect Harbor.

“Both these companies meet a need for Maine agricultural products in Cuba: lumber for structural uses and household manufacturing; and sardines which provide a much needed, inexpensive source of protein to the Cuban people,” said Doyle Marchant, who arranged for this second delegation to meet Alimport officials in Havana.

Governor Baldacci thanked Commissioner Spear for his work in obtaining these agreements. The Governor noted that the Commissioner is steadily improving following a recent illness while in Cuba. The Commissioner remains in a Miami, Florida hospital. The Governor thanked all those in Cuba and the United States who cared for Commissioner Spear.

Governor Applauds Franklin DirigoChoice Incentive Program

April 13, 2005

Contact: Lynn Kippax, 287-2531

Trish Riley, 624-7442

AUGUSTA – Governor John Baldacci today joined representatives from the Franklin DirigoChoice Incentive Program and praised their innovative initiative to help small businesses purchase DirigoChoice health coverage. The Franklin Program offers a 20% subsidy to small businesses and the self-employed in greater Franklin County for their monthly payments under DirigoChoice.

“This program is a perfect example of the type of collaboration that makes Maine a special place – community organizations, businesses, and leaders coming together and taking the initiative to address a problem – in this case access to coverage,” said Governor Baldacci. “I thank Greater Franklin Development Council and Franklin Community Health Network for their leadership. By working together we will achieve great things for the people of Maine.”

The hallmark of DirigoChoice is discounts provided to employees based on income and family size. Discounts can be as much as 100% of the employee's monthly payment, deductible and out of pocket expenses. The Franklin Program provides a 20% subsidy to the employer's portion of monthly payments. In the second year, a 10% subsidy is offered. Small businesses in Greater Franklin County must apply in 2005 and not have offered coverage within 12 months.

The Program is offered by the Greater Franklin Development Council through an endowment Franklin Community Health Network established to increase access to health care services in Greater Franklin County.

DirigoChoice is health care coverage designed to give Maine businesses with 2-50 employees, the self-employed, and individuals an affordable, high-quality option for health coverage. It is offered through Anthem Blue Cross and Blue Shield of Maine.

After just a few months of activity, DirigoChoice has more than 5,200 members statewide, representing more than 1600 small businesses. Approximately 75% of DirigoChoice members are receiving discounts. DirigoChoice is one part of the Dirigo Health Reform initiative which is working to control health care costs, improve quality and achieve universal access to coverage by 2009.

Governor Nominates Members of the Board of Trustees for the University of Maine System

April 14, 2005

CONTACT: Lynn Kippax, 287-2531

Joy Leach, 287-2531

AUGUSTA - Governor John Baldacci today nominated four members to the Board of Trustees for the University of Maine System: P. James Dowe, Jr. of Bangor; Chad Marquis of Fort Kent; Marjorie Murray Medd of Norway; and Charles J. O'Leary of Orono.

"These capable individuals come from a variety of backgrounds and bring an amazing level of skills, intellect and experience to the Board," Governor Baldacci commented. "They will use their talents to promote the University of Maine System and highlight why Maine is a great place for students to learn and to make a career. These appointees will further enhance the critical links between the University and economic development throughout the state."

Mr. Dowe is currently President and CEO of Bangor Savings Bank. Mr. Dowe graduated from the University of Maine. He was recognized in 2003 as MaineBiz Business Leader of the Year. He is being reappointed to the Board of Trustees.

Mr. Marquis is currently enrolled at University of Maine at Fort Kent, majoring in business management. Prior to enrolling in the University, he had been a professional truck driver for seven years. Mr. Marquis also served in the U.S. Marine Corps and has served as a coach for the UMFK Alpine Ski team.

Mrs. Medd has served a wide variety of education, non-profit and civic positions, including Chair of the Maine State Board of Education and Chair of the Maine Children's Alliance. She is the current Chair of Enterprise Maine, including Growth Council of Oxford Hills. Mrs. Medd earned a B.S. in Education at Tufts University, and a Masters in Public Administration from Harvard.

Mr. O'Leary had served for many years as President of Maine AFL-CIO and has served as a member of various state appointed committees. Mr. O'Leary earned a B.A. and an M.A. at the University of Maine and was a Fulbright Fellow.

The newly appointed members of the Board of Trustees join the other members to assume responsibility for the overall operation, maintenance, and supervision of the University of Maine System. The Board is the entity that approves the establishment and elimination of academic programs, confers tenure on faculty members, and sets tuition rates and operating budgets.

Robert A. Kennedy Named President of the University of Maine, Orono

April 15, 2005

CONTACT: Lynn Kippax, 287-2531

Joy Leach, 287-2531

AUGUSTA - Governor John Baldacci today was pleased to learn that the Board of Trustees of the University of Maine System appointed Robert A. Kennedy as president of the University of Maine, Orono. Kennedy has been serving as interim president since July 2004.

"Bob Kennedy is an excellent choice for president of UMaine," said Governor Baldacci. "He has been a proven leader on campus and in the community. I look forward to continuing to work with Bob on issues of importance including coordination with the Community Colleges and building a strong workforce through graduating students."

Governor Nominates Warren M. Silver to Maine Supreme Judicial Court

April 20, 2005

CONTACT: Lynn Kippax 207/287-2531

Joy Leach 207/287-2531

AUGUSTA - Governor John Baldacci today nominated Warren M. Silver to the position of Justice on Maine Supreme Judicial Court. Silver, upon confirmation by the Senate, will take the place of Justice Paul L. Rudman, who will leave the Court on July 1st of this year.

Silver, 57, a Bangor attorney in private practice since 1977, served on the Board of Governors of the Maine Trial Lawyers Association and is Chairman of the Maine Supreme Judicial Court's Civil Rules Committee.

He is a graduate of Presque Isle High School and Tufts University. Silver received his law degree from the American University Washington College of Law in 1973.

"Warren Silver is highly regarded in the Maine legal community. I am proud to bring his nomination forward," Governor Baldacci said.

Governor Establishes Task Force to Review Higher Education in Kennebec Valley

April 20, 2005

CONTACT: Lynn Kippax, 287-2531

Joy Leach, 287-2531

AUGUSTA - Governor John Baldacci today signed an Executive Order establishing a task force to plan for higher education in the Kennebec Valley. The task force will recommend a plan for achieving quality, affordable, accessible higher education in the Kennebec Valley no later than December 1.

"This working group will review the current higher education resources and services available in the Kennebec Valley," said Governor Baldacci. "I am pleased that all those with whom I've spoken so far agree with this process, and they seem pleased with a forum for furthering communication and resolving issues."

AN ORDER ESTABLISHING A TASK FORCE TO PLAN FOR HIGHER EDUCATION IN THE KENNEBEC VALLEY

WHEREAS, the provision of quality, affordable, and accessible higher education in the Kennebec Valley is important to the economic development of this region; and

WHEREAS, it is incumbent on all those responsible for higher education in Maine to prevent unnecessary duplication of services; and

WHEREAS, the Kennebec Valley has two institutions of higher education that serve its communities; and

WHEREAS, a forum for communication and coordination about higher education opportunity options for the Kennebec Valley will help achieve the goals of access, affordability, and quality:

NOW, THEREFORE, I John E. Baldacci, Governor of the State of Maine, do hereby establish The Task Force to Plan for Higher Education in the Kennebec Valley as follows:

Membership

The Task Force is composed of 10 members:

- a) Two members of the Board of Trustees of the University of Maine System, appointed by that board;
- b) A designee of the Chancellor of the University of Maine System;
- c) The President of the University of Southern Maine;
- d) The Interim President of the University of Maine at Augusta;
- e) The President of Kennebec Valley Community College;

f) The Commissioner of Education; and

g) Appointed by the Governor:

1) A member of the faculty at the University of Maine at Augusta;

2) A member of the Augusta business community; and

3) A member of the Augusta city council.

The co-chairs of the Task Force are the Commissioner of Education and, as selected by the Task Force, one of the members appointed under 1a) above. The chairs of the Joint Standing Committee on Education and the Director of State Planning serve ex officio.

Duties

The Task Force shall recommend to the Governor and the University of Maine System a plan for achieving quality, affordable, accessible higher education in the Kennebec Valley. The first duties of the Task Force members are to determine:

a) The questions about higher education in the Kennebec Valley they wish to answer to aid in developing the plan;

b) If they want to use the services of a facilitator;

c) What information-gathering or studies they want to undertake; and

d) What resources are available to support their work.

Procedures

The Task Force shall meet at times and places called by the co-chairs. Under the direction of the Director of State Planning, the State Planning Office shall provide staffing assistance, with assistance from the Department of Education and the University of Maine System as deemed necessary. The costs for implementing the duties included in this Executive Order shall be absorbed by the participating agencies. The members of the Task Force shall serve without compensation.

Report

The Task Force shall submit a final report no later than December 1, 2005. Upon submission of the final report, the Task Force and the authority of this Executive Order shall dissolve.

Effective Date

The effective date of this Executive Order is April 20, 2005.

Governor Nominates Joyce A. Wheeler to Maine Superior Court

April 20, 2005

CONTACT: Lynn Kippax, 287-2531

Joy Leach, 287-2531

AUGUSTA - Governor John Baldacci today nominated Joyce A. Wheeler of Kittery to the Maine Superior Court. Wheeler currently serves on the District Court in York.

"Joyce Wheeler will bring an extensive breadth of experience and knowledge to the Maine Superior Court," said Governor Baldacci. "She has distinguished herself as an advocate for victims of domestic violence and is an authority on family law. She will make an outstanding addition to the Superior Court."

Judge Wheeler has served as the vice president of the Maine Trial Judges Association. Prior to her appointment to the bench, she practiced law, taught at the University of Maine School of Law and served as counsel for the University of Maine System.

Wheeler earned a B.A. and an M.A. at Boston University. She received her law degree from Boston College.

Upon appointment, Wheeler will be replacing Justice John Atwood, who is retiring.

Governor Celebrates Earth Day Eve

April 21, 2005

CONTACT: Lynn Kippax, 287-2531

Joy Leach, 287-2531

AUGUSTA - Governor John Baldacci today celebrated the eve of Earth Day by detailing his solar energy initiative and by taking the Governors' Solar Challenge.

"I am committed to making the State a leader in sustainable energy practices, which saves money, reduces harmful pollutants and our dependence on foreign energy sources, and helps the Maine economy," said the Governor.

Governor Baldacci detailed his legislation, sponsored by Representative John Brautigam (D-Falmouth) and Senator Jonathan Courtney (R-District 3), to provide incentives to Maine homeowners and businesses to install solar systems. Solar energy is the most abundant energy resource on the planet: each minute enough sunlight reaches the earth to meet the world's energy demand for an entire year. Incentives for solar systems include rebates and sales tax exemptions. An income tax credit would also be available for the installation of solar hot water systems. "My plan for solar rebates is designed not only to encourage more solar power," said the Governor, "but also to encourage Maine businesses to come up with creative solar products".

To highlight the benefits of solar energy, solar electric systems will now be used to light the Governor's Office. Those lights have been converted to energy efficient lights that use 75% less electricity than a traditional light bulb. Additionally, the Governor accepted the Governors' Solar Challenge, a program sponsored by Blue Link Solar Network LLC. The goal of the Challenge is to encourage individuals and groups in each state to raise money to donate a solar electric system to their governor's office, to raise awareness of the benefits of solar energy, and to promote its use. Governor Baldacci is the first governor to accept the Governors' Solar Challenge.

Early in the Governor's Administration he established the Office of Energy Independence and Security. He has promoted energy initiatives such as biodiesel and weatherization, and has doubled the number of hybrid vehicles and reduced state travel. The State purchases 40% of its electricity from renewable power that produces no Greenhouse Gas emissions. The Governor also signed a LEED executive order which incorporates energy efficient building standards for all new and renovated state buildings.

Long term energy conservation and alternative energy solutions will save Maine people and businesses significant dollars, while contributing to Maine's energy security.

Governor Nominates Christine Bruenn as Professional and Financial Regulation Commissioner

April 22, 2005

Contact: Lynn Kippax, 287-2531

Joy Leach, 287-2531

AUGUSTA - Governor John E. Baldacci today announced his nomination of Christine A. Bruenn to serve as Commissioner of the Department of Professional and Financial Regulation. Bruenn currently serves as Maine's chief securities administrator.

"Christine Bruenn brings an outstanding record working with Maine employers and consumers," said Governor Baldacci. "The trust she's earned from Maine businesses and her record of service to the people of Maine give me great confidence in her ability to lead the department and help Maine's economy grow. She will be an excellent advocate for consumers and will promote a sound Maine business climate and attract jobs."

Bruenn has worked in the Department's Office of Securities since 1987, where she began as an investigator before becoming head of the enforcement division, then becoming Maine's Securities Administrator in 1997. The office protects consumers who purchase securities or investment advice. In addition to protecting investors, the Office of Securities also helps small businesses raise money and comply with securities laws.

Bruenn has been on the front lines protecting consumers. In 2002, she was elected as president of the North American Securities Administrators Association (NASAA), an organization that represents securities regulators in the 50 states, Puerto Rico, Mexico and Canada. In this capacity, she led state securities regulators in reaching a settlement of Wall Street firms' unethical conflicts of interest by research analysts, the result of which changed the way investment firms operate.

Bruenn graduated in 1979 from Michigan State University and obtained her law degree in 1987 from Memphis State University. She resides in Jefferson with her husband.

The Department of Professional and Financial Regulation is an umbrella agency for insurance, banking, securities and consumer credit regulation, as well as 41 professional licensing boards and registration programs. The department fosters a healthy business environment through efficient regulation and encourages sound ethical business practices that serve the citizens of Maine.

Governor Requests Federal Assistance for Floods

April 22, 2005

Contact: Lynn Kippax, 287-2531

Joy Leach, 287-2531

AUGUSTA - Governor John Baldacci today requested federal disaster aid for 13 Maine counties that incurred substantial flooding damage in late March and early April. The Governor requested approximately \$6.7 million in aid for damaged public property in Androscoggin, Cumberland, Franklin, Hancock, Kennebec, Knox, Lincoln, Oxford, Piscataquis, Somerset, Waldo, Washington and York Counties.

"While we were spared major flooding from our rivers, there was road and bridge damage throughout the state, mostly in small towns that cannot afford needed repairs," the Governor said. "We have asked FEMA to assist us in assessing the damage, and it now appears that these 13 counties can qualify for federal assistance."

If the requested assistance is received, towns and state agencies would be reimbursed for 75% of damage to public infrastructure such as roads and bridges, as well as extraordinary response costs. The Governor noted that this was not the catastrophic flood feared, but it appears it is the most widespread damage from flooding the State has seen since 1987.

The Governor's request will now be formally evaluated by FEMA, a process that may take several weeks.

Governor Unveils Phase II of Tax Reduction

April 29, 2005

Contact: Lynn Kippax, 287-2531

Martha Freeman, 287-6077

AUGUSTA - Governor John Baldacci today, joined by Legislators including the entire Taxation Committee, unveiled Phase II of his tax reduction proposal, "An Act to Reduce Income Taxes and Encourage Economic Growth in Maine." The proposal will further reduce Maine's tax burden over ten years. Earlier this year, the Governor signed into law LD 1, on average permitting Maine residents to receive a 13% cut in their property tax bills in fiscal year 2006.

A copy of the Governor's remarks follow.

Good afternoon. I'm joined here today by members of the Taxation Committee. I want to thank them for being here and members of the Senate, Chamber of Commerce and many others who are here today who have been interested and concerned in making sure that Maine is doing everything possible to provide for economic development, good paying jobs and benefits.

I would like to start by reminding everyone that I was elected on a pledge of not raising the sales or income tax to balance the state budget.

Despite enormous pressure and an inherited \$1.2 billion dollar shortfall, I have kept that pledge.

We are making significant progress on many fronts despite a most challenging fiscal environment brought on by major cuts in vital programs at the national level, cuts which have to be picked up by our State—with particular notice on the work that was done yesterday on the budget and the cuts toward Medicaid to the states.

And I would also like point out that the growth in our budget increase by this administration—in spite of the enormous pressures from Washington walking away from their responsibilities and being saddled with a \$1.2 billion shortfall - is the lowest growth increase in the last 35 years.

Our Part I biennial budget increase was only 2.4% in the first year and 3.4% in the second. For those of you with an interest in history, during the Longley Administration, the average percentage growth in the state budget was 10.5%.

Now we want to move forward even more aggressively to reduce the tax burden on all Maine people.

Last week, Taxation Committee Chairs Joseph Perry and Richard Woodbury put forward a plan that looks at all areas of tax reform. This is an important endeavor as we work together to lower Maine's tax burden.

Today I'm announcing Phase II of my proposal for tax reduction for Maine citizens.

The proposal recognizes and proposes to change Maine's income tax rate, to reduce it and to encourage economic growth through the repeal of the personal property tax on business equipment.

This proposal joins LD 1 as another focused, targeted step in improving the Maine economy and reducing the tax burden.

Let me give you a little bit of context:

Three months ago I signed into law LD 1. Now for those of you who are outside of this building, that had to deal with addressing our property taxes, which were at that time the second highest in the country. That law increased education funding to local communities by \$250 million. It provided property tax relief and put spending caps on all levels of county, state and local budgets. LD 1 put us on the path to reduce our overall tax burden to the national average in 10 years.

The Graph we have shown here will point out where Maine's tax burden has been and where it's going. The blue lines show the effect of LD 1 and my new tax reduction proposal.

These lines are going in the right direction—down to the national average in 2015.

My new proposal fits with my number one priority: growing jobs and our economy. All I've done—from Dirigo Health to the Pine Tree Zones, to the Community Colleges, and tax reduction—aimed at improving the prosperity of Maine people.

Not counting the additional education spending in LD 1, the 06-07 biennial state budget grew by 1.9%, while revenues grew by 4%.

By holding the line on state spending, through property tax relief, and with further income tax reductions we will grow our economy.

Today I'm proposing an immediate drop in the top marginal income tax rate from 8.5% to 8.45%. This is a very significant step because in the entire United States, only 5 states have a higher top marginal rate than Maine.

I'm also proposing an immediate increase in the low income tax credit. This will eliminate 40,000 working people from the income tax rolls.

Over 10 years my proposal will reduce all of Maine's 4 income tax rates by 12%.

Not only will this lower taxes for individuals, it will lower them for over 30,000 Maine small businesses that pay taxes through the individual income tax.

My proposal also includes a prospective elimination of the personal property tax on certain business equipment.

This tax stifles business investment in Maine and threatens jobs. Eliminating the tax going forward will increase our competitiveness with other states.

The tax is also a drag on our state budget. The state reimburses businesses for these property taxes through the BETR program. Eliminating the tax will eventually eliminate the BETR funding.

However, the personal property tax is a source of funding for municipal governments, so we must be careful about its elimination. My proposal takes a gradual approach to repeal of the tax and sends state dollars to towns to cushion the transition.

When fully phased in, the combination of LD 1 and this proposal will substantially reduce taxes for Maine people:

And please note, these are very, very important steps which will result in real savings for real people in our state.

An average single elderly taxpayer will see a 26.5% reduction in taxes.

Average families of middle to upper incomes will see between an 11% and a 10% reduction in property and income taxes.

That's what it's all about: Helping Maine people save, for their kids' education, and improve their quality of life.

Growing our economy is what's right for all of us.

As many of you already know already, my proposal doesn't include a local option sales tax. I considered it and asked the Taxation Committee to examine it and two years ago I proposed a local option sales tax. I believe it is a tool that can fund regional capital projects.

Today I want to focus on the key next steps in reducing income taxes, helping our traditional industries, and helping small businesses and working people. That's what this proposal does.

And we pay for this package:

We suspend the income tax inflation adjustments for 5 years

Through phase out of the BETR program

And the flattening of education spending in FY 10 and 11, and

Through holding the line on other state spending while growing our economy.

This proposal relieves taxes; it doesn't increase taxes. This proposal today adds to my goal of creating good paying jobs with benefits for Maine people and reducing the overall tax burden we all bear.

Maine has had to suffer by having this albatross around its neck of being one of the highest taxed states in the country. Even though I haven't raised sales or income tax and had an enormous budget deficit to address, we still have a higher tax burden.

We have in our budget about \$1.8 billion in incentives so that our businesses and individuals can compete on a level playing field with other states and other countries. We need to get the albatross off once and for all, so that Mainer's can be able to prosper in finding opportunities here to do business around the world.

I really look forward to working with Republicans and Democrats. We simply must work together to cut the spending and lower the taxes and to grow our economy and help create those good paying jobs so Maine becomes a leader in providing opportunities. That's what this is all about.

It's about reducing our tax burden to the national average, taking the Albatross off our back, growing our economy through research and development, and being able to see the jump starts with community colleges and higher education - so there are better opportunities for all of our citizens and Maine becomes that leader into the future. I hope all of you will join me in a spirit of making Maine a better place to live and work.

Thank you very much.

DirigoChoice Helping More Working Families

May 2, 2005

Contact: Lynn Kippax, 287-2531

Trish Riley. 624-7442

AUGUSTA - Governor John Baldacci, joined by Legislative leaders, Senator Michael Brennan, hospital representatives, parents, children and family advocates, today announced that working families will have increased access to affordable quality health insurance through DirigoChoice.

A copy of the Governor's remarks follow.

Thank you President Edmonds, Speaker Richardson, Bob McAfee and the rest of the Dirigo Board, Legislators, and all those joining us who have worked to make Dirigo Health a success so that Maine citizens have access to quality, affordable and accessible health care and health insurance.

I also want to thank Erin Hoeflinger, general manager of Anthem, who couldn't join us today. Finally, I welcome the working families here. This is a special day and I'm pleased they are able to join us.

Healthy families and healthy businesses make a healthy economy.

Dirigo is working. Dirigo is helping small businesses and the self-employed in Maine.

The program keeps getting stronger. As of May 1st, 6,369 members were enrolled. There are over 450 small businesses statewide and more than 1,230 self-employed enrolled. This is unprecedented for a new program. In fact, Anthem reports in a recent Maine Biz article that "enrollment rates for the plan are significantly higher than other new health insurance products".

We're helping make coverage affordable for all Maine people through Dirigo's cost containment efforts and through discounts in DirigoChoice.

Each month Dirigo makes progress and this month marks another important step.

Today we are announcing Dirigo will help working families - addressing a crisis facing many working parents who struggle to put food on the table, pay the mortgage or rent, and help their kids. Parents need the security of health coverage to keep families strong.

Our solution: DirigoChoice and MaineCare, working together will now provide these parents with Dirigo's deepest discounts and assure they have health coverage. Through MaineCare, authorized by the 121st Legislature that passed Dirigo in 2003, and already funded from Dirigo, we will be able to cover up to 10,000 parents in Maine.

Parents between 150% and 200% of the Federal poverty level now qualify. For example, a family of four with income between about \$29,000 and \$39,000 will now qualify. Again, this is already budgeted

through Dirigo Health; it does not require additional General Fund dollars. Furthermore, this plan reduces bad debt and charity care – costs that impact all Maine people.

We will be covering nearly 10,000 new parents. We will reduce the cost of bad debt and charity care by at least \$10 million – and that is sufficient to cover the expense of this expansion. But the long term savings will be even more significant. By getting people health care when they need it, big costs are avoided. Illnesses are treated, absenteeism is reduced, and recruitment and retention enables businesses to keep quality workers.

Today marks another promise fulfilled and another step completed in fully implementing Dirigo. This investment in Maine's working families is good for all of us.

Together, we will continue the promise of Dirigo Health to ensure that our citizens are the healthiest in the nation and that every man, woman and child in Maine has affordable coverage to high quality care.

Governor Names Director of Homeless Initiatives

May 6, 2005

Media Contact: Lynn Kippax, 287-2531

Joy Leach, 287-2531

AUGUSTA - Governor John Baldacci has named Nancy E. Fritz as Director of Homeless Initiatives, serving as his primary liaison on homeless issues. The position, funded by the Maine State Housing Authority, provides a central contact for Administration policies and provides focus on homeless issues.

Noting that economic success is incompatible with rising rates of homelessness, the Governor said, "Homelessness is an extremely important issue to me that I want my administration to address at the highest levels. For years, the commitment and compassion of service providers and other community stakeholders in the effort to end homelessness in Maine has been recognized around the country. Despite this great work and commitment, the issue remains serious. Over the last decade, homeless bed nights in our state has more than doubled. From Aroostook to York Counties, homeless people spend well over 200,000 nights in Maine shelter beds - our service center communities bearing a tremendous amount of that burden. These trends are unacceptable."

"Nancy's professional and personal experience and leadership in issues of social and economic justice makes her exceptionally qualified to fill the Director of Homeless Initiatives," added the Governor. "This position will provide greater efficiency and strategic planning capacity between state government and regional coordinated efforts throughout Maine. Nancy will work closely with me, my Cabinet, state agencies, the Legislature, shelters and advocacy groups in the efforts to end homelessness."

Fritz currently serves as Executive Director of the Coastal Community Action Program, a position she has held since 1995. Prior to that, she served as executive director of the Children's Center and the Family Violence Project. Fritz was a founding member of the Maine Association of Nonprofits and the Maine Children's Alliance, and has been active in the Maine Affordable Housing Network, where she served as Chair for two years.

Fritz earned her Bachelor's degree in Human Development from the University of Maine and a Master of Divinity from the Bangor Theological Seminary.

Fritz will officially begin her work as Director of Homeless Initiatives in June.

Governor Names Members of Task Force for Kennebec Valley Higher Education

May 6, 2005

Media Contact: Lynn Kippax, 287-2531

Joy Leach, 287-2531

AUGUSTA - Governor Baldacci today announced members named to the Task Force to Plan for Higher Education in the Kennebec Valley. The Governor created the Task Force to recommend a plan for achieving quality, affordable, accessible higher education in the Kennebec Valley.

"I'm pleased that people from the University of Maine System, the Community College, and Augusta have expressed support for the aim of the Task Force," said Governor Baldacci. "I want this to be a forum for representatives from University of Maine at Augusta (UMA), the Augusta community, and other higher education institutions to bring clear and creative planning for UMA's future. Everyone's goal is to ensure that students in the Kennebec Valley and associated with UMA receive the higher education opportunities they need and deserve."

The Governor added to the previous list of members to be appointed by the Governor of a member of the University of Maine at Augusta (UMA) Board of Visitors, a student at the University of Maine at Augusta, and a representative from the University College of Bangor (UCB).

"To make sure that all connected with UMA feel their concerns are represented, I'm happy to add a UMA student, UMA Board of Visitor member, and UCB representative to the Task Force," said the Governor. "Since the University of Maine System has been reviewing University College of Bangor's ties to UMA, UCB needs to be part of the Task Force's discussions."

The Task Force members are:

Appointed by the Governor:

University of Maine at Augusta faculty: Carol Kontos

Augusta business person: Roger Katz, attorney at Lipman, Katz & McKee

Augusta City Council: Sylvia Lund

UMA Board of Visitors: John Finnegan, Vice President of Macomber, Farr & Whitten Insurance

UMA student: Kathleen King

UCB representative: Gillian Jordan, English faculty

Other Appointments as outlined in the Executive Order:

2005 Archive of Governor Baldacci's Press Releases

Joe Wishcamper, University of Maine System Trustee

Meg Weston, University of Maine System Trustee

Joanne Yestramski, Chief Financial Officer of the University of Maine System

Richard Pattenaude, University of Southern Maine President

Interim President of the University of Maine at Augusta - TBD

Barbara Woodlee, President, Kennebec Valley Community College

Commissioner Sue Gendron of the Department of Education

The Task Force will recommend a plan by December 1, 2005.

Governor Directs Flags To Be Flown at Half-Staff In Town of Wells

May 10, 2005

Media Contact: Lynn Kippax, 287-2531

Joy Leach, 287-2531

AUGUSTA - In remembrance and honor of Sergeant Jack E. Haubois, who served with the Wells Police Department for many years, Governor John E. Baldacci has directed that the United States flag and the State of Maine flag be flown at half staff in the Town of Wells from sunrise to sunset Friday, May 13, 2005. Town officials and state representatives from Wells had made this request. Sgt. Haubois passed away this weekend after a long battle with cancer, and his funeral services will be held Friday.

Governor Directs Flags To Be Flown At Half-Staff For National Peace Officers Memorial Day

May 10, 2005

Media Contact: Lynn Kippax, 287-2531

Joy Leach, 287-2531

AUGUSTA - In observance of National Peace Officers Memorial Day, Governor John E. Baldacci has directed that the United States flag and the State of Maine flag be flown at half staff from sunrise to sunset Sunday, May 15, 2005 in remembrance and honor of law enforcement officers who have died in the line of duty.

Governor Signs Order Creating Telecommunications Boards and Telecommunications Infrastructure Steering Committee

May 10, 2005

Media Contact:

Lynn Kippax, 287-2531

Joy Leach, 287-2531

AUGUSTA - Governor John E. Baldacci signed an Executive Order creating the PK-20 Telecommunications and Technology Infrastructure Board, the Broadband Access Infrastructure Board, and the Telecommunications Infrastructure Steering Committee to Prioritize, Coordinate and Implement the Necessary Enhancements and Accessibility of Wireless Telecommunications and Broadband Technology. The establishment of the boards and steering committee is the next important phase in the Connect Maine initiative the Governor outlined in his State of the State address in January. The Governor established the Wireless Telecommunications Infrastructure Board in February.

"These boards and the steering committee will develop and synthesize goals and recommendations to ensure that 90% of Maine Communities have Broadband access by 2010; 100% of Maine Communities have quality wireless service by 2008; and Maine's education system has the technology infrastructure that leads the nation," said the Governor. "Connect Maine will give nearly every Mainer the opportunity to plug into education opportunities, their government, and the global economy."

The Board and Committee Members are:

PK-20 Telecommunications and Technology Infrastructure Board

Ray Poulin – Board Coordinator - (Chair)

Jean Gulliver - State Board of Education

Bette Manchester - Director of Special Projects - Department of Education

Jim Rier - Management Information Systems Team Leader - Department of Education

Gary Nichols - State Librarian - Maine State Library

Gerry Dube - Director – University of Maine System Network – UNET - University of Maine System

Dave J. Daigler - Chief Financial Officer - Maine Community College System

Myron Curtis - Director of Information Services - Maine Maritime Academy

Mitch Davis - Chief Information Officer - Bowdoin College

Jake Ward - Executive Director of Research and Economic Development - University of Maine

Richard Hinkley - Director, Bureau of Information Services - Department of Administrative and Financial Services

Richard Thompson - Chief Information Officer - Department of Administrative and Financial Services

Phil Lindley - Utilities Analyst - Maine Public Utilities Commission

Patrick Ende - Senior Policy Advisor - Office of the Governor Substitutes

Linda Lord – Maine State Library

Rebecca Sandlin - Executive Director of IT Consulting & Support - Bowdoin College

The Broadband Access Infrastructure Board

Pat Scully - (Chair) - Bernstein, Shur, Sawyer & Nelson

Alan Stearns - Senior Policy Advisor - Office of the Governor

Sam Elowitch - Rural Broadband Initiative

Janet Yancey-Wrona - Director, Office of Innovation - Department of Economic and Community Development

Fletcher Kittredge - Great Works Internet

Steve Ward - Public Advocate

Phil Lindley - Utilities Analyst - Maine Public Utilities Commission

Chris Johnson - Consumer Representative

Peter Reilly - Verizon

Kathy Hounsell - Adelphia

Scott Morrison - Vice President – Business Development - Cianbro Corporation

Reggie C. Palmer - General Manager - TDS Telecom

Jill Goldthwait, Director - Office of Government Relations - The Jackson Laboratory

Jason Philbrook, President - Midcoast Internet Solutions

Melinda Poore - Director of Government & Public Affairs - Time Warner Cable

Kathleen Case - Central Maine Power

The Telecommunications Infrastructure Steering Committee

Kurt Adams - (Interim Chair) - Office of the Governor

Larry Sterrs - (Vice Chair) - Unity Foundation

Two Senators to be named by the President of the Senate

Two Representatives to be named by the Speaker of the House

Pat Scully - Bernstein, Shur, Sawyer & Nelson

Tony Buxton - Preti, Flaherty, Beliveau & Pachios

Ray Poulin – Board Coordinator

Richard Thompson - Chief Information Officer - Department of Administrative & Financial Services

Peter Reilly - Verizon

Michael A. Liberty - Liberty Group, Inc.

Ginnie Ricker - Assistant to Director – Special Projects and Technology - Maine Emergency Management Agency

Gary Nichols - State Librarian - Maine State Library

Fletcher Kittredge - Great Works Internet

Steve Ward - Public Advocate

Keith Burkley - Division President - Time Warner Cable

Chair - Maine Public Utilities Commission

The text of the Executive Order follows:

AN ORDER TO CREATE THE PK-20 TELECOMMUNICATIONS AND TECHNOLOGY INFRASTRUCTURE BOARD, THE BROADBAND ACCESS INFRASTRUCTURE BOARD, AND THE TELECOMMUNICATIONS INFRASTRUCTURE STEERING COMMITTEE TO PRIORITIZE, COORDINATE AND IMPLEMENT THE NECESSARY ENHANCEMENTS AND ACCESSIBILITY OF WIRELESS TELECOMMUNICATIONS AND BROADBAND TECHNOLOGY

WHEREAS, accessibility of advanced telecommunications technology is an integral and increasingly critical component of Maine's educational, economic and governmental systems; and

WHEREAS, such technology is critical in order for Maine's continued economic development and competitiveness in a global marketplace; and

WHEREAS, improved telecommunications infrastructure will allow Maine's students, educators, citizens, and businesses to achieve greater success in their pursuit of knowledge and economic growth and security; and

WHEREAS, cooperation among Maine's educational, governmental and business communities is necessary to establish a seamless telecommunications and technology infrastructure that will simultaneously increase broadband accessibility for all Maine citizens and businesses; and

WHEREAS, on February 2, 2005, Governor Baldacci signed "An Order To Create The Maine Wireless Telecommunications Infrastructure Board" to develop and lead the implementation of a plan to provide universal wireless telecommunications coverage by 2008; and

WHEREAS, Governor Baldacci has called for broadband internet access to 90% of Maine communities by 2010:

NOW, THEREFORE, I, JOHN E. BALDACCI, Governor of the State of Maine, do hereby announce the PK-20 Telecommunications and Technology Infrastructure Board, the Broadband Access Infrastructure Board, and the Telecommunications Infrastructure Steering Committee to prioritize, coordinate, and implement the necessary enhancements and accessibility of wireless telecommunications and broadband technology:

I. PK-20 Telecommunications and Technology Infrastructure Board

Purpose:

The Board shall address connectivity and interoperability solutions surrounding the types of infrastructure being implemented by Maine's education community (PK-20).

Objectives:

- 1) Encourage the cooperation of all parties involved in the development of telecommunications and technology to assure all systems are integrated and interoperable;
- 2) Assess the status of telecommunications infrastructure connectivity and interoperability in Maine's PK-20 education systems;
- 3) Develop compatible telecommunications and technology infrastructure to reduce the overall cost of development, deployment, and maintenance by all participating parties;
- 4) Identify how individual parties could combine and leverage their resources in order to provide more cost effective solutions;
- 5) Create a statewide, robust infrastructure that will attract and encourage institutions and individual grant providers to pilot new ideas in Maine;
- 6) Identify ways interoperability solutions and integrated systems can provide Maine with economic advantages unlikely to be derived in larger, more heavily populated states;

7) Determine public-private partnerships that could enhance and expand the quality of telecommunications in Maine; and

8) Create a positive working relationship between the participating parties.

Duties:

1) Review the stated objectives and determine whether any revisions or additions need to be made to accomplish the Board's purpose;

2) Develop strategies to accomplish each objective after learning and evaluating what each party is presently doing and plans to pursue in the future;

3) Make and prioritize findings, recommendations, and action items;

4) Maintain active communications with the "Broadband Access Infrastructure Board"; and

5) Identify, in conjunction with the "Broadband Access Infrastructure Board," the time frame required to carry out its objectives and accompanying tasks, and draft a Report for the Governor indicating the Board's findings and making recommendations.

Membership:

The Board shall be comprised of representatives from the following Boards, Departments, or Agencies: State Board of Education; Department of Education – Commissioner's Office; Department of Education – MIS; Maine State Library; University of Maine System – UNET; Maine Community College System; Maine Maritime Academy's Chief Information Officer (CIO); Private Colleges in Maine – CIO; UM Executive Director of Research and Economic Development; State Government – BIS; State Government – CIO; Maine Public Utilities Commission; Senior Policy Advisor to the Governor for Education; and a Coordinator. The Board shall meet as often as necessary to complete the tasks assigned. The Coordinator shall serve as the Chair of the Board. All members serve at the pleasure of the Governor.

II. Broadband Access Infrastructure Board

Purpose:

The Board will focus on how to expand the availability of broadband services throughout the State to private homes, businesses, public and private educational institutions, research centers, and other entities that would benefit from such services. The Board's objective will be to provide for universal broadband access by 2010.

Objectives:

1) Assess the present penetration of broadband services throughout the State;

2) Identify regions that would benefit from broadband services;

- 3) Correlate the penetration need;
- 4) Determine how broadband services could be used;
- 5) Identify providers of broadband services and their respective coverage area; and
- 6) Encourage investment in telecommunications to provide access and economic development by:
 - a. Identifying the following:
 - The amount of resources, over the past five years, each provider has dedicated to the expansion of broadband services;
 - Entities that may have provided broadband services in the State;
 - The cost of expanding broadband services into areas that presently do not have such services;
 - Funding sources for broadband infrastructure investment, such as, Federal USDA/RUS loans and grants, as well as other potential federal, state and local government incentives;
 - Obstacles to the expansion of broadband; and
 - The entities that would benefit from greater broadband penetration.
 - b. Calculating the economic impact that increased broadband penetration would have on the State, and identifying how this impact would benefit the investors who undertake to expand their broadband coverage.
 - c. Identifying potential investors and partners who are willing to increase broadband penetration.
 - d. Analyzing the impact of state and federal legislation, including the "One Gigabite Initiative" and open access legislation.
 - e. Evaluating competing and emerging broadband technologies in relation to the differing topography, population density, and other constraints encountered around the State of Maine

Duties:

- 1) Review the stated objectives and determine whether any revisions or additions need to be made to accomplish the Board's purpose;
- 2) Develop strategies to accomplish each objective; and
- 3) Make and prioritize findings, recommendations and action items.

Membership:

The Board shall be comprised of representatives of research or educational institutions; internet service providers; wireless telecommunications companies or associations; consumers; the Maine Public

Utilities Commission; the Public Advocate; the Department of Economic and Community Development; the State Government – CIO; Senior Policy Advisor to the Governor for economic development; and such other agencies, individuals and associations as the Governor deems appropriate. The Board shall meet as often as necessary to complete the tasks assigned. The Governor shall appoint a Chair of the Board. All members serve at the pleasure of the Governor.

III. Telecommunications Infrastructure Steering Committee

Purpose:

The Committee will review and synthesize the purposes, goals and common elements of the “PK-20 Telecommunications and Technology Infrastructure Board,” the “Broadband Access Infrastructure Board” and the “Maine Wireless Telecommunications Infrastructure Board.” The Committee will coordinate each Board’s recommendations for the purpose of identifying the priority items and actions to be implemented.

Objectives:

- 1) Act as a clearinghouse for the Boards;
- 2) Maintain communications with and facilitate communications between the Boards;
- 3) Identify the items, issues, and problems that the Boards have in common;
- 4) Identify Board members who could be of assistance to other Boards;
- 5) Identify statewide telecommunications weaknesses and strengths; and
- 6) Make recommendations regarding the overall priorities identified, and possibly shared, by each Board.

Membership:

The Committee shall include of the Chairs of the “PK-20 Telecommunications and Technology Board,” the “Broadband Access Infrastructure Board,” and the “Maine Wireless Telecommunications Infrastructure Board;” a representative from the Governor’s Office; the Chairman of the Maine Public Utilities Commission; and the State of Maine - CIO. In addition, the Speaker of the House and President of the Senate are each invited to appoint two members of their respective bodies to serve on the Committee. The Board shall meet as often as necessary to complete the tasks assigned. All members serve at the pleasure of the Governor.

Implementation Costs:

The costs for implementing the duties included in this Executive Order shall be absorbed by the participating agencies. Members shall serve without compensation, except as otherwise provided in law or by contract.

Governor Baldacci Calls for Working Group on MERC

May 10, 2005

CONTACT: Lynn Kippax 287-2531

Dawn Gallagher 287-2812

AUGUSTA - At the request of a group of Southern Maine civic leaders—including the mayors of Saco and Biddeford—Governor Baldacci and Maine Department of Environmental Protection Commissioner Dawn Gallagher met Tuesday to learn more about the Maine Energy Recovery Company (MERC) trash-to-energy plant in Biddeford.

Biddeford Mayor Wallace Nutting and Saco Mayor Mark Johnson told Governor Baldacci that they have spent the last 15 months in good faith negotiations with MERC owner Casella Waste Systems, Inc. to iron out solutions to disputes between the two cities and the company.

Although most issues, the mayors said, are resolved, two primary issues remain: proper control of emissions and their goal of plant closure.

Governor Baldacci said, "Two-thirds of the waste processed by MERC is trucked into Maine from out-of-state. I am expecting Casella to maintain strict emissions standards."

Governor Baldacci asked Commissioner Gallagher to form a working group to study the issue and to make recommendations to the Administration, including eventual closure. "I'm asking them to work together to make recommendations about MERC and its place in Southern Maine. I look forward to getting their input," Governor Baldacci said.

Commissioner Gallagher said that she thanked Senators Barry Hobbins and Nancy Sullivan who met with the Governor Tuesday. Also attending were Representatives Stedman Seavey, Stephen Beaudette, Joanne Twomey, Linda Valentino and Donald Pilon. "They showed real interest in continuing to work on the issues with MERC," Gallagher said.

Governor Remembers Joe Floyd

May 12, 2005

MEDIA CONTACT: Lynn Kippax, 287-2531

Joy Leach, 287-2531

AUGUSTA – Governor Baldacci said today that he is greatly saddened by news of the death of Holden resident Harlow “Joe” Floyd, who died of cancer Wednesday. The Governor said that he represented the best of Maine. “Joe was a great personal friend and I always felt that he was like a member of my family,” Governor Baldacci said Thursday.

“Joe fought for what he believed in,” the Governor said. “He worked to help clean up the Penobscot River and served as a member of the Maine Department of Inland Fisheries and Wildlife Advisory Council.”

Floyd, who taught at John Bapst Memorial High School for 32 years, was a “big inspiration to kids,” the Governor said. “He never asked for any thanks. He was a man who had a big heart. He was a strong voice for the environment and outdoorsmen and a fighter for the Democratic Party in Maine. He will be greatly missed.”

Baldacci Says: "We're Fighting Back"

May 13, 2005

MEDIA CONTACT: Lynn Kippax, 287-2531

Joy Leach, 287-2531

AUGUSTA – At a press conference at the State House today, Governor Baldacci said the Base Realignment and Closure (BRAC) list “is an unfortunate announcement for the State and our Nation. It’s a grave error. But Maine pulls together. Our strength is in our unity; it allows us to overcome great obstacles. This is such a time. We’re fighting back.”

Earlier in the day, the Department of Defense released the BRAC list that included closure of the Portsmouth Naval Shipyard, Naval Reserve Center in Bangor and the Defense Finance and Accounting Service Center in Limestone. The list also included a realignment of Brunswick Naval Air Station.

“The workers at these installations and Maine citizens know that we have faced difficult times before. We’ve succeeded in meeting challenges because we put our differences aside and work towards the greater good – putting the interests of the state at the forefront. And as before, we will come together and we will succeed.”

“I’ve talked to Governor Lynch and to the Maine Congressional Delegation members,” added the Governor. “We will be working together with the impacted communities to develop a strategic plan – identifying people and resources to ensure we are successful. We have fought hard to create jobs in Maine and we will fight hard to save them.”

Governor Baldacci said that he will continue to work with the members of the Maine Congressional Delegation in an effort to educate the Base Closure Commission on the value of the installations and seek their removal from the closure and realignment list. “It’s part of the BRAC process,” Governor Baldacci said. “We will be educating the Commission on the importance of these installations to our national security. I’m here to tell you that we’re moving forward to fight for Maine.”

The decision to close the Portsmouth Shipyard, the Defense Financing and Accounting Service and the Naval Reserve Center and to realign NASB jeopardizes our national security and our economic security.

“The listing is a recommendation,” said the Governor. “It is the beginning – not the ending - of a process. We will forcefully fight these listings by showing the BRAC Commission the military and strategic value of all our installations. We are going to present the facts and make the case.”

The Governor will be meeting with members of the Congressional Delegation at Brunswick this afternoon. He will be talking with community representatives, facility experts and Anthony Principi, Chair of the BRAC Commission, this weekend. On Monday, the Governor will meet in Kittery at the shipyard with Maine and New Hampshire Delegation members, Governor John Lynch, and officials from the yard.

Governor Unveils Part II Budget

May 13, 2005

MEDIA CONTACT: Lynn Kippax, 287-2531

Becky Wyke, 624-7800

AUGUSTA – Governor John Baldacci today released the Part II budget, addressing critical financial and service needs unmet by the fiscal 2006-2007 budget signed into law in March. The Part II budget addresses significant shortfalls largely due to federal cuts to programs such as Medicaid. The Governor's Part 1 and Part 2 budgets combined have focused on the general principles of:

- controlling and reducing state spending through government restructuring at all levels
- meeting the state's commitment to increased education funding while reducing property taxes
- growing Maine's economy and good paying jobs with benefits, and
- meeting the basic healthcare needs of Maine citizens.

"I continue to implement my long-term comprehensive strategy to grow Maine's economy and jobs, reduce spending, protect our most vulnerable citizens, and create opportunities for every person in Maine," said Governor Baldacci. "I began by addressing the \$1.2 billion deficit without raising broad based taxes, rebuilding our depleted reserves to more than \$50 million, and putting the state government's financial books back in order – all under the challenges of the federal government asking us to do more with less funding."

In line with these objectives, the budget passed in March further closed the gap between state revenues and expenditures. Not counting the additional \$250 million in education spending in LD 1, the 2006-2007 budget increased by only 1.9% - while revenues are growing by 3 to 4%. The budget provided \$1.8 billion in tax breaks for individuals and businesses, including close to \$400 million in property tax relief. In addition, the budget continued critical investments to education and health care, while restructuring government at all levels and reducing the current services budgets of State agencies and programs by nearly \$500 million.

In addition to the reductions in spending, the budget contains payments to twelve hospitals that eliminate shortfalls in payments going back twelve years and two prior administrations. This historic settlement with the hospitals is another inherited obligation that has been systematically addressed by Governor Baldacci. In addition to settling this long-standing obligation, the Governor has reached out to the Maine Hospital Association to meet with him to work on a plan to address the underlying issues related to the payment system that caused the original shortfalls.

"The current hospital payment system," the Governor said, "is complex and burdensome; it fails to adequately incentivize quality and it needs to be fixed. I have asked the Maine Hospital Association and

its members to work with me on a collaborative approach to address this arcane payment system. If we are to achieve Dirigo Health's agenda for a better health care system that is affordable and accessible to all Mainers, we need to assure our payment system is fair and efficient."

Governor Baldacci also addressed the issue of the partisan efforts to force a referendum regarding the fiscal year 2006-2007 budget. "Earlier this week I met with bond rating agency representatives, and it was clear that the prospect of a referendum on the budget is of great concern to them, as it is to me," said the Governor. "In the wake of the uncertainty created by the referendum campaign, I am asking Commissioner Wyke of the Department of Administrative and Financial Services to work with the bipartisan Appropriations Committee and Legislative Leadership to develop a contingency plan that will ensure that programs and services are protected."

"We must be prepared so that we can continue providing the property tax relief and the critical education funding we delivered through the legislative process earlier this year. Municipalities and the people of Maine need the assurance that these programs will not be jeopardized. I will pursue continued and sustained economic and job growth, protect the most vulnerable in our society and make Maine a better place to live and work."

Highlights of the proposal are attached. For further details, visit the Governor's web site at: <http://www.maine.gov/governor/baldacci/issues/budget/index06-07.html>

Part II Budget Highlights

- Addresses a \$73 million shortfall created by the FFY '06 calculation of the federal share of the MaineCare program.
 - o Creation of a modified drug formulary to generate \$19 million in savings.
 - o Expansion of the service provider tax to include MR services to raise \$12.3 million in revenue.
 - o Reallocation of \$95 million of MaineCare funds available for hospitals in the Part I Budget to cover \$29 million of the FMAP rate change, as well as:
 - Historic settlements of \$36 million;
 - Certain current settlements of \$5 million; and
 - Prospective interim payments of \$25 million.
 - o Extension of initiatives approved in the Part I Budget (\$6.3 million) and other miscellaneous savings to generate \$6.1 million in savings.
 - Makes up for other reductions in federal funds in public safety and legal services:
 - o Provides state funding to continue 4 Juvenile Drug Court judges (\$800,000);

- o Provides state funding for drug enforcement agents and related services through an increase in certain drug-related fines (\$1.1 million); and
- o Provides state funding to continue grant programs at Pine Tree Legal (\$350,000).
- Provides for critical public safety needs:
 - o Replacement of inadequate statewide public safety radio network (\$1.4 million);
 - o Increased staffing for the Bureau of Identification to eliminate a backlog in background identification checks (\$215,000);
 - o Homeland Security civil rights training for law enforcement officials (\$150,000); and
 - o Implements racino oversight early to cover temporary Bangor facility (\$915,000).
- Makes strategic investments to aid the Maine economy:
 - o Replenishes funding for the Department of Labor's technology initiative to retrain displaced workers (\$250,000);
 - o Provides supplemental funding for Maine Milk Pool (\$200,000);
 - o Identifies matching funds to expand the Osher Scholarship Program at the Maine Community College System (\$1 million);
 - o Reallocates the Tourism Marketing Promotion Fund to support initiatives in natural resource based tourism, the creative economy and business attraction.
- Proposes initiatives that will lead to further savings in government services:
 - o Study of vacant positions in State government with recommendations of continuation or elimination by January 2006;
 - o Proposal to transition State government to a zero-based budgeting approach.
- Miscellaneous provisions: repeals the 0.4% assessment on school construction projects; increases the debt service limit for the University of Maine System to \$220 million; authorizes the Department of Conservation to assess fees for large development projects; reallocates funding within various programs; and makes other technical changes and position adjustments.

Governor Rallies With Workers of Portsmouth Naval Shipyard

May 16, 2005

MEDIA CONTACT: Lynn Kippax, 287-2531

Joy Leach, 287-2531

KITTERY – Governor John Baldacci this morning marched through Portsmouth Naval Shipyard with several hundred workers, Governor John Lynch and the Maine and New Hampshire Congressional Delegations to support the shipyard.

The Governor said, “Together we are showing a united front against the Base Realignment and Closure (BRAC) listing of this shipyard and Maine’s other facilities by the Department of Defense. We won’t let you down.”

Governor Baldacci noted the vital strategic and operational importance of Portsmouth Naval Shipyard to the national defense and national security. “There were gross errors in judgment made in listing this facility for closure,” said the Governor. “It doesn’t make sense to close the shipyard, and we will make that case to the BRAC Commission. I am committed to working closely with our Congressional team – Senator Snowe, Senator Collins, Congressman Allen and Congressman Michaud – to fight for these jobs.”

Governor Asks President for BRAC Data

May 26, 2005

Media Contact: Lynn Kippax, 287-2531 Joy Leach, 287-2531

Today, Governor Baldacci thanked thirteen of the nation's Governors for joining him in signing a letter, written by Governor Baldacci, urging President Bush to immediately direct the Secretary of Defense to release all information and data used in the BRAC process. In the letter, Governor Baldacci asks that the President consider requesting a delay in moving forward with the BRAC process until it is confirmed that all information has been made available.

Governor Baldacci plans to present a copy of the letter to Anthony J. Principi, Chair of the BRAC Commission, during an early morning meeting in Washington Friday.

The Governors who joined Governor Baldacci in sending the letter are: Governor Frank Murkowski of Alaska; Governor M. Jodi Rell of Connecticut; Governor Ruth Ann Minner of Delaware; Governor Thomas J. Vilsack of Iowa; Governor Kathleen Babineaux Blanco of Louisiana; Governor Matt Blunt of Missouri; Governor Brian Schweitzer of Montana; Governor John Lynch of New Hampshire; Acting Governor Richard J. Codey of New Jersey; Governor Bill Richardson of New Mexico; Governor M. Michael Rounds of South Dakota; Governor Phil Bredesen of Tennessee; and Governor Jim Doyle of Wisconsin.

For further information on the BRAC process and Governor Baldacci's efforts, please go to www.maine.gov/brac

The text of the letter follows:

Dear President Bush:

We write to you to express our concerns with the amount of time that has elapsed while we await critical information regarding the Base Realignment and Closure (BRAC) process. The confidence of the American public in the fairness of the process and the ultimate decisions that will be made to close or realign military installations relies on the accuracy of the data used by the various services, as well as the validity of the calculations and comparisons made using this data.

As Governors, it is imperative that we, the Congressional delegations, the communities affected by the BRAC process, and the BRAC Commission itself, have full access to all the data on which these decisions were based. To date, only limited and sketchy data has been made available. With the site visits already underway and regional hearings set to begin June 7th, we feel that the Department of Defense is long overdue in meeting its requirements under the BRAC statute.

The BRAC statute requires that all information used in the decisions by the Secretary of Defense be made available not later than 7 days after the transmittal of the Secretary's list of recommended realignments and closures. We request that you immediately direct the Secretary to release all information, and further, strongly urge you to consider requesting a delay in moving forward with the

BRAC process until it is confirmed that all information has been made available and given ample time to be reviewed.

Thank you for your attention to our letter. We are certain you will act in an appropriate manner.

Governor Directs Flags To Be Flown At Half Staff on Memorial Day

May 27, 2005

Contact: Lynn Kippax, 287-2531

Joy Leach, 287-2531

AUGUSTA - In observance of Memorial Day, Governor John E. Baldacci has directed that the United States flag and the State of Maine flag be flown at half staff from sunrise to noon Monday, May 30, 2005. At noon, flags are to be raised to full staff.

Governor's Memorial Day Message

May 27, 2005

MEDIA CONTACT: Lynn Kippax, 287-2531

Joy Leach, 287-2531

AUGUSTA – As Memorial Day approaches, we remember all those in the Armed Forces, National Guard, and Reserves who gave their lives for the protection of our freedoms and liberty, as well as those who continue to serve our country. Their sacrifices are not in vain, nor are they ever forgotten.

So deep are our soldiers' dedication to country and love of freedom that those who have served to protect our nation and re-entered civilian life continue to find ways to give of themselves to their communities. Their patriotism does not end when the uniform comes off.

In particular this year, I want to thank the Maine veterans organizations for answering the call to save Maine's military facilities jeopardized by the Base Realignment and Closure (BRAC) process: the DFAS facility in Limestone; the Naval Air Station in Brunswick; and the Shipyard in Kittery. Earlier this week, I asked our state's veterans to join with me, Maine's Congressional Delegation, impacted workers and community groups in the continuing fight against the Pentagon's listing of these facilities. Our veterans speak eloquently and clearly to the quality and value of the work being conducted at the facilities, and on the importance of our bases to national security. Maine's bases are top-performing, efficient, and necessary to national defense. More information about BRAC can be accessed at www.maine.gov/BRAC.

Maine is grateful to our heroes past and present. I want to assure all veterans and their families that my Administration is committed to ensuring that they have access to health care and services they have so dearly earned. My Administration has renewed the Veterans' Emergency Assistance Program, created the Maine Military Relief Fund, rolled out the Operation I Served outreach program, and enacted a waiver so that certain current military personnel overseas have the ability to have continuing education requirements temporarily waived until they return home.

We are also reviewing the recommendations of the Task Force on Veterans' Health Services. As our veterans grow older and as new veterans return from Iraq and Afghanistan, we must ensure that Togus has the resources to meet the needs of our veterans, and to take other steps to ensure that veterans have access to services they need. More information about the task force is available at <http://dirigohealth.maine.gov/>

Time and time again, our soldiers have answered the call and stood ready to support the defense of our families, communities, and country. All in Maine owe them a debt of gratitude – on Memorial Day, and every day.

Governor Directs Flags To Be Flown At Half-Staff In The Towns Of Canton, Carthage, And Dixfield

May 27, 2005

MEDIA CONTACT: Lynn Kippax, 287-2531

Joy Leach 287-2531

AUGUSTA – In remembrance and honor of Gladys E. Conant, 97, who served for 49 years on the MSAD 21 school board and who was the oldest leader of the 4-H Club, Governor John E. Baldacci has directed that the United States flag and the State of Maine flag be flown at half-staff from sunrise to sunset, Sunday, May 29, 2005 in the Towns of Canton, Carthage and Dixfield (towns of MSAD 21). Funeral services for Mrs. Conant will be held that day. State Representative Randy Hotham made the request.

Governor Continues Fight For Portsmouth Naval Shipyard

June 1, 2005

MEDIA CONTACT: Lynn Kippax, 287-2531

Joy Leach 287-2531

KITTERY – Governor John Baldacci participated today in continuing efforts to fight for Portsmouth Naval Shipyard as four members of the Base Realignment and Closure (BRAC) Commission visited the facility. Governor Baldacci noted that the Commissioners left with a great deal of knowledge of shipyard's impressive record and workforce. The Commissioners also saw first-hand the overwhelming community support behind maintaining the facility.

The morning began with the Governor leading workers through Gate 1 of the yard to the center of town to join a rally of local and state officials and throngs of veterans, families, and other supporters. A sea of yellow shirts met the Commissioners as they arrived at the yard.

Governor Baldacci said during the rally, "I am inspired by this turnout and am proud of these workers. We are united in the belief that Portsmouth Naval Shipyard needs to remain operational - for preserving our national defense and the economies of Maine and New Hampshire. The facts are on our side."

Following the rally, the Maine and New Hampshire Governors and Congressional Delegations joined shipyard officials and the BRAC Commissioners for a tour and meetings. The Commissioners who visited were Chair Anthony Principi, General Lloyd Newton (USAF Ret.), Honorable Philip Coyle and Former Congressman James Bilbray. Tomorrow the same group will visit the Brunswick Naval Air Station.

Following the four hour visit with the Commissioners, Governor Baldacci noted that Chair Anthony Principi said that he was impressed with the showing of support and vowed that the Commission's process would be thorough and independent.

The Governor left Kittery today pleased that the BRAC Commissioners gained a clear understanding of the shipyard's mission and witnessed the tremendous level of community support for maintaining the facility. "Today was a very good day, but we still have a battle in front of us. I thank everyone who was here lending their support, and ask that they maintain their vigilance in fighting for Portsmouth Naval Shipyard over the next three months."

Photos of today's rally can be found

at: <http://www.maine.gov/governor/baldacci/news/EventPhotos/PortsmouthJune12005.htm>

Governor Baldacci Asks BRAC Commission Not To Forget Limestone

June 2, 2005

MEDIA CONTACT: Lynn Kippax 207/287-2531

Joy Leach 207/287-2531

AUGUSTA - In Brunswick Thursday, Governor Baldacci and Maine's Congressional Delegation requested that the members of the BRAC Commission not forget the people of Limestone. The DFAS Center in Limestone remains on the BRAC list for closure and was not one of the military facilities included in the two-day visit to Maine this week by BRAC Commission members.

At the request of Governor Baldacci, General Lloyd Newton (USAF Ret.), one of the four members of the BRAC Commission who visited Maine, telephoned Carl Flora in Limestone. Flora, who heads the Grow DFAS Committee in Limestone, informed General Newton that the DFAS is a "first class facility" and that "it needs to be seen by members of the BRAC Commission."

According to Flora, no firm commitment to visit the facility was reached during the 10-minute phone call. Should a visit take place however, General Newton said that it was possible that he himself could visit Limestone and the DFAS Center within the next few weeks.

Governor Baldacci said that he was pleased to hear that both Flora and Newton had talked. "I want to thank General Newton for not only taking the time to visit Maine, but for being willing to learn more about the important and cost effective work that they are doing in Limestone," Governor Baldacci said. "The DFAS Center is a 1st class facility, with an attitude of professionalism and shared accountability. We need to keep those jobs intact."

Baldacci Receives Climate Champion Award for Global Warming Leadership

June 8, 2005

Media Contact:

Lynn Kippax 207/837-4821

Bill Burtis, Clean Air-Cool Planet, 603-502-8164

NEW YORK, NY - Maine's Governor John Baldacci accepted a Climate Champion Award from Clean Air-Cool Planet (CA-CP) today. The award was presented to Governor Baldacci for "leadership in advancing solutions to global warming." At the Global Warming Solutions 2005 Conference, CA-CP Executive Director Adam Markham praised Governor Baldacci for making Maine "an inspiring example", demonstrating that pragmatic global warming solutions work, and encouraging others – both public and private – to follow Maine's lead.

"I am committed to making Maine a leader when it comes to sound energy policies," said Governor Baldacci as he received the award. "Energy conservation and efficiency are not only good for the environment, they are also good for the bottom line. Our renewable energy purchases help to promote economic development in Maine as well as clean the air. I am proud that the State's accomplishments have earned this recognition."

Maine is the first state to measure and track greenhouse gas emissions from state energy use. Under Governor Baldacci's watch, Maine has reduced state government's emissions eight percent in two years, in part through the following actions:

- o Increasing the state's renewable power purchase
- o Improving fleet fuel economy and reducing vehicle-miles-traveled by state employees
- o Reducing energy usage in state buildings through efficiency investments
- o Using biodiesel to heat state office buildings

"Working proactively to reduce the greenhouse gas emissions from its own energy usage, Maine state government is a leader by example to others to do the same," CA-CP's Markham said. Markham noted that Maine's efforts have followed its commitment to the New England Governors/Eastern Canadian Premiers 2001 Regional Climate Change Action Plan, which calls for participating state and provincial governments to "lead by example" in a push for region-wide reductions in greenhouse gas emissions to target levels by certain dates.

"We applaud the Governor for the pragmatic and responsible approach he has taken, moving his state forward in the cooperative effort to protect the health and well-being of us all from the dangerous effects of climate change; this is truly the work of a Climate Champion," said Mr. Markham.

CA-CP is a leading nonprofit in the Northeast dedicated to finding and implementing solution to global warming. CA-CP works with businesses, communities, and colleges in New England, New York, and New Jersey to help develop cost-effective solutions to fight climate change and promote environmental protection. Clean Air-Cool Planet also presented five other awards at its Global Warming Solutions 2005 conference. Other awardees were Governor George Pataki of New York; Bank of America; Timberland CEO Jeffrey Swartz; Middlebury College President Ronald Liebowitz; and the City of Stamford, Connecticut.

To find out more about the Governor's energy initiatives, visit <http://maineenergyinfo.org/>

Governor Rejects Gambling Expansion

June 9, 2005

MEDIA CONTACT: Lynn Kippax, 287-2531

Joy Leach, 287-2531

AUGUSTA – Governor Baldacci today vetoed LD 1573, a bill to authorize a tribal commercial track and slot machines in Washington County. In vetoing the legislation, Governor Baldacci reiterated his strong opposition to the expansion of casino gambling as an economic development tool in Maine.

“To many, this may not be a popular decision, but I need to follow my conscience. Expansion of gambling will not improve the aspirations or opportunities of Maine people,” said the Governor. “The social and economic costs are too great. Investing in our people - not slot machines - will lead to good paying jobs with benefits. This remains to be my strategy for all of Maine. Investing in our economy will continue to make Maine more competitive and improve our economic health.”

Governor Baldacci announced today that David Flanagan will act as his personal representative to implement an action plan to expedite economic development in Washington County. “David brings a private sector perspective and commitment to Maine to the table. His mission is goal-orientated and results-driven.”

The Governor continues to work with the tribal governors and the people of Washington County to bring long-term sustainable economic growth to the region. He will meet by the end of this month with representatives of Washington County business, labor and education sectors as well as community leaders. The Governor asked a senior member of the Washington County Legislative Delegation, Ed Dugay (D-Cherryfield) and former Republican Senator Kevin Shorey to help him pull together a working team.

The Governor's correspondence with the Legislature is attached.

#

June 9, 2005

To the Honorable Members of the 122nd Maine Legislature:

I am enclosing H.P. 1111, L.D. 1573, “An Act to Authorize a Tribal Commercial Track and Slot Machines in Washington County,” which is being returned without my signature or approval.

I oppose the expansion of casino gambling in Maine. Despite the industry's representations, casino gambling will not improve the aspirations of Maine people or help us to reach our personal goals.

This bill would significantly expand Maine's restrictive casino gambling laws by doubling the number of allowed slot machines statewide. This expansion would come before any slot machines have been placed into operation and before the necessary oversight and regulatory structures have been deployed.

We as a State have yet to test our leadership against the social risks that come with casinos. We also have not yet tested the realities of the market, the promises of investment, or the theories that none will be harmed economically. There are costs of an expansion that we can neither measure nor risk. We owe our children, our future, more than false hope.

Our collective vision for economic development in all counties of Maine is a vision of productive and sustainable growth. It takes hard work. There are no quick fixes. There is no easy money. We should lead with investments in our workforce through training. We should lead with investments in our children through education. We should invest in good paying jobs through research and development. We should invest in our natural and cultural heritage. We should invest in technology and global access.

I am honored to work with tribal leaders as we struggle to define our collective future. I am personally committed to working with the tribal leaders as partners.

With these concerns and commitments, I oppose L.D. 1573, and respectfully urge you to sustain my veto.

Sincerely,

John E. Baldacci

Governor

Governor Declares Emergency for Shellfish Industry

June 10, 2005

MEDIA CONTACT:

Lynn Kippax, 287-2531

George Lapointe, 624-6553

AUGUSTA – Governor John Baldacci today declared an economic emergency for Maine's shellfish industry in response to the red tide closures that currently impact much of Maine's coast. With the emergency, the Governor is requesting the Small Business Administration (SBA) to assist businesses affected by the red tide closure.

In making the declaration, Governor Baldacci said, "The potential availability of SBA assistance is only one part of addressing the impact of red tide on Maine's coastal communities, but it's an important first step in helping Maine's shellfish industry."

The Governor noted that the current red tide bloom has hit Maine earlier than the one that impacted New England states last season. In addition, marine experts have declared that this bloom – in geographic scope and abundance - is among the most extensive they have seen in the last thirty years, and the impact is likely to persist for a significant amount of time through the summer and fall.

"This says to me that the difficulties that are facing the shellfish industry now will continue and the economic impacts will grow. Therefore, it's imperative that we work to find any avenue to assist folks who are impacted," said the Governor.

"To move forward, I am initiating a number of steps. I have directed my office and the Commissioner of Marine Resources to meet with affected New England states so that we can pool our resources and knowledge in assisting affected communities and people. Additionally, I have contacted Maine's Congressional delegation so that they can work with other affected states in finding the means to assist with this outbreak."

Red tide is a type of algae that causes bivalve shellfish to become toxic when eaten. The Department of Marine Resources routinely monitors the level of red tide in shellfish to ensure that Maine shellfish is safe for consumers wherever they enjoy Maine clams, mussels, and oysters.

For more information, visit www.maine.gov/dmr

Governor and Legislature Address Wolman Steel Contamination

June 13, 2005

MEDIA CONTACT:

Lynn Kippax, 287-2531

David Littell, 287-2812

AUGUSTA – Governor Baldacci and bipartisan legislators have made it clear that public health and Maine's environment are a top priority, even in times of intense debate over the state budget. Alerted to newly-discovered contamination at the Wolman Steel site in Waterville, they together identified \$994,000 to remove the toxics-containing soils. The site is located near an elementary school, and tests of neighboring back yards have revealed "hot spots" of chemical and metal contaminants.

Before final testing clearly defined the extent of the problem, Governor Baldacci released \$44,000 from his "Contingency Fund" to immediately start addressing the problem, saying, "We simply cannot have children exposed to potential health risks when they go out to play. Money is tight, but we need to come up with whatever we can to make sure they're safe."

Once large-scale sampling and analysis was complete, the Department of Environmental Protection (DEP) briefed the Natural Resources and Appropriations Committees on the problem and the alarming price tag to do a thorough cleanup at the site. Both Committees responded with bipartisan support for identifying funding to complete the project. On June 6, Appropriations voted unanimously to include \$950,000 in the state's "Part II" Supplemental Budget. On June 10, that bill was overwhelmingly passed by both houses of the legislature.

DEP now estimates that soil removal over the two acre site will cost approximately \$1.35 million. Last fall, the state set aside \$ 250,000 to address the known presence of lead in soils of the Wolman property. The discovery of polychlorinated biphenols (PCBs) this spring magnified the cleanup well beyond any existing financial capacity.

"The leadership demonstrated by the Governor and the legislature to secure the funding needed to clean up the Wolman site has been critical. If we couldn't do the clean up this summer for lack of cash, known public health risks would be left sitting between a residential neighborhood and a school. That's not acceptable in Maine," said DEP Deputy Commissioner David Littell.

The Lewis Wolman Company operated at the site from 1915 until the late 1980s. The business recycled metals manufacturing equipment, automobiles and lead-acid batteries. There currently is an eight foot high chain link fence around its perimeter.

The contaminants identified on the site are lead and PCBs. Lead is a heavy metal that disrupts the creation of healthy blood cells and development of the nervous system. PCBs are chemicals that are

known to cause cancer in animals and affect the immune systems and behavior of children. Production of PCBs ceased in 1977.

Cleanup work will begin this summer and extend into the fall.

Governor Appoints Scott to Chair Board of Environmental Protection

June 14, 2005

Media Contact:

Lynn Kippax 287-2531 Joy Leach 287-2531

AUGUSTA - Governor John Baldacci has named the noted aquatic biologist Matthew Scott as Chair of the Maine Board of Environmental Protection. Scott, who resides in Belgrade Lakes, served as the Deputy Commissioner of the Maine Department of Inland Fisheries and Wildlife between 1995 and 1997. He is currently a retired pro bono professional consultant for non-profits in Maine.

Scott, a native of Houlton and a graduate of University of Maine, has served as the Executive Director of the Maine Low-Level Radioactive Waste Authority and as Chief Biologist for the Maine Department of Environmental Protection.

"I am pleased to have a person of Matt Scott's experience serve as Chair of the Board of Environmental Protection," Governor Baldacci said. "His insight and knowledge will help guide the work of the Board as it considers environmental issues that seem to have become increasingly subtle yet complex in recent years."

Scott, who has served on the Board of Environmental Protection since 2003, will replace Richard Wardwell as Chair.

The Board of Environmental Protection is charged with providing informed, independent and timely decisions on the interpretation, administration and enforcement of the laws relating to environmental protection. While the Board is part of the Department of Environmental Protection, the Board has decision-making authority independent of the Commissioner. The Board is composed of ten volunteer citizen members who are appointed by the Governor and confirmed by the Legislature for staggered 4-year terms.

The Governor also today conducted the swearing-in of Elizabeth Ehrenfeld of Falmouth and Denis Culley of Mercer to the Board.

Governor Issues Red Tide Emergency Proclamation

June 17, 2005

MEDIA CONTACT: Lynn Kippax, 287-2531

George Lapointe, 624-6553

AUGUSTA - Governor John Baldacci issued an emergency proclamation as a further step in asking for federal assistance for those in the shellfish and related industries impacted by red tide. The proclamation is the first step in exploring a potential request to the President for a federal emergency declaration. Last Friday, June 10, the Governor declared an economic emergency for Maine's shellfish industry in response to the toxic algae bloom that has contaminated shellfish along approximately two-thirds of Maine's coast.

The Governor noted that this action is just one of many he is undertaking to respond to red tide. "My Administration is working with the Congressional Delegation, federal agencies, and other New England states to aid those impacted by red tide. I am pleased that the Congressional Delegation has acted swiftly to follow up on my earlier requests to the U.S. Small Business Administration and the U.S. Secretary of Commerce."

The Governor also reminded citizens in part because of Maine's aggressive Red Tide monitoring program, there are no reports of Red Tide poisoning this year. Eating shellfish and seafood bought from restaurants and licensed fish retailers such as grocery stores is considered safe. Swimming on Maine's coast is also safe.

People who dig clams can call the Department of Marine Resources' Red Tide Hotline toll-free at 1-800-232-4733 or go on-line to http://www.maine.gov/dmr/rm/public_health/closures/shellfishhotline.htm

A copy of the Governor's proclamation follows:

WHEREAS, the State of Maine is experiencing a severe occurrence of a type of harmful algal bloom that has led to the closing of clam flats and other shellfish habitat to harvesting for public health and safety reasons; and

WHEREAS, the prohibition on harvesting shellfish effected by Red Tide has created a serious economic problem for the people who harvest, sell and market these types of shellfish; and

WHEREAS, the levels of Red Tide organisms in Maine coastal waters south and west of Milbridge, Maine are higher than has been measured in more than thirty years, causing marine scientists to predict that this population explosion may last through the summer and possibly into the fall; and

WHEREAS, many individuals and businesses adversely effected by Red Tide lack sufficient financial resources to enable them to economically survive the duration of a prolonged Red Tide infestation; and

WHEREAS, this emergency is part of a larger and more widespread Red Tide explosion along the New England coast, and State resources will be needed to respond to Maine's needs and to participate in the region-wide planning, response and recovery activities:

NOW THEREFORE, I, John Elias Baldacci, Governor of the State of Maine, by virtue of the authority vested in me by the Constitution and laws of Maine, find that these conditions constitute a civil emergency under 37-B M.R.S.A. section 742, do hereby declare that a State of Emergency exists for the entire state as of June 15, 2005.

This Emergency Proclamation shall remain in effect until I have declared the emergency to have terminated, or as otherwise terminated by law.

Governor Commends Legislature at End of Session

June 18, 2005

MEDIA CONTACT: Lynn Kippax, 287-2531

Joy Leach, 287-2531

AUGUSTA – The Governor commended the 122nd Legislature as they ended their session this morning. Addressing the Legislature, the Governor thanked them for their work. His statement follows.

This has been a session with many accomplishments. You can be proud that the people of Maine have been well served by your leadership, hard work and dedication.

As you return to your families, friends and work, and leave for a time your colleagues here in Augusta, please know that from your actions, deliberations and tough decisions, that Maine will be a better place – a place where we protect our working families, communities and businesses.

We are continuing to put Maine's fiscal house in order.

- In the budgets we passed this year, we lived within the new state spending cap.
- The rate of growth for the two biennial budgets is 3%, well under the rate of personal income growth and less than any other administration and legislature for 30 years.
- Collectively the budgets we passed this year cut state spending by more than \$600 million.
- Going forward we've reduced the structural gap by 50%.
- We funded historic hospital settlements going back as far as 1993 and representing over \$108 million in federal/state dollars to Maine's hospitals.
- Most importantly, we repealed the \$450 million borrowing.

We passed LD 1, a landmark, historic legislation providing property tax relief for Maine families including a historic increase in funding for local education.

We enhanced our economic plan.

- Creating a biomedical research triangle
- Investing in R&D for new jobs in the 21st century
- Strengthening the Pine Tree Zones yielding almost 3,000 new jobs.

We provided renewable energy incentives for solar energy and cleaner burning vehicles.

We passed legislation to ensure civil rights for all Maine people. Maine is a place of technology, talent and tolerance.

And, collectively, we did many, many other things on behalf of the public – from the working waterfront to drug disclosure.

I wish you well on a job well done, an enjoyable summer and enjoyable times with your family and friends. It is well deserved.

Governor Baldacci's Statement on Casino Gambling

June 23, 2005

MEDIA CONTACT: Lynn Kippax, 287-2531

On June 9th, I vetoed LD 1573, "An Act to Authorize a Tribal Commercial Track and Slot Machines in Washington County", because I do not believe that the expansion of gambling will result in long-term, sustainable economic development.

Despite my convictions, however, I indicated that if LD 1690, "An Act to Authorize, Subject to State Referendum, a Tribal Commercial Track and Slot Machines in Washington County," passed by a two-thirds majority in both the Maine House and Senate, I would not stand in the way of a state-wide referendum.

The Senate failed to pass the bill by a two-thirds majority.

When the Legislature reconvenes, it is my intention to return this bill with my veto to the Legislature. Maine's constitution, however, reserves to the people the right to initiate legislation; therefore, the people of Maine can still be heard through a citizens' initiative. I will not stand in the way of any future effort that places the issue of expansion of casino gambling before the voters.

The tribes clearly articulated their goal in this process - to provide for a better quality of life and future for their communities. I share that goal. Despite my personal opposition to the expansion of casino gaming in Maine, I will continue to work hard with the tribes in pursuit of economic opportunities and improved health of our Native American communities.

I have strongly opposed casino gambling, both as a candidate and now as Governor due to the negative impacts gambling can have on society. Without hard data supporting the claims being set forth by the gambling industry, I cannot in good conscience sign this bill.

I represented Washington County and Maine's tribes in Congress for eight years, and now as Governor. I understand the desire for prosperity and a better economic future—I am committed to that as well. However, I am not convinced that expanding an industry that has high societal costs is the best way for Maine to proceed. We know for certain that it will bring broken families, broken dreams, bankruptcy, increase substance abuse and addiction.

We need to allow our newly created and highly dedicated Gambling Control Board an opportunity to implement its regulations and determine its strengths and weaknesses before we consider further expansion of casino gambling in Maine.

In coming to this decision, I have followed my heart and have remained true to my principles. When I think of the future of Maine's young people, I know that I must continue opposing the expansion of casino gambling in Maine.

2005 Archive of Governor Baldacci's Press Releases

Sincerely,

John E. Baldacci

Governor

Grant Awarded to Penobscot Indian Nation for PIN Rx

June 28, 2005

MEDIA CONTACTS: Lynn Kippax, 287-2531

Adam Thompson, Governor's Office of Health Policy and Finance, 624-7445

Mark Chavaree, President of PIN Rx, 817-7324

\$500,000 Grant Awarded to Penobscot Indian Nation for PIN Rx – Maine's First Prescription Drug Mail Order Service

AUGUSTA – Governor Baldacci announced today that the Penobscot Indian Nation (PIN) received a \$500,000 Rural Business Enterprise Grant from the U.S. Department of Agriculture, Rural Development Office. The grant award will help the Penobscot Indian Nation implement PIN Rx, Maine's first pharmacy mail order distribution center.

Governor Baldacci said, "This is a tremendous business opportunity for the Penobscot Indian Nation. I applaud them for working to help Maine people purchase more affordable medications easily through the mail. I am pleased we are able to help with this effort. Jude Walsh in my office of Health Policy and Finance has been working with the Penobscots since last fall providing technical assistance and other support."

Currently, Maine people who utilize pharmacy mail order services do not have a Maine-based vendor and often face logistical challenges to accessing the prescriptions they need, such as long waits until prescriptions arrive. Based at Indian Island, PIN Rx will provide pharmacy mail order services beginning this summer to the State of Maine Pharmacy Program, which includes MaineCare, Drugs for the Elderly and Maine Rx Plus members. Additionally, private groups and businesses will be able to purchase medications more cheaply through PIN Rx. Starting in January, PIN Rx will be available to beneficiaries of Medicare Part D – Medicare's prescription drug program, which is scheduled to go live at that time.

Mark Chavaree, President of PIN Rx stated, "PIN Rx's primary goal is to provide a superior pharmacy mail order service to Maine citizens at the lowest possible cost. PIN Rx is positioned to meet Maine's need for a Maine based pharmacy mail order provider."

The State of Maine and private groups that take advantage of the program can expect savings up to 30%. In addition to these cost savings, benefits of PIN Rx include: programs to ensure quality by preventing drug interactions; up to 90 day prescription supplies; automatic prescription refill notices to patients; and, direct delivery of prescriptions to remote locations.

Governor Calls for More Affordable Prescription Drugs

June 29, 2005

Media Contact: Lynn Kippax, 287-2531

Joy Leach, 287-2531

AUGUSTA - Governor Baldacci today reiterated his commitment to work towards providing affordable prescription drugs for all Maine people. In response to the Canadian health minister's statement on the banning of bulk exports of medications to the United States, the Governor noted that he continues to work with the Legislature to leverage lower priced prescription drugs.

"Maine has led the way in providing affordable prescription drugs," said the Governor. "I am disappointed in the U.S. pharmaceutical industry's practices of charging U.S. citizens higher prices than they do the citizens of other nations. Most of these medications are manufactured in the United States and all are approved by the Food and Drug Administration. All we are asking for is to be able to make these prescription drugs available to Maine people at the same lower prices that other countries are able to access for their citizens."

The State of Maine continues to look for solutions beyond just buying medications from Canada. The Governor created the Pharmaceutical Cost Management Council that invites all public and private purchasers to join the State and maximize its buying power for all to benefit. The State is also reviewing multi-state pooling and other options to leverage lower prices.

The Governor noted that the Drug Reimportation Task Force he created will be evaluating the Canadian Government's recent statement and will make recommendations to him in the next few weeks.

Governor Talks to MBNA and Bank of America Officials

June 30, 2005

Media Contact: Lynn Kippax, 287-2531

Joy Leach, 287-2531

AUGUSTA – Governor Baldacci said that he had productive conversations this morning with officials of MBNA and Bank of America.

“I established a good solid relationship with the officials of Bank of America when it acquired Fleet Bank,” said the Governor. “They clearly value the performance and productivity of Maine workers. I look forward to meeting with officials of Bank of America when they come to Maine, and I will continue to work closely with them during the transition to ensure that our citizens and their jobs are protected. I have also directed the Department of Economic and Community Development to work with Bank America to explore all options guaranteeing that these extraordinary facilities continue to be used.”

BRAC Commission Hearing Bus Schedule

July 3, 2005

Members of the public who want to show their support before the BRAC Commission Hearing may take the free buses from Topsham or Kittery to Boston on Wednesday, July 6.

BUS LOCATIONS

NAVAL AIR STATION BRUNSWICK

BUS LOCATIONS

Departing from the Topsham Fair Mall (in the parking lot closest to Village Candle). Route 196, Topsham, ME.

TIME

Buses will load at 8 a.m. for an 8:30 a.m. departure to Boston.

PORTSMOUTH NAVAL SHIPYARD

BUS LOCATIONS

Corner of Walker Street & US Route 1 (old Sparkle Spot lot) in Kittery, Maine.

Airport Terminal, Exeter Street, Pease International Trade Port in Portsmouth, NH.

TIME

Buses will load at 9:00 am for a 10:00 am departure to Boston at the two primary locations above.

Portsmouth Naval Shipyard will present 1-3pm.

Brunswick Naval Air Station & Limestone 3-5pm.

Everyone is encouraged to stay for all presentations. For those who cannot stay, buses will begin leaving at 3:30 (as they fill) and arrive back at their original departure site.

DETAILS

-Please bring your Save Our Shipyard T-shirt if you have one. (If you don't, we will provide one).

Backpack/packages will not be allowed in the convention center, and you will not be able to leave them on the bus. However, you will be able to check-in your belongings (ie. bags) at the convention center to be recovered after the hearing.

Governor's Remarks to the BRAC Commission

July 6, 2005

Media Contact: Lynn Kippax, 287-2531

Joy Leach, 287-2531

AUGUSTA – Below are the prepared remarks delivered by the Governor today in Boston at the regional BRAC Commission Hearing. The first set of remarks is specific to Portsmouth Naval Shipyard. The second set of remarks is an economic analysis of the Pentagon's listing of Maine's facilities.

DEFICIENCIES OF NON-RADIOLOGICAL ENVIRONMENTAL COST ANALYSIS FOR PORTSMOUTH NAVAL SHIPYARD

Mr. Chairman, Members of the Commission, good afternoon, I am Governor John Baldacci of Maine.

The Portsmouth Naval Shipyard is one of the oldest industrial facilities in Maine and the nation. You would expect to find a history of environmental contamination issues at the yard. There is a budgeted plan that provides \$94 million, over several years, to initiate their clean-up. According to the DoD's report, there remains a need for an additional \$47.1 million in environmental restoration costs.

My Department of Environmental Protection has determined that at least an additional \$100 million in clean-up costs will be incurred to comply with legal requirements before transfer of the facility for re-use.

The DOD report states these costs are not included in total closure costs because they would be expended whether the shipyard closes or not. This assertion is inaccurate and misleading at several levels. DERA costs will be significantly affected by a closure in at least three ways:

First, the completion of clean-up of these sites will be accelerated in compliance with the BRAC schedule. Based on Maine's experience with significant environmental clean-up projects, including military facilities, we estimate additional costs of up to \$23 million due to this factor alone.

Second, the DERA costs underestimate, and in some cases do not account for, cleanup costs required under federal and Maine law. We estimate that these additional remediation costs will be about \$32 million.

Third, clean up of a site under existing law involves not only the US Environmental Protection Agency (EPA), and the property owner, but the Maine Department of Environmental Protection (DEP). Any state, including the State of Maine, will require thorough clean-up of a heavy industry site which needs to be made safe for public use. Based on a review of the DoD analysis and Maine's own experience, we estimate this additional cost at \$30.6 million. Further site studies, already legally required, are estimated at \$5.2 million. And the costs of maintaining the facility safely during the closure process will add another \$31.2 million to the total.

Prior national experience has shown DERA costs to be chronically underestimated. Environmental clean-up costs following closures of Pease Air Force Base in New Hampshire and the Mare Island Nuclear Shipyard have dramatically exceeded original estimates. The estimated cost to complete clean up at Mare Island now stands at \$225 million. At Pease, \$135 million has been spent on clean up to date, with an estimated \$46 million required for completion.

Based on this experience, it is not unreasonable to assume that DoD estimates of environmental clean-up at the Portsmouth Naval Shipyard are dramatically and unrealistically low.

For all of these reasons, the \$47 million DERA estimate can only be viewed as seriously flawed, and cannot be separated from the incomplete assumptions on which it is based. The determination of whether a closure proposal saves money in the required timeframe must take into account the full cost of closing the facility.

DoD substantially deviated from BRAC selection criterion eight by applying an unrealistic DERA standard to a nuclear shipyard closure. If closed, the Portsmouth Naval Shipyard will not have an equivalent end-use.

They compounded this error by dropping environmental costs from payback consideration, even though the law requires the Department to consider them. DoD reasoned that its obligation to eventually clean-up an active installation eliminates environmental costs from payback calculations.

In practice, there is great difference in whether a base remains open or is closed pursuant to BRAC. If the property remains a DoD base, environmental costs are typically recorded in DoD's annual financial report as a financial liability. These liabilities are rolled over from year to year. If there is no money in the services' budgets to do cleanups, they are not performed. However, if a base closes, DoD must remediate environmental damage, usually by the time of property transfer to a third party.

It only makes sense to account for clean-up costs in base closing payback considerations. These are real costs. Taken together with other DOD cost errors, these clean-up costs of closing Portsmouth will eliminate all projected savings over the time horizon used in the BRAC process.

I appreciate the opportunity to speak with you today. I know you will apply the standards for the BRAC process rigorously and fairly. When you do, I am certain you will conclude that DOD has seriously underestimated the environmental clean-up costs for the Portsmouth Naval Shipyard by more than \$100 million. This represents a substantial deviation from criterion number eight. It is further evidence that the proposed closure is not in the national interest.

Testimony #2

Chairman Principi, members of the Commission, I am Governor Baldacci of Maine, and I thank you for the opportunity to address the economic impacts on Maine people of the Department of Defense's BRAC recommendations. In the time available to me, I will speak first to the statewide impacts of the DOD plan; second, to their relative impacts in Maine, compared to other states; and lastly, to some flaws in the DOD analysis and the inaccuracies of its numbers.

The citizens of Maine have a long and distinguished history of service to our nation in times of need. In the 1863 Battle of Gettysburg, the 20th Maine Regiment led by General Joshua Chamberlain turned the tide at Little Round Top and, in the view of many historians, literally saved the Union. Today, Maine has one of the highest rates among all the states in deployment of National Guardsmen and women. Maine's population accounts for less than 1/2 of one percent of the nation, yet the state has consistently sent 2, 3, or even 5 times its share of servicemen and women in times of war. We did so during the Civil War, both World Wars, Korea, Vietnam, Desert Storm, Iraq, and Afghanistan. In each we suffered disproportionate casualties.

Today, speaking on behalf of all Maine people, let me say that we wish to continue to serve the nation as best we may; and we will.

In establishing "economic impact" as one of the criteria for the BRAC evaluation process, the Congress has created a dilemma for the Commission. No base closure or realignment will be without its economic impacts, at times positive, at other times quite negative. How then is the Commission to make "economic impact" a meaningful consideration?

Certainly, the most reasonable approach is to consider not the mere presence of economic impact, nor necessarily its absolute magnitude, but its relative size among affected areas. No region should be asked to improve the nation's military efficiency by bearing a disproportionate share of the economic costs. Yet this is exactly what the DOD plan proposes. Its recommendations and their consequences will amount to a federally-induced, major economic recession in Maine – one deeper than the DOD figures would lead you to believe, and one from which the people of Maine will be years in recovery.

STATEWIDE IMPACT

From the extreme northernmost point of Maine to its southernmost tip of Kittery, the statewide impact of the DOD plan will be massive. The closure of any single installation would be painful; the closure of three together will be felt throughout the Maine economy for years to come. Closing the DFAS center will hurt an already struggling northern region. Closing Portsmouth and realigning Brunswick will compromise all of southern Maine.

PORTSMOUTH

Earlier today Governor Lynch described the impact of closing Portsmouth Naval Shipyard in Kittery. The southern Maine / New Hampshire economy will lose some 12,000 jobs.

In Maine's southern-most county of York, more than 4% of all workers will become unemployed as a result of the DOD plan. And since Shipyard pay levels are nearly twice the average in the region, the percent of total wages being removed from the regional economy will be even greater – fully 12% of all wages paid in the 20-mile region, and 11% of all wages in the 30-mile region. These are numbers one would expect to see only in times of severe recession.

The thousands of workers who will lose their jobs at the Shipyard have highly specialized skills that do not transfer readily to other industries. Many are advanced in their careers and have spent decades

tailoring their skills to meet the Navy's needs. Their skills are today unmatched, yet there are not businesses or industries in the region capable of absorbing thousands of newly jobless Shipyard workers.

Long-term projections suggest that traditional manufacturing jobs in southern Maine will continue a pattern of decline. Helping five thousand Shipyard workers adapt their skills to new industries while supporting their families will be an unprecedented undertaking for our state. The lack of immediate job opportunities in the area inevitably will force some workers and their families to leave Maine.

BRUNSWICK

We would like to give you a similar assessment for the impact of Brunswick in the mid-coast region of Maine, but we have been unable to obtain the necessary information from the Navy. We have very little information on which positions will leave, which will stay, which buildings will be mothballed, and which will be available for reuse. We know that DOD estimates a loss of 4,655 jobs and \$135 million in wages and salaries in the region. This alone suggests that the economic impact will be far reaching; however, the impact of the realignment will be magnified by local economic conditions that DOD did not consider.

The mid-coast Maine economy is today struggling with major workforce reductions at Bath Iron Works (BIW), the state's largest defense contractor and builder of Navy destroyers, next-door to Brunswick. In 2004 and 2005, BIW laid off 675 workers from jobs paying some of the highest wages in the region. Over 500 individuals are currently collecting unemployment insurance and face limited prospects for re-employment. The skills and occupational qualifications of the BIW workers are very similar to those employed at Portsmouth. Flooding the regional labor market with thousands of workers with similar skills will further handicap their re-employment prospects in Maine and New Hampshire.

LIMESTONE

The DFAS Limestone center is located in Aroostook County, one of the most economically challenged regions in the nation. The unemployment rate in Aroostook is currently 7.5%, and out-migration is a chronic problem, due largely to its remote location and the decline of traditional agriculture and forestry. DFAS is among the area's largest employers, and its average wages are 50% higher than the rest of the county.

The DOD's decision to close DFAS Limestone, in fact represents a double closure. The 1994 closure of Loring Air Force base had a devastating effect on the local economy. At the time of the BRAC closure, the facility employed 4,500 military and 1,100 civilians.

While the region has not fully recovered from this painful blow, DFAS Limestone has been the cornerstone of that effort and has provided area residents with well paying jobs with benefits. The DFAS job losses will increase the number of unemployed in the region by more than 1/3. When indirect jobs are included, our economists calculate 550 to 600 total positions will be eliminated, increasing the number of unemployed Aroostook residents by more than one-half.

There will also be a severe de-population effect in a county with a long history of out-migration; the loss of 360 well-paying DFAS jobs will deepen this problem. Workers who relocate to find work will take family members with them.

In sum, the total direct and indirect effect on wages in Maine from the loss of these three facilities will be the equivalent of losing the state's entire farming, fishing, forestry and logging industries. In terms of employment, it will be the equivalent of losing either the state's paper manufacturing industry, or the hotel and motel sector of Maine's tourism economy. It will be nothing short of a catastrophe!

Under the DOD plan, the nation as a whole is asked to sacrifice some 26,000 direct jobs in order to improve overall military efficiency. Among the 50 states, there are 22 net gainers of direct jobs, and 28 net losers. The job losses will be difficult in each state; but some states will feel the loss more deeply than others.

Of the 28 net losers, only three states will lose more than 4,000 direct jobs: Connecticut, Maine, and Alaska. Maine will lose 6,938 jobs directly, second only to Connecticut. In terms of the number of civilian job losses, Maine is second only to Virginia. And if you add in the indirect job losses calculated by DOD, Maine will lose a total of 13,418 jobs, 2.1% of the state's total employment in 2002, second only to Alaska's 2.4%, and far greater than that of any other state in the nation.

These dire numbers do not, however, paint a complete picture of the DOD plan's impact all across Maine. Job losses will be difficult for every state; but the size of many other states' economies will help them soften the blow. Maine has a small population and a small workforce compared to other states. Of the three states losing more than 4,000 direct jobs, Connecticut will lose civilian jobs equivalent to 0.5% of total employment, Alaska will lose 1.1%, and Maine will lose 1.7%, by far the highest percentage of any state in the nation.

Further, the sub-state area impacted by the DOD plan in Maine is far larger than that of any other area in the country. Other high impact areas tend to be small both in absolute size of labor market and relative to total state employment. The economic area absorbing the bulk of Maine's impact represents over half of the state's total employment.

By any measure, Maine is being asked to carry a grossly disproportionate burden of the reductions. For our state, the DOD plan will be nothing less than a federally induced, major recession. Total estimates of civilian job losses are the equivalent of a 1.5 percentage point increase in Maine's unemployment rate. Our best estimate of the percentage of total wage and salary earning that will be lost is even higher: 3.5%. Indeed, 13,418 direct and indirect jobs, the total that DOD predicts Maine will lose, will be eight times greater than the job losses of the 2001 recession, and ever larger than the devastating recession of 1990-91.

All this, as I say, is based on the DOD's own analysis. It is especially distressing to me to report, however, that this analysis appears seriously flawed, and not a reliable basis for the Commission's decisions in these most serious matters. Let me point briefly to just two of the significant problems we have encountered in trying to figure out for ourselves what the full economic impacts of the DOD plan will be.

The first is incomplete information. We lack, for example, critical information about the proposed realignment of the Brunswick Naval Air Station. The DOD analysis removes 2,420 military jobs from an authorized manpower level of 3,275, a reduction of 74%. However, our information is that current military personnel assigned to BNAS total 4,410. If the same proportion is to be reduced from the higher figure, the direct loss will be 3,260 jobs, equivalent to a complete shut down of the base using DOD figures.

Nor is it clear just what military personnel will be left at Brunswick – neither how many, nor what their roles will be. This is crucial to understanding the economic impact of the plan. The DOD analysis leaves 825 military employees at the base, but they may have little or no positive role in the local economy. If the only military left are reservists doing training, there is almost no economic benefit to the community, as reservists and guard personnel are counted in the employment of their home regions and not where they are stationed.

Second, the economic impacts estimated by DOD are only a partial picture of what will actually happen. Critically, the DOD analysis for bases like Brunswick ignores the related effects on population migrations. In their analysis, it is as if all the military personnel were to leave, but their families were to stay behind. This is a particularly acute issue in the case of Brunswick, where up to 5,700 dependents of military personnel will leave the area under the proposed realignment.

Taking these losses into account, the employment impacts at Brunswick could range from 5,800 to 7,500 job losses – in comparison with DOD's estimate of 4,300 – as much as a 74% increase. These figures also ignore the potential loss of some portion of the nearly 6,000 military retirees who live near BNAS.

A similar problem exists for the analysis of Portsmouth. Taking into account analyses of both the Maine and New Hampshire economies, the effects could be 15% higher than DOD estimates when population migration is taken into account.

In summary, then, we find that the DOD plan is founded upon flawed economic and financial data which, if implemented, will have the effect of a federally-induced, major economic recession throughout the state of Maine. And I ask, is this the act of a grateful nation to a state that has, throughout its history, given so much to the nation's highest purposes?

Again, on behalf of the people of Maine, I would like to thank you for your time, attention, and consideration.

Governor Remembers Bill Pinkham

July 6, 2005

MEDIA CONTACT: Lynn Kippax, 287-2531

Joy Leach, 287-2531

AUGUSTA – Governor Baldacci said today that he is saddened by news of the death of Lamoine resident William “Bill” Pinkham, who passed away Monday. The Governor said, “In his professional, political and personal life, Bill was an outstanding individual.”

The Governor remembered Bill as a dedicated public servant and a tremendous advocate for Downeast Maine during his four successive terms in the Maine House of Representatives. “He worked tirelessly for the fishing and coastal communities, for small business and job growth, and for opportunities for young and old alike. Bill had a great impact on his community. He will be greatly missed.”

Governor Provides Update on Maine Homeland Security

July 7, 2005

MEDIA CONTACT: Lynn Kippax, 287-2531

Joy Leach, 287-2531

AUGUSTA – Following news of the bombing in London, England, Governor Baldacci visited the Maine Emergency Management Agency and participated in a conference call organized by federal Department of Homeland Security officials. Upon his return to the State House, the Governor provided an update on the security situation in Maine. His remarks follow.

"As Governor, I want to say that I am outraged by the terrorist events that have occurred in London. Here in Maine, we are deeply saddened by this cowardly act of terrorism.

"This morning, and after hearing the news from London, I met with Maine's Emergency Management Agency in Augusta. While there, I participated in a 50-state conference call regarding plans by the Department of Homeland Security.

"Shortly before noon, Department of Homeland Security Secretary Michael Chertoff announced an increase the terror alert from "yellow" to "orange" for the nation's mass transit system—including passenger rail, bus and subway systems.

"The threat level was not raised for the nation's airports.

"Overall, the nation's terror alert will remain at "yellow."

"The Department of Homeland Security reports that there is no evidence of similar threats in the United States.

"This is not a time to be anxious, but instead vigilant.

"I'll continue monitoring the events as they unfold."

This afternoon, the Governor learned that MEMA has been in contact with the major cities in Maine and they have no significant events to report.

Governor Announces MaineCare Operations Initiative

July 13, 2005

Media Contact: Lynn Kippax 287-2531

Michael Norton 287-5012

AUGUSTA - As part of his ongoing strategy to make Maine's health care system affordable, accessible and high quality, Governor John Baldacci today announced an initiative to redesign the operations of MaineCare, the state's Medicaid program.

State health officials joined the Governor in laying out the effort to transform the new Office of MaineCare Services insuring that it operates as a high-performing organization that is efficient and accountable to customer needs, is fiscally responsible, living within its financial resources, and is sustainable in the face of federal program changes and federal funding cuts.

"This is an ongoing process," Governor Baldacci said. "Today, we take another step – to ensure MaineCare, which, in fact, is one of the State's largest insurance companies, is customer centered and managed like a business. People depend on MaineCare."

The Governor said that MaineCare enables many of Maine's working families to have the security of health coverage. His goal, Baldacci said, is to ensure that MaineCare achieves excellence in its administration, technology and outcomes. "I also fully expect a process," Governor Baldacci said, "that will involve both providers and users of services in the development and design a new way of meeting customer needs."

Governor Baldacci said that much recent attention has been appropriately focused on correcting the claims management and payment system at DHHS. "I recently brought on board an experienced company, Deloitte Consulting to ensure that the best and brightest were working to correct this serious problem," Governor Baldacci said.

"Unfortunately their work has uncovered greater system deficiencies and insufficient business systems, many of which have existed for decades."

Mike Hall, Deputy Commissioner of the Department of Health and Human Services, will serve as temporary director and project executive for the operational redesign. In addition, a national search is underway for a permanent MaineCare director.

"MaineCare is critically important and, at the same time, we have to understand that it has been stressed operationally for quite some time. The issues with implementation of the MaineCare claims management system are the most significant example of that, but providers, MaineCare staff, and other stakeholders tell us that the causes behind the challenge run deep and they are right," Hall said. "This is the moment to recognize that MaineCare is a backbone for health services in our state and that making it fundamentally stronger as an operation is the course we must take."

MaineCare is the name for Maine's Medicaid program, a public health care program for low income individuals and families that is jointly funded by federal and state dollars.

Governor Announces Successful Fiscal Year End

July 14, 2005

Media Contact:

Lynn Kippax, 287-2531 Becky Wyke, 624-7800

AUGUSTA – Governor John Baldacci today announced that at year end Maine's books closed with a gross unappropriated surplus before any deductions for budgeted commitments of \$75.2 million, including \$29.2 million in revenues over budget estimates. Also included is \$15 million in unexpended funds from state agencies largely resulting from the impact of the Governor's Executive Order limiting spending and maximizing savings. This is another clear indication that the Governor's strategy for Maine's economic growth is succeeding.

"When I came into office I had distinct goals: grow good paying jobs with benefits, invest in Maine's future, provide affordable health care and protect our natural resources," said the Governor. "Jobs are growing, income is growing and the tax burden is falling. We have lived within a spending cap and continued critical investments that are building a foundation for the future of Maine. Our economic plan is working. I released preliminary numbers several weeks ago and today the numbers are even more promising."

Upon taking office, Governor Baldacci faced a \$1.2 billion shortfall, operating capital and rainy day reserves totally depleted, and a tax anticipation note (TAN) of \$250 million. With a targeted economic strategy, the Governor has succeeded in cutting the structural gap and TAN in half. Reserves have been increased from zero to \$70.1 million (with \$19.6 million added this year).

Of the \$75.2 million, approximately \$27.1 million carried forward for Fiscal Year 2006 uses, and several other significant year end commitments:

- \$7.1 million for the Baxter Compensation Fund
- \$6.5 to General Fund Operating Capital
- \$13.1 million to the Budget Stabilization Fund
- \$13.1 million to the Retirement Allowance Fund
- \$1.0 million to the Loan Insurance Reserve Fund
- \$349,000 to the Governor's Contingent Account
- \$315,000 to Micro-enterprise

After all commitments have been satisfied, the State of Maine has a net unappropriated surplus to be carried forward into FY06 of approximately \$6.5 million.

The Governor noted, "Maine is on a positive economic track. In addition to ending the year in the black, this year we passed meaningful property tax reduction, strengthened our commitment to investments in education, economic development and health care and took steps to control the cost of state government while making it more efficient and responsive. I am pleased with where we have finished this fiscal year, and look forward to working with the Legislature to continue enhancing the Maine economy."

Where the Surplus Comes From (in Millions)

\$29.2 Revenues over budget estimates

15.0 Lapsed 05 balances resulting from Executive Order limiting spending

27.1 In budgeted balance forward

3.9 Miscellaneous small prior period accounting adjustments

\$75.2 Gross unappropriated surplus before deductions for budgeted commitments

How Surplus is Distributed (in Millions)

\$27.1 In budgeted balance forward (FY '06 appropriations already approved by the Legislature)

48.1 Surplus Revenues and Lapsed Balances

41.5 Commitments Below (including reserves)

7.1 For Baxter Compensation Authority

6.5 General Fund Operating Capital

13.1 Budget Stabilization Fund

13.1 Retirement Allowance Fund

1.0 Loan Insurance Reserve Fund

0.349 Governor's Contingent Account

0.315 Micro-Enterprise Fund

6.6 FY '06 Unappropriated Surplus (available for appropriation by the Legislature)

\$75.2

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Maine Receives National Governors Association Grant Award

July 14, 2005

Media Contact: Lynn Kippax 287-2531

Patrick R. Phillips 624-6612

The National Governors Association (NGA) announced Thursday that Maine is the recipient of an Honor States Grant Program award which will support the improvement of high school graduation and college readiness rates throughout the state. Although no dollar figure was disclosed by the NGA, it is believed that grant awards of this type are in excess of one-million dollars. The Honor States Grant Program is supported by funding from the Bill & Melinda Gates Foundation.

The NGA award to the State will enable Maine's secondary educators to continue their efforts to improve Maine's high schools and Career and Technical Education centers; an effort that began in 1998 with the release of Promising Futures; A Call to Improve Learning for Maine's Secondary Students.

Maine Governor John Baldacci said that Maine was one of only ten states selected to receive the grant. "I am pleased that we succeeded in winning this grant—competing as we did with 31 other States across the country. For me, it shows that our education reforms are working and are recognized nationally as successful. Maine is a demonstrated leader in education reform. I want to thank the Gates Foundation for their support and Education Commissioner Susan Gendron for her leadership."

In the grant, Maine proposes the creation of a seamless PK-16 public education system in which the State will evaluate whether the standards and assessments linked to the high school diploma reflect college and work-readiness expectations; redesign low-performing high schools particularly through literacy supports and early college programs; set accountability targets for student success in the Community College and University of Maine systems; support the streamlining of PK-16 governance; and develop a statewide media and public information campaign.

The NGA, in a statement, said the program provides two-year grants to the selected states to continue work begun under NGA Chairman Virginia Gov. Mark Warner's Redesigning the American High School initiative. The work also builds on ideas to improve America's high schools outlined in the NGA/Achieve Action Agenda released in conjunction with the 2005 National Education Summit on High Schools held in Charleston, S.C. in February. The grants will fund Governors' comprehensive state plans to raise high school graduation and college readiness rates.

After a thorough evaluation process, a committee, independent of NGA, selected the grantees who will implement new policies and tools to help more young people graduate from high school prepared for college and work success. The committee unanimously recommended 10 states receive grants: Arkansas, Delaware, Indiana, Louisiana, Massachusetts, Maine, Michigan, Minnesota, Rhode Island and Virginia. The selected states are required to, at least, match their grant amounts dollar-for-dollar.

Governor to Join Maine and New Hampshire Officials to Meet BRAC Commissioners

July 15, 2005

Media Contact:

Lynn Kippax, 287-2531

Joy Leach, 287-2531

AUGUSTA – Governor John Baldacci, who will spend the weekend at the National Governors Association summer meeting in Iowa, said he is changing his schedule to attend an important last minute meeting in Washington, D.C. On Monday he will join New Hampshire Governor John Lynch and the members of the Maine and New Hampshire Congressional Delegations to meet with the three Base Realignment and Closure (BRAC) Commissioners who have not yet personally heard the case for preserving Maine's military facilities on the Pentagon's BRAC list. The Commissioners they will be meeting with are Harold Gehman, James Hansen and James Hill.

The Governor noted that this is an important opportunity to review with the Commissioners the strong case that the bases should be maintained. The facilities are important to national security and the economies of Maine and New Hampshire. "We continue to show a united front to fight for these vital facilities," said the Governor.

Earlier today, the BRAC Commission Chair, Anthony Principi, received a response from the Department of Defense regarding information used for the Department's closure recommendations. Governor Baldacci and the Maine Congressional Delegation maintain that the Department of Defense substantially deviated from the selection criteria. The Governor said today, "Nothing in the material provided to the Commission today alters our position that Maine's facilities must remain fully operational."

Governor Names Judicial Nominees

July 19, 2005

MEDIA CONTACT: Lynn Kippax, 287-2531

Joy Leach, 287-2531

AUGUSTA - Governor John Baldacci today nominated six people for court judgeships.

He nominated for reappointment Carl Bradford of Yarmouth as Active Retired Justice, Maine Superior Court.

The Governor nominated Jeffrey Hjelm of Dixmont for reappointment to the Superior Court.

Governor Baldacci nominated to reappoint Keith Powers of Cape Elizabeth as District Court Judge.

The Governor nominated three to new positions.

He nominated Michael Westcott of Damariscotta as Active Retired District Court Judge. Westcott had recently retired as Chief Judge of the District Court. He had overseen a number of changes serving in this capacity, and helped organize adult drug treatment courts.

Governor Baldacci nominated Ralph Tucker of Brunswick and Marilyn Stavros of Kennebunkport to the Maine District Court.

Ralph Tucker is a partner with McTeague, Higbee, Case, Cohen, Whitney & Toker, P.A. of Topsham. He served as a Commissioner of the Maine Workers' Compensation Commission from 1981 to 1993, serving in the capacity of Chair of the Commission from 1985 to 1993. Tucker earned his B.A. from Hobart College and his law degree from the University of Maine School of Law.

Marilyn Stavros currently serves as a Case Management Officer in the District Court. She previously served as Assistant Attorney General, Human Services Division, where she negotiated and litigated child protection cases. She brings a wide breadth of community service, having served as a member of child abuse and substance abuse teams and as a member of the board of directors of the Kennebunk-Kennebunkport Chamber of Commerce and of Kennebunkport Emergency Medical Services. Stavros earned her B.S. from Simmons College and her law degree from the University of Maine School of Law.

"These nominees have demonstrated outstanding leadership in their professional careers as well as in their communities," Governor Baldacci said. "I am confident that those I have named will serve the State with utmost diligence, contributing their talent and wisdom to Maine's citizens and courts."

Governor's Statement on the BRAC Commission's Actions Tuesday

July 19, 2005

MEDIA CONTACT: Lynn Kippax, 287-2531

Joy Leach, 287-2531

AUGUSTA – Governor Baldacci released the following statement in response to actions taken by the Base Realignment and Closure (BRAC) Commission earlier today.

“Yesterday, I was in Washington, D.C. to meet with the Congressional Delegation and Commissioners Gehman, Turner and Coyle to discuss the importance of Maine’s military installations.

“Today a closure scenario for NAS Brunswick was added to the BRAC Commission's list of considerations. This does not mean that Brunswick is going to be closed. This is simply one more step in the process.

“As a next step the Commission will send two commissioners to visit Brunswick and the entire Commission must conduct another hearing that will examine this closure scenario.

“What the Commission made very clear at today's hearing was that adding a closure scenario for NAS Brunswick will allow them to conduct a more thorough investigation of all options.

“Our fight to keep Brunswick open and fully operational is not over. With the help of our local Brunswick Task Force and our Congressional Delegation we have clearly shown to the Commission the strategic value of Brunswick and the shortsightedness of a realignment or a closure scenario.

“Today, the Commission also voted to consider changes to the Department of Defense (DoD) proposed consolidation plan for DFAS facilities.

“This is a strong signal that they recognize that the plan has numerous flaws and additional consideration must be given. That was the message the Maine delegation delivered at the July 6 regional hearing and again yesterday in our meeting with Commissioners.

“We believe that a strong case has been made that, not only should Limestone remain open, but that it would be an excellent candidate to receive additional missions and workers. We have provided the Commission with data that supports this outcome and we will continue to work to convince them that DFAS Limestone should be grown rather than closed.

“Finally, we continue to take to task the citing by the Department of Defense of excess capacity in the submarine industrial base as justification for closure of Portsmouth Naval Shipyard. I am encouraged by the discussions of nuclear submarine maintenance capacity during today’s hearing. It was clear the BRAC Commissioners have great doubts about DoD’s claims of excess capacity.

"As the BRAC process continues, the Congressional Delegation and I fight to preserve Maine's military installations."

Governor Directs Flags to Be Flown at Half-Staff in York County to Remember William H. Layman

July 20, 2005

MEDIA CONTACT: Lynn Kippax 287-2531

Joy Leach 287-2531

AUGUSTA – In remembrance and honor of York County Commissioner Chair William H. Layman, whose funeral will be held Friday, July 22 in York, Governor John E. Baldacci has directed that the United States flag and the State of Maine flag be flown at half-staff in York County from sunrise to sunset Friday, July 22, 2005.

Governor Calls for Special Session on Bonds

July 25, 2005

MEDIA CONTACT: Lynn Kippax 287-2531

Joy Leach 287-2531

AUGUSTA – Governor Baldacci today signed a proclamation calling the State Legislature into session on Friday, July 29th. The Governor is urging the Legislature to pass a bond package he said would provide critical investments for the state. He has requested that the House convene at 11:00 a.m. followed by the Senate at 10:00 a.m.

Early this morning, the Appropriations Committee unanimously supported \$83 million of investments for jobs, transportation infrastructure, clean water and the environment, education, and Land for Maine's Future.

Governor Baldacci said, "I am generally pleased by the bipartisan agreement reached by the Appropriations Committee. I know that it was difficult. This bond package is a good step. It will help create new good paying jobs and grow Maine's economy. We must make these investments to continue providing opportunities to Maine people."

The Governor acknowledged that there were many who wanted a larger bond package. He said that there is more that should be done to ensure a better future for Maine. "Regardless of the amount, this bond package will continue strategic, targeted investments that will keep Maine on the path to becoming a national leader in providing opportunities for all of its citizens."

The proclamation text follows.

WHEREAS, there exists in the State of Maine an extraordinary occasion arising out of the need to resolve legislative matters limited to bond authorizations for expenditures related to transportation, pollution control, research and development, land acquisition, and public facilities, as well as the confirmation of judicial appointments; and

WHEREAS, the public health, safety, and welfare requires that the Legislature resolve those pending matters as soon as possible, and in any event prior to the date of the Second Regular Session of the 122nd Legislature:

NOW THEREFORE, I, JOHN E. BALDACCI, Governor of the State of Maine, by virtue of the constitutional power vested in me as Governor pursuant to Article V, Part First, Section Thirteen of the Constitution of Maine, convene the Legislature of this State, hereby requesting the Representatives to assemble at eleven o'clock and the Senators to assemble at ten o'clock in the morning in their respective chambers at the Capitol in Augusta on July 29, 2005, in order to receive communications, enact bond authorizations and confirm judicial appointees as may properly be brought before this special session of the Legislature.

Governor Proposes Amendment to NGA Medicaid Reform Proposal

August 1, 2005

MEDIA CONTACT: Lynn Kippax 287-2531

Trish Riley, 624-7442

AUGUSTA – Governor John Baldacci proposed an amendment to the National Governors Association Proposal to Reform Medicaid. The recent NGA summer conference highlighted concerns of states regarding developing Medicaid policy at the federal level. Maine has been noted nationally as a leader in health care reform, especially through increasing access and affordability of health care through Dirigo Health and through efforts to make prescription drugs more affordable.

In making his proposal to the NGA the Governor stated, "I appreciate the complexity of finding consensus among the Governors, but I feel it is essential to modify the NGA proposal in two important ways. First, NGA must stand firm and protect the lowest income citizens -- those below 100% of the poverty line -- from excessive co-payments and cost-sharing. Second, any Medicaid reform that fails to address the formula by which federal funds are dispersed to states simply misses the mark."

The Governor's amendment would clarify that the Medicaid program must maintain affordability of coverage for the lowest income beneficiaries. The Governor also called for a permanent change in the formula to allocate funds to the states to assure an automatic trigger to adjust a state's federal funding when economic conditions cause more people to rely on Medicaid. Further, he calls for a special bi-partisan working group of Governors and the Department of Health and Human Services to update the federal matching formula to recognize states like Maine that have disproportionately high rates of elderly, disabled or very poor citizens.

Baldacci noted that the funding formula has not been significantly re-designed since the program's inception in 1965. Then, the program was significantly smaller and served primarily women and children as it still does; today, the program also is the nation's biggest insurer of long term care and behavioral health services. These populations cost significantly more than the cost of serving families and children.

Governor Baldacci stated, "I know that there will be resistance to these changes given the federal budget deficit, but states and low income people can not bear the burden of increasing costs in the Medicaid program. Those costs need to be shared and we believe the federal government has a responsibility to amend its funding formula to better reflect current state and program needs."

Baldacci noted that the deficit may make it impossible to implement these increases until new funds are available, but he pointed out that there are two possible sources to fund FMAP increases. First, the federal government could negotiate more aggressively for lower costs and increased rebates from pharmaceutical manufacturers for the drugs paid for by Medicaid and Medicare; second, the President's budget contains significant proposed funding for tax credits for health care. Governor Baldacci has

suggested that a portion of those funds could better be directed towards Medicaid increases to help states bear the continuing cost of the program.

The Governor acknowledged that amending the draft policy to include his provisions will be difficult, but urged his fellow Governors to do so. The NGA Medicaid reform team will be meeting on Tuesday to consider next steps and to deliberate on proposed amendments.

Applications Being Accepted for 2005 Maine Residents Property Tax and Rent Rebate Program

August 1, 2005

MEDIA CONTACT: Lynn Kippax 287-2531

Dennis Doiron, Director, Income/Estate Tax Div., MRS, 626-8483

AUGUSTA – Governor John Baldacci and Jerome D. Gerard, Acting Executive Director, Maine Revenue Services (MRS), have announced the 2005 Maine Residents Property Tax and Rent Refund Program is accepting applications starting today, August 1, 2005. Municipal officials have been sent information about the expanded program and the Governor will be following up with elected municipal officials.

"I am pleased that the Program has been expanded to provide property tax and rent relief to more people than ever before," said Governor Baldacci. "Though the Senior refund portion of the program remains mostly unchanged, the General portion of the program now provides refunds of up to \$2,000 to persons of any age whose household income for 2004 was not more than \$74,500 for single-member households and not more than \$99,500 for those who lived with a spouse or dependent(s)." To qualify for a refund, the 2004 property tax must be more than 4 percent of household income or the rent paid must be more than 20 percent of household income.

Senior program refunds are available to applicants who were at least 62 in 2004 (55 or over if disabled). In addition, for persons living alone, the household income for 2004 cannot be more than \$12,400; for a single person living with a dependent, or a married person who lived with a spouse, the 2004 household income cannot be more than \$15,300.

Generally, renters who lived in subsidized housing (paid in part by the government) do not qualify for a Tax or Rent Rebate; however, senior applicants and certain disabled applicants living in subsidized housing may qualify for a refund.

Applicants who qualify for both the Senior and General refunds will receive the larger of the two.

Applications must be filed between August 1, 2005 and May 31, 2006.

Applications may be filed by computer using I-file at www.maine.gov/revenue or by telephone using a Telefile System. Applications may also be filed by mail. I-file requires access to a computer with an internet connection. Free internet access is available at most local libraries in Maine.

Applications are available at the Maine Revenue Services' Taxpayer Service Center (Muskie Federal Building, Sewall Street in Augusta), Municipal Offices, local libraries, Area Agencies on Aging and Community Action Agencies, or by calling 624-7894, everyday, 24 hours (to leave your name and address). Forms are also downloadable from the web at www.maine.gov/revenue (select "Forms, Publications & Applications", then select "2005 Forms" (listed under Income/Estate Tax), then scroll down to select the appropriate link listed under "Maine Residents Property Tax Relief Program").

Applicants who have questions can call (207) 626-8475, or write to: Maine Residents Property Tax and Rent Refund Program, Maine Revenue Services, PO Box 9116, Augusta, Maine 04332-9116.

FOR FURTHER INFORMATION CONTACT MAINE REVENUE SERVICES, INCOME/ESTATE TAX DIVISION, AT 626-8475, MONDAY – FRIDAY, 8:00 A.M. – 5:00 P.M.

Governor Names Washington County Economic Development Task Force

August 4, 2005

MEDIA CONTACT: Lynn Kippax, 287-2531

Joy Leach, 287-2531

AUGUSTA – Governor John Baldacci today issued an Executive Order to detail the structure and responsibilities of the Washington County Economic Development Task Force. The task force, led by Representative Ed Dugay, a senior member of the delegation, and former Republican Senator Kevin Shorey, will focus on aggressive promotion of economic development in the region. The task force will work with David Flanagan, who was charged by the Governor earlier this summer to mobilize state agencies to expedite economic development projects in the county.

“Our collective vision for economic development in Washington County is a vision of productive and sustainable growth,” said the Governor. “We will lead with investments in our natural and cultural heritage, in technology, in education, training and global access. This is what I seek to build in Washington County.”

The Task Force members are:

Commissioner Jack Cashman of the Department of Economic and Community Development, or his designee

Bill Cassidy, President, Washington County Community College

Cynthia Huggins, Ph.D, President, University of Maine at Machias

Patricia Boucher, Executive Director, Work Force Investment Board for Aroostook & Washington Counties

Kevin Shorey, County Commissioner and owner of Quoddy Trail Moccasin (Co-Chair)

Representative Ed Dugay (District 33 - Co-Chair)

Representative Anne Perry (District 31)

Senator Kevin Raye (District 29)

Representative Harold Emery (District 32)

Representative Howard McFadden (District 30)

Representative Everett McLeod, Sr. (District 11)

Representative Frederick Moore, III, Passamaquoddy Tribal Representative

Larry L. Barker, Vice President, Machias Savings Bank

Scott Beal, Domtar

John Crowley, Sr., County Commissioner

Jim Frey, Jim Frey Antiques

Christopher Gardener, County Commissioner

Robert Jamieson, Plant Manager, Vicus Technology

Linda Pagels, City Manager

Chris Rhoades, small business owner

Diane Tilton, Executive Director, Sunrise Economic Council

Peter Wass, Harrington Administrative Assistant

David Whitney, Whitney Originals

The text of the Executive Order follows.

AN ORDER CREATING AN ECONOMIC DEVELOPMENT TASK FORCE FOR WASHINGTON COUNTY

WHEREAS, the Governor appointed a Personal Representative to Washington County pursuant to Executive Order 44 FY 04/05 (dated June 24, 2005) in order to coordinate the State's effort to bring sustainable economic development to Washington County; and

WHEREAS, in order to address the economic development opportunities in a concerted and analytical way, local insight and knowledge of Washington County will be an important component of developing both a short and long term, viable economic development plan; and

WHEREAS, bipartisan support exists for developing economic opportunities in Washington County:

NOW, THEREFORE, I, John E. Baldacci, Governor of the State of Maine, do hereby create the Washington County Economic Development Task Force:

I. Purpose

The Washington County Economic Development Task Force will make recommendations with respect to policies, regulations and statutory changes for expanding the capacity of government to assist at all levels in the economic development of Washington County and draft the necessary implementing legislation.

II. Duties

The Task Force shall undertake the following duties:

Gather information regarding economic conditions and trends.

Identify and evaluate effectiveness of all economic development programs.

Identify existing local businesses and their economic status.

Identify obstacles start-up businesses have encountered.

Identify regulatory procedures or costs that have exceeded their benefits.

Assess availability of capital and infrastructure.

Research and recommend educational opportunities that should be pursued, such as adult education, vocational colleges, and traditional trades.

Evaluate the tourism potential and how the state can assist in marketing tourism opportunities.

III. Responsibilities

The Task Force shall submit interim recommendations, including, but not limited to, draft legislation for the Governor's consideration, to the Governor by December 15, 2005, and a final report no later than May 1, 2006.

IV. Membership

The Task Force shall consist of no more than twenty-three (23) members. The Washington County Delegation, the Passamaquoddy Tribal Representative, and the County Commissioners for Washington County shall be invited to participate on the Task Force. The Governor shall appoint, based on the recommendations of the co-chairs, the remaining members as follows:

- The Commissioner of the Department of Economic and Community Development, or his designee;
- One representative of the Community College System;
- One representative of the University of Maine System;
- One representative from the Work Force Investment Board for Aroostook & Washington County; and
- Other members representing business, economic and financial interests.

The Task Force shall be co-chaired by Representative Ed Dugay and County Commissioner Kevin Shorey. All Task Force members shall serve without compensation or reimbursement.

V. Implementation Costs

The costs for implementing the duties included in this Executive Order will be absorbed by the Department of Economic and Community Development.

Effective Date

The effective date of this Executive Order is August 4, 2005. The Washington County Economic Development Task Force will complete its work and disband no later than May 1, 2006.

John E. Baldacci

Governor

Governor Signs Bond Authorization, an Important Investment in Maine's Future

August 8, 2005

MEDIA CONTACT: Lynn Kippax, 287-2531

Joy Leach, 287-2531

BANGOR – Governor John Baldacci today signed LD 998, “An Act to Authorize Bond Issues for Ratification by the Voters at the November 2005 Election” outside the University College of Bangor’s Camden Hall. Flanked by supporters of the bond package, including Legislators, Bangor City officials, and University of Maine System Chancellor Joseph Westphal, the Governor said the package contains crucial investments in economic development, infrastructure improvements and Land for Maine’s Future. A portion of the bond package would make significant investments in biomedical research and development, including \$1 million for Camden Hall, which will house the new Graduate School of Biomedical Sciences.

The Governor commended the Legislature for their leadership. “The overwhelming support Legislators gave to these investments illustrates a spirit of collaboration and bipartisanship, and acknowledges that these projects are vital to growing good paying jobs with benefits; to growing our economy; to further improve our infrastructure; and to conserve and protect our environment, land and working waterfront.”

The Governor remarked that the \$83 million bond package will yield more than \$200 million in matching and leveraged funds from federal and private sources. These investments will generate additional opportunities for all Maine citizens.

“We finished Fiscal Year 2005 with a surplus. Jobs and incomes are growing and our tax burden is falling. We’ve created Pine Tree Zones, reformed our tax system, controlled government spending, focused on business costs, education, job training, and created Dirigo Health to help small businesses and workers. But more is needed, and this bond package will keep Maine on the path of positive economic development.”

“In the first two years alone, construction and transportation spending will support more than 2,300 jobs. Many more jobs will grow from investments in research and business development. This package simultaneously strengthens Maine’s natural resource-based industries while supporting the growth of promising new ventures in the biomedical field and the creative economy.

“Our future is bright and we have made significant progress. This bond package will continue strategic, targeted investments that will keep Maine on the path to becoming a national leader in providing opportunities for all of its citizens. I look forward to working with all those here today in support of this critical investment in Maine’s future.”

2005 Archive of Governor Baldacci's Press Releases

For further details on the bond package,

visit: http://www.maine.gov/governor/baldacci/issues/bond_proposal/index.html

Governor's Statement at BRAC Commission Hearing Wednesday

August 10, 2005

MEDIA CONTACT: Lynn Kippax, 287-2531

Joy Leach, 287-2531

WASHINGTON, D.C. – Governor John Baldacci today joined Maine's Congressional Delegation, Rear Admiral Harry Rich (Ret), and Captain Ralph Dean (Ret) to deliver testimony before the Base Realignment and Closure (BRAC) Commission against closure of Brunswick Naval Air Station. The Governor's portion of the testimony provided today focused on the economic impact of closure of the air station.

Governor Baldacci's testimony follows.

"The challenges presented by this closure are similar to those presented by realignment, which I discussed on July 6th. However, the Department of Defense's own analysis shows that the impact on the region and state from a full closure are far greater. Naval Air Station Brunswick is one of Maine's largest employers and its loss will be devastating.

"The Department of Defense generated an economic impact report when it considered closing rather than realigning Brunswick, a scenario that DOD ultimately rejected for the reasons you just heard from Admiral Rich and Captain Dean. The report states that closing Brunswick will result in the loss of 2,700 military and 658 non-military personnel. The ripple impact of these job losses will be an additional 2,659. Thus the total indirect and direct job losses caused by closing NASB will be 6,017 jobs.

"Naval Air Station Brunswick is located in rural Mid-Coast Maine, in the Bath-Brunswick Labor Market, which has a workforce of just over 40,000. The 6,017 positions that will be lost through closure represent 15% of this labor market. In fact, closure of NASB will be the second most devastating BRAC action by economic area in the country. Such a significant loss will be a catastrophe and will cause unemployment in the area to increase from 4.1% to 15%.

"The economic impact estimated by DOD is only a partial picture of what will actually happen. Critically, the DOD analysis ignores the economic effects of population migrations. In their analysis, it is as if all military personnel were to leave, but their families were to stay behind. This will be the case in Brunswick, where up to 5,700 dependents of military personnel will leave the area under the proposed closure. This will have a significant ripple effect.

"Job losses will be difficult for every state; but the size of many other states' economies will help them soften the blow. Maine has a small population and a small workforce compared to other states. Additionally, the mid-coast Maine economy is today struggling with major workforce reductions at Bath Iron Works (BIW), builder of Navy destroyers, located next-door to Brunswick. In 2004 and 2005, BIW laid off 675 workers from jobs paying some of the highest wages in the region; and 500 of these

individuals are still on unemployment. This situation coupled with the small size of the state work force to absorb positions lost through this closure, will present extreme challenges for the region.

"In 2004, the Naval Air Station had a \$211 million direct impact on the local economy. The removal of 6,017 positions from the area and this significant loss of spending will cripple the region for many years to come. Let me be clear: the closure of Naval Air Station Brunswick will have the direct effect of a federally-induced, major economic recession for this region, one from which our economists calculate it will be a full decade in recovery."

Cost of Doing Business Falls in Maine, Latest Milken Institute Study Confirms

August 17, 2005

Media Contact: Lynn Kippax 287-2531

Joy Leach 287-2531

AUGUSTA - The Milken Institute reports that Maine has lowered the cost of doing business—falling a full three spots in a ranking of states since the Los Angeles based independent economic think tank issued its last report one year ago.

The Cost-of-Doing-Business Index, released annually by the Institute, indicates each state's comparative advantage in attracting and retaining businesses. The index, the Institute says, measures wage costs, taxes, electricity costs and real estate costs for industrial and office space.

Maine has the best overall cost of doing business in New England. On hearing the Milken Institute announcement, Governor Baldacci said that this is just one more indication that his economic plan is working for Maine. "I am committed to building opportunities for all Maine citizens and businesses in this 21st Century Economy. Through targeted investments and initiatives such as Pine Tree Zones and Dirigo Health Reform, Maine's economy is growing and businesses are attracted to the State. Maine is investment grade."

The Milken Institute is not the first to notice the trend. "The word is getting out about Maine," Governor Baldacci said. "People outside Maine see us for our economic advantages, quality workforce and remarkable natural resources."

The Corporation for Enterprise Development rates Maine "A" for assets and opportunities. Foreign Direct Investment Magazine ranked Maine's quality of life best in the nation. INC magazine called Portland, one of the top U.S. cities for doing business.

The Governor remarked, "Maine is on a positive economic track. In addition to ending the year in the black, this year we passed meaningful property tax reduction, strengthened our commitment to investments in education, economic development and health care and took steps to control the cost of state government while making it more efficient and responsive. I am pleased that our efforts are recognized across the country."

Governor Directs Flags to Be Flown at Half-Staff in Waterville, Oakland and Maine Veterans Memorial Cemetery

August 17, 2005

MEDIA CONTACT: Lynn Kippax, 287-2531

Joy Leach, 287-2531

AUGUSTA – In remembrance and honor of full time National Guard member Mike Hross, a member of the Civilian Support Team, Weapons of Mass Destruction who died of cancer on Monday, Governor John E. Baldacci has directed that the United States flag and the State of Maine flag be flown at half-staff from sunrise to sunset, tomorrow, Thursday, August 18, 2005 in the City of Waterville, the Town of Oakland, and the Maine Veterans Memorial Cemetery. Funeral services for Mr. Hross will be held that day.

Governor's Health Office to Hold "Health Care Listening Tour"

August 18, 2005

Contact: Trish Riley, 624-7442

Adam Thompson, 624-7445

AUGUSTA – Governor Baldacci's Office of Health Policy and Finance (GOHPF) will hold what it is calling the "Health Care Listening Tour" – a series of regional public forums to hear from Maine people how they think health care should work in Maine. These forums are part of a strategic effort to engage the people of Maine in developing the State Health Plan – a roadmap to make Maine the healthiest state.

The State Health Plan is a key component of Dirigo Health Reform. It assesses the cost and quality of health care and access to services as well as the health of Maine people. The State Health Plan sets goals for improving health and health care and identifies ways to meet those goals; with all efforts working to make Maine the healthiest state. The Plan is issued every two years.

"The State Health Plan is for the people of Maine; it must reflect their needs and priorities," said Trish Riley, Director of GOHPF. "Input from all Maine people across the state is absolutely vital. These forums will help ensure the Plan reflects the diverse needs and resources of our health care system."

The public forums will be held according to the following schedule:

- September 8, 2005 – Brewer, 9:30 a.m. to 11:30 a.m., Jeff's Catering, 5 Coffin Avenue
- September 8th – Presque Isle, 5:00 p.m. to 7:00 p.m., University of Maine at Presque Isle, Campus Center, Allagash Room
- September 9th – Calais, 11:00 a.m. to 1:00 p.m., Calais Motor Inn, Banquet Center, 203 Main Street
- September 12th – Lewiston, 11:00a.m. to 1:00 p.m., University of Southern Maine/Lewiston-Auburn College, Room 170 (ABC), 51 Westminster Street
- September 12th – Augusta, 5:00 p.m. to 7:00 p.m., Augusta Civic Center, Piscataquis/Sagadahoc rooms (2nd floor)
- September 15th – Portland, 8:00 a.m. to 10:00 a.m., University of Southern Maine, Hannaford Hall/Abromson Community Education Center
- September 15th – Saco, 3:00 p.m. to 5:00 p.m., Holiday Inn Express Hotel and Suites, Conference Center, 352 North St.

This public engagement effort began with the Tough Choices in Health Care meeting held in May and will help ensure all Maine people can provide direct input into shaping the State Health Plan. The

Advisory Council on Health Systems Development is advising the Governor's Office in developing the State Health Plan and will participate in these forums.

Anyone needing special accommodations should contact the Governor's Office of Health Policy and Finance so that arrangements can be made. Only those needing special accommodations should contact the Office. Please contact the Office by August 31st and indicate which forum you plan to attend. Please call 624-7442, TTY: 287-6548, or e-mail GOHPF@maine.gov.

Governor Appoints Gloria Layman for York County Commissioner

August 19, 2005

MEDIA CONTACT: Lynn Kippax, 287-2531

Joy Leach, 287-2531

AUGUSTA – Governor John Baldacci today appointed Gloria Layman, of York, to the position of York County Commissioner. The York County Democratic Committee voted last night to nominate Gloria to fill the vacant District 5 County Commissioner seat. The vacancy occurred when Gloria's husband, William H. Layman, passed away last month.

First Lady to Lead Official Delegation to Aomori, Japan in Fall

August 19, 2005

MEDIA CONTACT: Joy Leach, 287-2531

Sue Plummer, 287-2121

Celebrating 11th Year of Sister Statehood

AUGUSTA – Governor John Baldacci announced today that First Lady Karen Baldacci will be leading an official state delegation to Aomori, Japan this November, continuing the vital sister statehood links between Maine and Aomori. The upcoming cultural and educational exchange will take place November 5 through 12, 2005. Representatives from the Maine Humanities Council, Maine State Museum, Maine Arts Commission, Maine Aomori Council and Maine College of Art will be participating.

“Maine and the Aomori Prefecture have enjoyed a vital sister state relationship for eleven years, entailing a variety of exchanges between the governments and people of the two states,” said First Lady Karen Baldacci. “Last year the tenth anniversary of this special relationship was marked with a Maine Fair in Aomori in August, 2004. There have been exchanges between students at the middle school, high school and college/university levels. Cultural exhibits have been shared, and tourism – important to both regions’ economies – has been encouraged. As the Governor noted in a message to the Aomori people last year, the sister state relationship also may be used as a stepping stone to increasing trade and business.”

An official agenda for the week is in development, and is expected to include meeting with Governor Shingo Mimura, visiting schools, museums and participating in a variety of hands-on activities. To further promote cultural understanding between the regions, the First Lady will co-write an introduction to an illustrated children’s book about Maine and Aomori with First Lady Mimura of Aomori, Japan.

For more information, please contact my Assistant Sue Plummer at the Blaine House – 287-2121.

Governor Baldacci's Address to Maine Upon BRAC Decisions

August 24, 2005

Contact:

Lynn Kippax 287-2531

Joy Leach 287-3138

Earlier today, the Base Realignment and Closure Commission (BRAC) voted to keep the Portsmouth Naval Shipyard open and to close the Brunswick Naval Air Station. This afternoon, in Brunswick, Governor Baldacci addressed the people of Maine regarding the BRAC decisions. The full text of the Governor's prepared remarks appears below.

"Today the Department of Defense -- BRAC -- made a great decision. They voted to keep the great Portsmouth Naval Shipyard open. The commission saw the wisdom of the arguments we made. We're relieved and very, very pleased that this historic shipyard, with its great work force and unmatched record of achievement and national importance, will continue to serve this nation for a long time to come.

The commission also made one poor decision today. It voted to close this important facility, Brunswick Naval Air Station. This was a bad decision, unsupported by the facts, unsupported by the merits. We feel this decision is contrary to the national interests and the security of the United States.

We don't know yet what the vote will be on the Limestone facility -- we will learn of that decision soon.

To the people of Brunswick Naval Air Station, today's vote means the eventual end of the station's long and distinguished service to our country. I know the state of Maine and the nation are grateful for all that this base and its dedicated workers have done through the years.

The closure of the Brunswick station will not commence until 2009. It will be fully closed by 2011. So we do have some time to work.

If the Limestone facility is closed -- and we hope it's not -- it will phase out slowly with most job losses in 2010 through 2012.

This timeline gives us an opportunity to transition from a position of strength.

II. Here's What we've done so far to prepare for these closings: We have been fighting the closure of these facilities. But we did the prudent thing -- while we hoped for the best, we prepared for the worst. In the event BRAC made wrong decisions -- and they did, we feel, in Brunswick -- we applied for and received \$1,000,000 of initial money from the U.S. Department of Labor. We are using these funds to assess the job skills of the workers at the facilities. That will help us to match those skills with economic development opportunities in the affected regions.

We have already been working with the people of Brunswick. I have been meeting with Don Gerrish and Pat Harrington, the Manager and Assistant Manager of the Town of Brunswick, and with Gary Brown, the Town Manager of Topsham. Tomorrow I will meet with them again to sign an agreement that will allow Brunswick and Topsham to move ahead, along with the state, in re-use planning and implementation.

The towns and the state are approaching this together. We are moving ahead in a positive and coordinated way.

III. What we're going to do next: We are creating the Office of Redevelopment and Re-employment. This office will be a single point of contact for all state actions in response to the base closures. I'm signing the Executive Order today to create this office. The office will coordinate and deliver all state and federal resources that can be brought to bear to assist the workers and the people most directly impacted. The office will be advised by a Council of leading Maine citizens who will provide a broad perspective on the opportunities presented by the closures.

We are going to jumpstart the transition for the affected communities, workers and families. Rather than wait for the first job loss, we are going to provide worker training two years in advance of expected layoffs. Next week, we will be providing workers at the bases with information about the new training opportunities available.

Through the Jump Start program, FAME will offer up to \$250,000 in new scholarships for workers who return to school. Displaced workers will be eligible for tuition free courses at Maine Community Colleges and enrollment in on-premise academic programs through the University of Maine System. Adult Education programs are in place to assist those who have been out of school for a long time.

Maine's Career Centers will be open extra hours and providing information to concerned workers.

Affordable housing assistance will be available. Two million dollars will be secured through the Maine State Housing Authority for the benefit of the families affected.

We will be prioritizing existing bond revenues to target the communities hit by today's closure decision.

We will be targeting additional economic stimulus efforts to these communities.

We will make \$200,000 of Governor's Training Initiative money immediately available to small businesses looking to expand and to their workers.

Finally, on January first, enrollment in the Dirigo Health program will be open to all individuals. That includes workers and small businesses in these communities.

IV. Opportunity Mainers are resourceful people. We've gone through major change before, and we've always emerged better and stronger. Other bases have been shut down – look at Dow Air Force Base. What is it today? It's a thriving international airport in the very vibrant city of Bangor. If any state knows

how to face a challenge, it's Maine. What we do is turn challenges into opportunities. BRAC has handed us a challenge – and we will make the most of it. We've done it before and we'll do it again.

The Brunswick base has over 3200 acres of property near the ocean and colleges, with two 8000-foot runways able to handle any aircraft in the world with space to accommodate the security needs of the new world of aviation. It has direct rail access to Portland and Boston, and is close to world-class businesses and attractions such as LLBean. And of course its main resource is its people. It has a trained and skilled workforce.

These are terrific assets and we're going to make the most of them. As Mainers, we work together...we help our neighbors...we hold onto our values...and we always move forward. And the best part is – we stay true to ourselves. We are Mainers – and Maine is Maine.

We are not a timid people. Our future is not in the hands of the Department of Defense. This is the first day of building a better tomorrow for the citizens of Brunswick and Topsham. Our future is in our hands. Thank you."

Governor Seeks Input on Interim Report from Working Group on Dangerous Drivers

August 29, 2005

MEDIA CONTACT: Lynn Kippax, 287-2531

Joy Leach, 287-2531

AUGUSTA – A working group formed by Governor John Baldacci issued an interim report today, outlining immediate actions and near term actions to reduce the number of dangerous drivers on Maine's roads.

"This report is an important first step," said Governor Baldacci. "I appreciate the diligence of the working group – Secretary of State Matthew Dunlap, Chief of the Maine State Police Col. Craig Poulin, and Maine Department of Transportation Commissioner David Cole - in producing the interim report. I especially appreciate the immediate actions by law enforcement and the Secretary of State to put in place prevention and enforcement tools. We have more to do. I look forward to working with the Legislature to enact tighter laws, and we soon expect new tools for communities and law enforcement to help with prevention."

The Governor has asked public interest groups, law enforcement, trade associations and the public to provide comments on the report. Those who would like to comment are encouraged to do so by e-mailing the Governor at Governor@maine.gov or by writing to the Governor at 1 State House Station, Augusta, ME 04333-0001.

For the full report, go to: <http://www.maine.gov/governor/baldacci/issues/DangerousDriverReport.html>

Governor Seeks Relief for Maine Citizens as Energy Prices Rise Sharply

August 31, 2005

MEDIA CONTACT: Lynn Kippax, 287-2531

Joy Leach, 287-2531

AUGUSTA – Governor John Baldacci today said that consumers across Maine are already feeling the deep impact of gasoline and heating oil prices that have risen dramatically in the past few days.

“Consumers who contacted my office have expressed anger and fear over the price increases,” said Governor John Baldacci. “I am mobilizing my Office of Energy Independence and Security to work with the Attorney General’s Office, state agencies, and the private market to pursue more aggressive actions that Maine can take to address the rapid gasoline price increases.”

Among initial actions, the Governor wrote to the Secretary of the U.S. Department of Health and Human Service Michael Leavitt to request that he release Low Income Home Energy Assistance Program (LIHEAP) funds.

The Governor instructed his Office of Energy Independence to review further steps that would alleviate the difficulties Maine citizens face with increasing gasoline and home heating oil prices. A website listing comprehensive energy saving tips can be found at: www.maineenergyinfo.com.

The text of the letter follows.

August 31, 2005

Secretary Michael Leavitt

Department of Health and Human Services

200 Independence Avenue, SW

Washington, DC 20201

Dear Secretary Leavitt:

I write to request that you release the Low Income Home Energy Assistance Program (LIHEAP) funds for this coming winter as soon as possible, and that you also release the remaining LIHEAP Emergency funds not already released this year.

The rapidly increasing price for heating oil in the Northeast means that the elderly and low income households who are eligible to receive benefits under the LIHEAP program can expect their benefits to purchase a projected 35-40% less heating oil than they could have purchased last year. This loss of purchasing power, and the threat that additional price increases will further reduce their purchasing

power, makes it critically important that we receive Maine's allocation of LIHEAP dollars as soon as possible, and that the allocation is supplemented by the release of the emergency LIHEAP funds remaining from the '04-'05 program year. Only by this combination of early release of LIHEAP dollars and release of Emergency LIHEAP funds will we be able to come even close to providing enough funding to match the buying power of last winter's LIHEAP grants.

There are at least 57,000 low income and elderly households here in Maine who face the prospect of entering this coming winter knowing that they must find a way to pay for the oil their LIHEAP grants will not cover, at a time when the price of that oil is not \$1.35 a gallon, but is likely to exceed \$2.50 a gallon this winter.

Your prompt and compassionate response to this request will greatly reduce the risk that low income and elderly Maine people on LIHEAP might freeze to death this winter.

Yours sincerely,

John E. Baldacci

Governor

Governor Taking Actions to Address Energy Prices

September 1, 2005

MEDIA CONTACT: Lynn Kippax, 287-2531

Beth Nagusky, 287-4315

AUGUSTA – Governor John Baldacci has mobilized resources within his Office to explore and take every viable action to address high gasoline and oil prices and to minimize their impact on Maine people.

The Governor has been discussing energy prices with Maine Attorney General Steven Rowe. “We are working together to make sure that there is no profiteering, unfair trade practices, or collusion in gas and oil markets,” said the Governor. “This national energy pricing issue is creating a hardship for Maine citizens, and I am determined to ensure that price gouging is not occurring in the state.”

First thing this morning, the Governor met with the Maine Oil Dealers Association and individual dealers. They discussed the gasoline situation in light of the recent price increases. In addition, the Governor and Maine Oil Dealers Association representatives discussed ways in which they can work together to make sure that Maine people stay warm and safe through what could be a very difficult winter.

“We will work with the Maine Oil Dealers Association to ensure that supplies remain adequate,” said Governor Baldacci. “This morning I was assured that there is an adequate and stable inventory of oil. Gasoline supplies appear to be adequate, as well, but we are encouraging Maine people to conserve energy. They can do this by not making unnecessary trips and by planning trips ahead. While conservation is a good line of defense against high prices, we will continue to explore actions to address this hardship.”

Additional energy saving tips can be found online at:
www.maineenergyinfo.com.

Governor's Health Office Issues Report: The State of Maine's Health

September 1, 2005

MEDIA CONTACT:

Trish Riley, 624-7442

Adam Thompson, 624-7445

Joy Leach, 287-2531

AUGUSTA – Governor Baldacci's Office of Health Policy and Finance (GOHPF) today issued a report titled The State of Maine's Health: A Regional Comparison (available at www.dirigohealth.maine.gov/dhlp07.html). The Report compiles data from numerous sources to describe the current of Maine's health status and health care system, highlighting differences across the state.

"In order to create solutions for improving health and health care in Maine, we must first look at the current picture," said Trish Riley, Director of GOHPF. "This Report compiles existing data about Maine to help guide all of us as we set priorities for taking action."

Specifically, the Report:

- Compares Maine's health status to the US;
- Describes similarities and differences in health status, cost, quality and access for three regions of Maine – Northeastern, Central, and Southern – and highlights key differences among the three regions that may require special attention; and,
- Provides an inventory of a range of health care providers and resources in the state.

Data sources for the Report include the US Census, Maine Health Data Organization, Maine Hospital Association, federal Centers for Medicare and Medicaid Services, the Maine Bureau of Health and scholarly medical journals.

GOHPF was assisted in this effort by the Advisory Council on Health Systems Development which provides input, feedback and advice on issues related to the State Health Plan, such as this Report. The Council consists of 11 members representing hospitals, health care providers, public health experts, and consumers and advises GOHPF in developing and implementing the State Health Plan.

The Report was required by the interim State Health Plan, issued in July 2004; the State Health Plan is a key component of Dirigo Health Reform and is issued every two years by GOHPF. Today's Report will help focus priorities and actions put forth in the 06/07 State Health Plan to be completed later this year.

The goal of the State Health Plan is to lay out a roadmap for making Maine the healthiest state in the country. Specifically, the State Health Plan targets four areas of improvement moving forward: (1) improve the health of all Mainers (2) reduce the growth of health care costs (3) improve quality of care and (4) ensure all Maine people have access to coverage.

Summary of Key Findings from The State of Maine's Health: A Regional Comparison

- Mainers spend more of their income on health care than residents of 45 other states.
- Mainers are older, fewer have attended college, and household income is less than US averages
- Prevalence and incidence of certain diseases show mixed results between Maine and the US.
 - o The prevalence of high blood pressure (hypertension) is lower in Maine than in the US.
 - o The rate of smoking-related deaths is significantly higher in Maine than it is for the US.
 - o The overall rate of cancer is higher in Maine than in the US. Mainers have a higher incidence of lung cancer, prostate cancer, and colorectal cancer, but a lower incidence of breast cancer.
 - o Death from heart disease is significantly lower in Maine than in the US.
 - o Maine has lower rates of infant mortality and premature birth.
 - o The teen birth rate is significantly lower in Maine than in the US.

There are differences across the regions in access to health care, the quality of care and the cost of care available to Mainers:

- There are differences among the regions in population, income, level of poverty, education and employment. These differences influence health status and use of the health care system.
- Regional differences in chronic disease, mental illness and related conditions mirror the demographic differences across the three regions. Differences in quality of care also follow these patterns.
- Health risk behaviors like smoking, obesity and lack of physical activity differ across regions.
- There are large regional differences in the use of hospital services to treat chronic illnesses like heart disease.

The Report also highlights significant gains the state has made in improving health care at the regional and state levels. In particular, cancer detection and treatment and reproductive health services in Maine are very good and can be used as models for future state and region-wide efforts.

"These findings will be used to inform discussions about how to make Maine the healthiest state and to improve the cost, quality and access to health care," said Riley. "These discussions will include private citizens, policymakers, clinicians, health system administrators, community leaders, and business people. The Health Care Listening Tour will help ensure that all Maine people have a voice."

Key findings from the Report will be presented during GOHPF's upcoming Health Care Listening Tour. The Listening Tour consists of seven public forums across the state held from September 8 to September 15. The intent of the Tour is to hear what Maine people think we all can do individually and together to improve health and health care in Maine. Input from the Listening Tour will help guide development of the 06/07 State Health Plan.

"The State Health Plan is by and for the people of Maine; it must address their needs and reflect their priorities," said Riley. "These forums will help ensure the Plan is responsive to the people of Maine and our health care system."

The public forums will be held according to the following schedule:

- September 8, 2005 – Brewer, 9:30 a.m. to 11:30 a.m., Jeff's Catering, 5 Coffin Avenue
- September 8 – Presque Isle, 5:00 p.m. to 7:00 p.m., University of Maine at Presque Isle, Campus Center, Allagash Room
- September 9 – Calais, 11:00 a.m. to 1:00 p.m., Calais Motor Inn, Banquet Center, 203 Main Street
- September 12 – Lewiston, 11:00a.m. to 1:00 p.m., University of Southern Maine/Lewiston-Auburn College, Room 170 (ABC), 51 Westminster Street
- September 12 – Augusta, 5:00 p.m. to 7:00 p.m., Augusta Civic Center, Piscataquis/Sagadahoc rooms (2nd floor)
- September 15 – Portland, 8:00 a.m. to 10:00 a.m., University of Southern Maine, Hannaford Hall/Abromson Community Education Center
- September 15 – Saco, 3:00 p.m. to 5:00 p.m., Holiday Inn Express Hotel and Suites, Conference Center, 352 North St.

All meetings are accessible. For more information, please visit www.dirigohealth.maine.gov

Governor Provides Update on State Response to Hurricane Katrina

September 2, 2005

MEDIA CONTACT:

Lynn Kippax, 287-2531

Joy Leach, 287-2531

AUGUSTA – Governor Baldacci today praised the outpouring of support from Maine citizens to the victims of Hurricane Katrina. He also provided an update on assistance the State is providing to the impacted areas in the south.

“On Monday, I requested all Commissioners of State Government departments to survey their staffs for available resources and expertise that could be deployed to Louisiana, Mississippi, or other states affected by the hurricane. Maine participates with the other 49 states in the Emergency Management Assistance Compact (EMAC) which functions as a resource management coordinating tool for disaster-stricken areas. The Maine Emergency Management Agency (MEMA) has been compiling a list requests coming from EMAC to match with available state resources that can be directed towards the relief efforts in the south.”

The first emergency response teams to go into an affected state are usually from nearby States that can quickly mobilize, however, as the duration of the hurricane response and recovery lengthens, other states such as Maine may be asked to send a "second wave" of volunteers to assist.

The Governor was joined today at the State House by the Chair of the Board of Trustees of the University of Maine System, Charles L. Johnson, III. The University of Maine System announced this morning that any student currently enrolled in a university or college that postponed or terminated classes due to the hurricane may enroll at one of the System's universities under "visiting student" status.

The Governor announced that as of today, 27 American Red Cross personnel and one emergency medical response vehicle have been deployed from Maine. Six Disaster Medical Assistance Team personnel have also been deployed. The Maine National Guard has sent slings for helicopter assists and is identifying its other assets (security personnel, trucks, helicopters, etc.).

“MEMA has compiled lists of more than one hundred medical volunteers with expertise ranging from Emergency Trauma, to Hazardous Material clean-up, to Psychology who are available to be deployed,” said Governor Baldacci. “They have received information from individuals willing to volunteer housing, equipment and transportation.”

The Governor said that as of this morning, the Red Cross has indicated that this disaster has had a dangerous impact on the blood supply. People who wish to donate blood can call 1-800-GIVE LIFE for the nearest blood drive location, or to make an appointment at a donation center.

“The response will stretch over a long period of time,” said the Governor. “Right now, officials involved stress the importance of focusing on the area’s immediate needs. At this point, the most immediate and helpful response Maine citizens can make is by contributing money and by donating blood.”

The American Red Cross is on the scene providing critical assistance. You may donate directly at www.redcross.org or by calling 1-800-HELP NOW. A list of other reputable organizations can be found at: <http://www.fema.gov/news/newsrelease.fema?id=18473>.

Governor Meets with State Government Officials and Volunteer Organizations to Coordinate Assistance to Americans Affected by Hurricane Katrina

September 5, 2005

MEDIA CONTACT: Lynn Kippax, 287-2531

Joy Leach, 287-2531

AUGUSTA – Governor Baldacci today created a task force to assist Americans affected by Hurricane Katrina. The first meeting of the task force took place earlier today at the Maine Emergency Management Agency (MEMA).

The Governor was joined at the meeting by a number of Cabinet Members and representatives from a number of volunteer organizations. Governor Baldacci noted at the beginning of the meeting that Maine citizens have generously come forward to offer their assistance to displaced residents of Louisiana, Mississippi and Alabama. The task force will identify the resources of the State Government and coordinate and facilitate Maine's support for these displaced Americans, including relocation of the evacuees. The group will meet again on Wednesday at MEMA headquarters.

Governor Baldacci also received notice today that 18 Air Guard members are heading to Louisiana. The members are involved in satellite communications support. Transportation is being secured for the members.

In addition to the coordinate efforts to match existing public and private resources to the needs of the evacuees from the southern states, the Governor noted that the current web site on the Maine State Government web site offers direction for citizens interested in helping the evacuees: <http://www.maine.gov/portal/katrina>

Governor Directs State Flag to be Flown Half-Staff to Remember Hurricane Victims and Supreme Court Chief Justice

September 6, 2005

Media Contact:

Lynn Kippax, 287-2531

Joy Leach, 287-2531

AUGUSTA – In accordance with President Bush's proclamation and in respect for the victims of Hurricane Katrina, Governor John E. Baldacci has directed that the United States flag and the State of Maine flag be flown at half-staff today through sunset Tuesday, September 20, 2005.

The Governor noted that Mainers across the state have generously donated resources and services to assist the hurricane evacuees. "Maine people, organizations and businesses have once again responded to help those in great need," he said. "We join in our hope that relief will come soon to those impacted by this horrible tragedy."

In addition, and also in accordance with President Bush's proclamation, flags are directed to be flown at half staff until sunset Tuesday, September 13 as a mark of respect for William H. Rehnquist, Chief Justice of the United States, who passed away this weekend.

Governor and American Red Cross Maine Chapters to Host Community Dinner Benefiting Hurricane Katrina Evacuees

September 6, 2005

Media Contact: Joy Leach, 287-2531

Eric Sawyer, American Red Cross, 874-1192

AUGUSTA – Governor Baldacci announced today that he is coordinating a benefit spaghetti supper with the American Red Cross Chapters of Maine. Donations will go to the American Red Cross Maine Chapters to assist in meeting the needs of evacuees from Hurricane Katrina.

The community dinner will be held Monday, September 12, from 5:30 - 7:30 pm at the Augusta Armory. All are invited to attend the buffet style dinner.

Suggested donations are \$5. The Governor is encouraging everyone attending to contribute what they can to this worthy cause. In addition to the food and fellowship, residents, families, state employees and others can feel good about helping Americans in need.

WHAT: Community Dinner to Help Hurricane Katrina Evacuees

WHERE: Augusta Armory, 179 Western Avenue

WHEN: Monday, September 12, 5:30 – 7:30 pm

To R.S.V.P. for the community dinner or to donate money, auction items, or services, please call 1-800-452-8735 or 624-4400.

NOTE: The R.S.V.P. and donation line will open tomorrow at 8:00 am and will be staffed daily from 8:00 am to 5:00 pm.

Governor Leads Rally for Bonds that Advance Maine's Marine Economy

September 8, 2005

Media Contact:

Lynn Kippax, 287-2531

Joy Leach, 287-2531

PORTLAND – Governor John Baldacci and leading members of Maine's marine research industry joined today to rally in support of bonds that will advance Maine's marine and fishing economy. The event at Portland's Gulf of Maine Research Institute highlighted bonding for \$7.5 million of research, development and infrastructure improvements in the vital marine and fishing industry.

"Maine has strong historical, cultural and economic ties to the ocean based on centuries of tradition surrounding the sea," said Governor Baldacci. "In order to sustain those rich traditions and build upon them for the future of the industry and our state's economy, we must make investments that position Maine as a global leader in the ocean-based economy.

"Our 5,500 miles of coastline has enormous potential to increase valuable scientific knowledge, attract new businesses, and expand on tourism-related opportunities – resulting in the creation of new jobs. With a return of more than four to one, our working waterfront has proved a worthwhile investment. Research and development supported by this bond package will help us better understand how to best utilize and protect this vital resource."

The Gulf of Maine Institute is one of 23 marine research institutions in the state that stand to benefit if the bond package is approved by the state's voters on November 8. The 23 institutions combine to form the Maine Marine Research Coalition, a group that is widely in favor of the bond package because of the long-term opportunities that will result from the initial investment.

Of the five bond questions that will be put forth to Maine voters in November, three contain spending for Maine's marine and fishing industry.

The jobs and economic development bond (Question 4) contains \$4 million earmarked for marine industry investments. Most monies will go to the Marine Infrastructure and Technology Fund administered by the Maine Technology Institute to match \$4 million in federal and private funding for competitive capital infrastructure grants to nonprofit marine research laboratories, institutions and state governmental and quasi-governmental agencies.

The transportation bond proposal (Question 2) includes \$1.5 million for the Small Harbor Improvement Program (SHIP). A popular program, SHIP supports the critical commercial fishing and tourism segments of the natural resource based economy by providing a 50-50 match for development of a wide variety of coastal public access/infrastructure projects. Projects that will directly benefit from the proposed bond

monies include a bulkhead stabilization project near the Gulf of Maine Research Institute in Portland and the Fort Preble Pier on the Southern Maine Community College campus in South Portland.

Question 5 provides funding for \$12 million for the Land for Maine's Future program. Of this amount, \$2 million will help establish the Maine Working Waterfront Access Pilot Program to provide protection to strategically significant working waterfront properties used by commercial fishing and aquaculture industries.

In total, the \$83 million bond package is expected to yield more than \$200 million in matching and leveraged funds from federal and private sources. The Governor said these investments will generate more opportunities for Maine citizens, making the state a better place to work, live and do business.

Governor Announces Additional Information on Community Dinner Benefiting Hurricane Katrina Evacuees

September 8, 2005

Contact:

Joy Leach, 287-2531

Eric Sawyer, American Red Cross, 874-1192

AUGUSTA – Governor Baldacci and the American Red Cross Chapters of Maine provided additional information today regarding Monday's community dinner to benefit evacuees of Hurricane Katrina.

"The response from the community has been overwhelming," said Governor Baldacci. "The people of Maine are quick to help our fellow Americans in their time of need. I've seen this spirit echoed all across the State."

In addition to donations of food and services to make this a successful dinner, private citizens, local businesses, and public entities have generously donated nearly 100 items (listed below) for the silent auction so far.

The Governor also announced that satellite parking for the event is available at the State House parking lot. Trolley transportation is available to and from the dinner, which is provided free of charge courtesy of the City of Augusta Mayor and City Council. This transportation is available from the Maine State Museum to the Armory. There will be two trolley cars running from 5:00 p.m. - 8:00 p.m. making continuous runs.

Suggested donations are \$5. The Governor is encouraging everyone attending to contribute what they can to this worthy cause.

WHAT: Community Dinner to Help Hurricane Katrina Evacuees

Donations go to the American Red Cross Maine Chapters to assist in meeting the needs of evacuees from Hurricane Katrina.

WHERE: Augusta Armory, 179 Western Avenue

Parking is available at the Armory, with satellite parking available at the State House parking lot (Capitol, Sewall and State Streets). Free trolley service is provided from 5:00 pm to 8:00 pm.

WHEN: Monday, September 12 from 5:30 – 7:30 pm

To R.S.V.P. for the community dinner or to donate money, auction items, or services, please call 1-800-452-8735 or 624-4400.

Summary of donated items for the Silent Auction:

2005 Archive of Governor Baldacci's Press Releases

State Park Season Passes

Gift Certificates for Area Businesses

Lunch with the Governor

Signed Stephen King Book

Lift Tickets to Saddleback, Sugarloaf and Sunday River

Weekend at a condo at Sugarloaf

Rounds of Golf at Various Area Golf Courses

100 Gallons of Fuel Oil

Seadogs Tickets

Club Level Seats for the New England Patriots

Red Sox Tickets

Community Dinner Raises \$33,000 to Benefit Hurricane Katrina Evacuees

September 13, 2005

Media Contact:

Lynn Kippax, 287-2531

Joy Leach, 287-2531

AUGUSTA – Governor Baldacci announced that nearly \$33,000 was raised at last night's community dinner to benefit evacuees of Hurricane Katrina. The Governor and the American Red Cross Maine Chapters hosted the event. Stephen King, local and state officials and many members of the community joined together to help those impacted by the hurricane.

The Governor praised volunteers and all those who donated food, raffle and auction items, as well as members of the public who attended the dinner. "Maine people have shown an amazing spirit of giving. Once again, their generosity shines through. I know all the funds raised by the spaghetti supper will go a long way to aid those most in need."

Governor Celebrates Dirigo Health Reform's 2nd Anniversary - Announces New Quality Initiative

September 14, 2005

Contact: Lynn Kippax, 287-2531

Trish Riley, 624-7442

AUGUSTA – Governor Baldacci joined members of the Dirigo Health Agency Board of Directors, the Maine Quality Forum Advisory Council, and other supporters to celebrate the two year anniversary of Dirigo Health Reform becoming law. At the State House ceremony, Dr. Robert McAfee, Chair of the Dirigo Health Agency Board of Directors, and Dr. Dennis Shubert, Director of the Maine Quality Forum also detailed a new quality initiative that furthers the goals of Dirigo Health Reform: to make Maine the healthiest state in the nation through improved access, quality and affordability of health care.

“Today marks a celebration,” said the Governor. “Two years ago this week Dirigo Health Reform became law. Since that time, working together, we’ve seen remarkable success in moving toward our goal of achieving universal access to all Maine people, improving the quality of care delivered to all of us and reducing its costs.”

The Governor outlined Dirigo Health Reform’s success. DirigoChoice was launched with Anthem as a partner, and the program has grown statewide. The Governor noted, “8,100 people representing over 650 small businesses and 1,300 sole proprietors are proud DirigoChoice participants. Over 3,000 individuals and sole proprietors are on a waiting list that will be opened again for enrollment on January 1st DirigoChoice is working and improving access to health care in Maine.”

Dirigo has made considerable strides toward bringing down health care cost growth for all. The Governor focused today on the efforts designed to build on hospitals’ leadership to improve patient safety statewide with a new Maine Quality Forum program called the Safety Star Recognition Program.

“We all know that medical errors are a national crisis and Maine is not immune,” said the Governor. “Hospital-based mistakes are the 8th leading cause of death in the United States. Last year, in Maine, 15 people died potentially avoidable deaths in our hospitals. Others were the victims of medical mistakes such as surgeries performed on the wrong area.

“Despite these cases, our hospitals have been leaders in working with State government to develop a mandatory reporting system so that when mistakes occur they are documented and we learn from them to improve practices in every hospital in Maine. I applaud the Maine Hospital Association in building safer institutions.”

Dr. Dennis Shubert said, “We need to recognize those people and those systems that invest in patient safety. The Safety Star designation will identify hospitals that lead the way in patient safety to potential patients. The Maine Quality Forum, with insight from its Advisory Council and also hospital and nursing representatives, has identified 28 of those safe practices that are part of the Safety Star certification. We

are particularly thankful to representatives from the Maine Hospital Association that have helped us tailor this effort to support their own ongoing efforts to improve patient safety within hospitals.”

Hospitals that choose to seek Safety Star certification will apply to the Maine Quality Forum. Then, a team of professionals with expertise in health care quality and safety will verify compliance with Maine Quality Forum established thresholds for the 28 safe practices. Those organizations who achieve this award will have met or exceeded the thresholds established. Applications will be accepted this autumn and the first awards are anticipated in early 2006.

“Our final goal with the Safety Star Award is to alert Maine people to their role in improving their outcomes in the care they receive,” said Dr. Shubert. “We are also encouraging the public to be active patients – ask questions, share information that your care giver may not know. Each patient knows their medical history best. Speak up about medications and treatments that have caused you a problem in the past. Most importantly, be an active participant in developing a treatment plan that you know will work for you. The message here is that you have a responsibility in your own care and that is to speak up and be an active patient.”

Combining the Safety Star certification program with more engaged patients are crucial steps to achieving the best possible quality of care in Maine – a fundamental goal of Dirigo Health Reform.

A Fact Sheet regarding the Safety Star Recognition Program follows. For additional information on Dirigo Health Reform, please visit: <http://dirigohealth.maine.gov/>

Fact Sheet

Maine Quality Forum Safety Star Recognition Program

Description:

The Maine Quality Forum’s Safety Star program is a community education and hospital safety certification program to ensure our hospitals are giving and our patients are getting the safest health care possible.

The Safety Star program recognizes hospitals that meet Maine Quality Forum standards for nationally accepted safety practices. Additionally, the Maine Quality Forum, in collaboration with Maine’s hospitals and health care practitioners, is working to encourage consumers to be more active in the care they receive by asking questions until they understand and speaking up if they are uncertain or worried.

Background:

The Maine Quality Forum is part of the Dirigo Health Agency, an independent agency of state government created by Dirigo Health Reform. The Maine Quality Forum works to ensure the highest possible quality of care statewide and is a resource for Maine’s people to find reliable information about improving their health and the quality of health care services.

Dirigo Health Reform is a comprehensive reform of health care in Maine with the goal of universal access to quality and affordable health care. Dirigo Health works in all areas of health care to contain rising health care costs, ensure high quality health care for Mainers, and achieve access to health coverage for all Maine people.

Statistics:

- Hospital safety varies. Up to 98,000 people die nationally in hospitals each year because of preventable medical error.*
- An estimated 150,000 life-threatening errors occur annually in teaching hospitals.**
- Hospital-related infections alone kill or contribute to the deaths of about 88,000 people a year.***
- Last year, 15 Maine people died potentially avoidable deaths in our hospitals.
- Examples of safety violations include operation on the wrong body part, administration of wrong medicine, infection, incorrect test results, allergic reactions, inadequate sanitation, and injuries due to falls.

Certification Standards:

As a guideline for certification, the Maine Quality Forum has adapted 28 standards approved by the National Quality Forum that are appropriate for Maine in order to recognize our safest hospitals. Only Maine hospitals that meet all standards will be awarded the Safety Star.

Timeline:

Beginning in September 2005, Maine hospitals can apply for Safety Star certification. This begins an evaluation process that can take several months. Knowledgeable volunteers (peers) from within the health care community will review the hospital to make sure it meets the 28 nationally established safety standards. Hospitals that meet these standards will receive the Safety Star as leaders in hospital safety. Awards will be issued as early as January 2006.

*According to a 1999 report from the Institute of Medicine

**According to a study in the August 2005 issue of Critical Care Medicine

***According to a 1998 report by the Centers for Disease Control and Prevention

Governor and First Lady Remember Helen Longley

September 14, 2005

Contact: Lynn Kippax, 287-2531 Joy Leach, 287-2531

AUGUSTA – Governor John E. Baldacci and First Lady Karen Baldacci today remembered Helen Longley, the widow of former Governor of Maine, James Longley. Mrs. Longley passed away Tuesday.

In speaking about Helen Longley's significant contributions to the State of Maine, the Governor and First Lady noted her dedication to her family and support of her husband. In addition, she always made time for others, including volunteer work for many community groups and organizations.

"The State of Maine is blessed to have had such devoted First Lady," said Governor Baldacci. "Helen Longley was gracious and caring. Her energy, spirit and strength inspired her family and all who knew her.

"The First Lady and I extend our deepest sympathies to Helen's family, particularly to her children James, Jr., Stephen, Kathryn, Nancy, and our good friend Susan. We appreciate the many and lasting contributions Helen Longley made to her family, to her community, and to the State of Maine."

Governor Leads Rally for Bonds that Advance Maine Research and Development Initiatives

September 15, 2005

Media Contact:

Lynn Kippax, 287-2531

Joy Leach, 287-2531

BIDDEFORD – Governor John Baldacci and leading members of Maine's biomedical research institutions joined today to rally in support of bonds that will advance Maine's innovation based economy. The event at Biddeford's University of New England campus highlighted bonding for \$8 million to support Maine's premier biomedical research institutions, as well as \$12 million in other research & development and economic development initiatives in Question 4, the jobs and economic development bond on November's ballot.

The University of New England School of Osteopathic Medicine is one of the biomedical research institutions in the state that will benefit if the bond package is approved by the state's voters on November 8. Other eligible Maine biomedical research institutions include the Foundation for Blood Research (Scarborough), Maine Medical Center Research Institute (Scarborough), Mt. Desert Island Biological Laboratory (Salisbury Cove), The Jackson Laboratory (Bar Harbor), and affiliate Eastern Maine Health Care (Bangor).

Said the Governor, "Last week I had an event to highlight the Marine R&D components of Question Four. I'm glad that UNE also provides leadership in the future of Maine's ocean-based heritage and economy through their Marine research."

The Governor explained how this bond package continues major investments in Maine's economic and technological infrastructure. "My 2003 jobs bond supported biomedical research statewide, a new science building at the University of Southern Maine, and investments here at the University of New England. Our new biomedical triangle linking Bangor, Orono, and Bar Harbor's Jackson Laboratory will complement and augment current efforts and create a collaborative approach to research statewide. Together, we will provide the critical mass to create jobs and improve public health, create research and development capacity, and develop our health care workforce."

Research and development performance is essential to the growth of Maine's economy. The Governor's budgets have provided a 40% increase in R&D funding to the university system. "Biomedical research jobs on average pay \$60,000 per year," said Governor Baldacci. "Biotechnology employment in Maine has tripled in the last ten years. And we are just beginning."

Specifically, the jobs and economic development bond (Question 4) contains \$8 million earmarked for the Biomedical Research Fund for investments in equipment and facilities in biomedical research. The

funds support the infrastructure and equipment needed for Maine's world class biomedical research institution to compete for federal research dollars.

The Governor concluded, "While the direct economic benefit from these state investments is important, we should not lose sight of the impact of the ground breaking health research being done at these institutions. Researcher are working to uncover new avenues for understanding the diseases that directly impact so many Maine people, and increase our cost of health care -- like diabetes, heart disease, Alzheimer's and cancer. This is ground breaking research that will someday develop treatment or cures for diseases that at one point touch the lives of every person in Maine."

In total, the \$83 million bond package is expected to yield more than \$200 million in matching and leveraged funds from federal and private sources. The Governor said these investments will generate more opportunities for Maine citizens, making the state a better place to work, live and do business.

Governor Names New Chair of Telecommunications Infrastructure Steering Committee

September 15, 2005

Contact:

Lynn Kippax, 287-2531

Joy Leach, 287-2531

AUGUSTA - Governor John Baldacci today named Tony Buxton as Chair of the Telecommunications Infrastructure Steering Committee. Mr. Buxton, of the law firm Preti, Flaherty, Beliveau & Pachios, has been serving as a member of the Steering Committee since its inception in May. The committee plays a crucial role in the Governor's Connect Maine initiative, which he introduced in his State of the State Address this past January. Kurt Adams, Chair of the Public Utilities Commission, had been serving as the Interim Chair of the steering committee.

"I am pleased to have Tony's leadership at the helm of the Telecommunications Infrastructure Steering Committee," said Governor Baldacci. "His insight and experience will help synthesize recommendations of the boards that are working toward making Connect Maine's goals reality."

Specifically, the Telecommunications Infrastructure Steering Committee synthesizes the purposes, goals and common elements of the work of the three boards created in developing Maine's critical broadband and wireless technology and infrastructure.

"The objectives of Connect Maine are to ensure that 90% of Maine Communities have Broadband access by 2010; 100% of Maine Communities have quality wireless service by 2008; and Maine's education system has the technology infrastructure that leads the nation," said Governor Baldacci. "The Committee coordinates each board's recommendations for the purpose of identifying the priority items and actions to be implemented."

The Governor formed the committee in May by Executive Order, stating, "Connect Maine will give nearly every Mainer the opportunity to plug into education opportunities, their government, and the global economy."

Governor Announces Irving Tanning Deal, Saving 200 Manufacturing Jobs

September 19, 2005

Contact:

Lynn Kippax, 287-2531

Joy Leach, 287-2531

AUGUSTA – Governor John Baldacci announced that Meriturn Partners LLC today closed a deal on Irving Tanning, preserving nearly 200 manufacturing jobs at the Hartland facility. The Governor met last week with Mark Kehaya, a partner with Meriturn, as negotiations were in the final stage. Today's closing of the deal on the Irving Tanning facility follows negotiations that have stretched through the summer, bringing federal, state and local officials together with company executives to structure an operating agreement.

"I am pleased that the hard work of all the partners has paid off," said Governor Baldacci. "Irving Tanning has been producing some of the finest quality leather products for the past 80 years, and the company provides good paying jobs with benefits in this region of the state."

The Governor noted that many obstacles had to be overcome in order to save Irving Tanning, not the least of which was that the company has been operating under Chapter 11 bankruptcy protection. Several public agencies aided by providing funding, thereby insuring continued operation of the company. The Governor was directly involved with final negotiations to conclude the deal. In addition to constant support from Commissioner Jack Cashman of the Department of Economic and Community Development (DECD), the Finance Authority of Maine (FAME) and the Maine Rural Development Authority (MRDA) were instrumental in preserving the facility.

"I congratulate Meriturn on their acquisition," said the Governor. "I am confident that with the restructuring planned, Irving Tanning will continue to be a dominant force in this market."

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Governor Kicks-Off Operation Keep ME Warm 2005

September 21, 2005

Contact:

Lynn Kippax, 287-2531

Beth Nagusky, 287-4315

PORTLAND - Governor John Baldacci today led the kick-off of the second year of Operation Keep ME Warm, an important initiative to help some of Maine's most vulnerable citizens prepare for the cold winter months. The program, initiated last year by the Governor and his Administration, is the first of its kind public-private partnership that matches volunteers with Mainers who have pre-qualified for weatherization assistance.

"We launched this program last year, when heating fuels were 35% more expensive than the prior year," said Governor Baldacci. "Today prices are 60% higher than last year at this time.

"My Administration has been active in helping Maine's struggling families deal with these high prices. We are looking at all the responsible alternatives. I am working to convince the federal government to release more fuel assistance dollars, but it is apparent that many Maine families will be struggling to heat their homes this season."

Through Operation Keep ME Warm, volunteers will install energy conservation measures in at least 3,000 homes from October 28th through 31st. The door, window, and pipe insulation and eight compact fluorescent light bulbs that make up the \$60 weatherization kit will provide electricity and heating fuel cost savings of as much as \$200 this year, and will continue to provide savings for many years to come.

Certain homeowners who are eligible for Low Income Home Energy Assistance Program (LIHEAP) are eligible for the installation of the weatherization kits in Operation Keep ME Warm, and can sign up for the installation when they apply for fuel assistance at their community action agency. The weatherization kits will reduce energy usage and energy bills, and will make these homes less drafty and more comfortable this winter.

The Governor noted that in addition to this effort, the Maine State Housing Authority successfully sought a waiver from the federal Department of Health and Human Services to expedite the application process for all those who received LIHEAP assistance last year.

Operation Keep ME Warm relies on state resources, private donations, and volunteers to install weatherization kits in homes that elect to participate. The Maine Commission for Community Service is coordinating the volunteer effort.

"I want to thank the businesses and volunteer organizations that have stepped up to assist with this project, and encourage others to help their neighbors" the Governor said. "I also want to thank

Efficiency Maine, the Maine Commission for Community Service, Maine State Housing Authority, Maine Emergency Management Agency, and private partners for organizing and participating in this project.”

The Governor praised the generosity of Mainers. “Maine people have an overwhelming sense of community and of helping those in need. This project provides a great opportunity for neighbors to help neighbors. I encourage all those interested in volunteering with Operation Keep ME Warm to get involved by calling 287-5649 or logging on to www.volunteermaine.org to find out how.”

Governor Announces HoltraChem Cleanup

September 26, 2005

Contact:

Lynn Kippax, 287-2531

Dawn Gallagher, 287-2812

AUGUSTA – Governor John Baldacci says that he is keeping his promise when it comes to the cleanup of a major toxic environmental problem in Maine – the HoltraChem facility in Orrington. “Less than a year ago, I promised the public that we would be aggressive about minimizing the risks to public health and environment posed by the long-standing and very toxic contamination on the property. Commissioner Gallagher is living up to that promise.”

Plans for the next phase of the massive cleanup of the former HoltraChem facility in Orrington involve excavating mercury-contaminated soils from the five on-site landfills.

Maine Department of Environmental Protection (DEP) Commissioner Dawn Gallagher announced that she had rejected options that would have consolidated the soils and confined them to an unlined unit on the property. Gallagher affirmed DEP’s commitment. “Last fall, Governor Baldacci identified HoltraChem as the ‘highest priority environmental contamination clean up site in the state’, I am determined that the public comes first when we evaluate final actions.”

Gallagher has reviewed four options prepared by cleanup experts. All are expensive (estimated to range from 46 to over 200 million dollars), and none is without some concern over exposure to mercury emissions as the soil is dug up and moved around. However, Gallagher said that two options that consolidated the soils on-site without liners to protect ground water were unacceptable.

“Clearly the best alternative for future years is to send the soils offsite, away from the Penobscot River, for proper, safe disposal. I am sensitive to the fact that it’s the most expensive option, but it does away with lingering doubts that could worry residents and possibly cloud future development.”

Development potential is a key issue because the Town of Orrington has taken ownership of the 235 acre property due to tax foreclosure. While tests have determined that 77 of those acres are contaminated, the Town is exploring development of a large area deemed clear of environmental and health hazards.

“Governor Baldacci has told me and told the public that the best possible outcome will be determined by how well we do in reducing the threats posed by lingering mercury contamination and by seeking to safely re-use at least part of the site, said Gallagher. “I am confident we can do both.”

The plan announced today involves digging up all five landfills and shipping the contaminated soils off-site to an appropriately licensed treatment and disposal facility. Sludge from manufacturing operations

had been stored in the unlined landfills for decades. It will be combined with other contaminated soils excavated from beneath buildings during the removal process.

The site was home to the manufacture of pesticides and chemicals for decades. It was last known locally as HoltraChem Manufacturing, which closed in 2000. The cleanup is being funded by Mallinckrodt Group Inc., which never operated at the site, but, as a former owner of the property, is the last remaining company capable of undertaking the remediation. Expenses to date are estimated at over \$11 million.

Governor Appreciates Federal Response to Requests for Investigation of Profiteering by Major Oil Companies

September 27, 2005

Contact:

Lynn Kippax, 287-2531

Beth Nagusky, 287-4315

AUGUSTA – Governor Baldacci issued the following statement today:

I am pleased that, in response to my letter of September 6th (copy attached), and similar calls from at least eight other Democratic Governors, the Bush White House has announced that Attorney General Alberto Gonzales will be leading an investigation into oil and gas price gouging allegations. In addition, the Federal Trade Commission, the federal agency responsible for regulating unfair trade practices by American businesses, has also announced an investigation into the dramatic spike in fuel prices which occurred following Hurricane Katrina. I wrote to the President after hearing from hundreds of Maine residents who questioned the high prices they were paying at the pump.

In my letter to the President, I urged that he “move quickly to cap corporate oil profits and strictly prosecute any violation of federal anti-trust laws – and take all other possible actions to protect Americans from profiteering.” My strong hope is that these investigations will dig deeply into the complex relationships between and among oil companies, the significantly increased level of concentration that has occurred in this industry in the past few years, the enormous level of speculative trading in oil and gas commodities, and the loss of refining capacity in the United States in the 1990’s. These inquiries will give all Americans a clear understanding of why and how fuel prices jumped so dramatically, and have not returned to price levels prior to the storm.

Attorney General Steven Rowe and I have undertaken all the actions within our power to determine if any wholesaler or retailer of fuel doing business in Maine has engaged in any illegal practices that contributed to the unprecedented spike in gasoline and diesel prices earlier this month. We want to make sure that allegations of price gouging and other practices that drove prices to record highs are fully investigated, and do not get lost in the shuffle. All American consumers deserve to be protected from illicit business practices such as unconscionable price gouging, profiteering in necessities, and manipulation of oil supplies and markets during this national tragedy.

I am today offering Attorney General Gonzales and the Federal Trade Commission my support and the assistance of Maine state government in all of these efforts, and look forward to hearing from them on how we can help.

The following is the text of the letter the Governor sent to the President dated September 6, 2005:

Dear Mr. President:

I write to join several of my colleagues, the Governors of Pennsylvania, New Jersey, Delaware, Michigan and Wisconsin in urging you to move quickly to cap corporate oil profits and strictly prosecute any violation of federal anti-trust laws – and take all other possible actions to protect Americans from profiteering. As Americans extend help to the people of Louisiana, Mississippi, Alabama and Florida, it would be outrageous and immoral to permit any leeway for those who would profiteer while so many Americans are sacrificing both abroad and at home. Maine people, like many in America, are angry and scared about rapidly rising energy prices, and fearful that the excessive profits of the major oil companies will put their families and communities “at risk”. They want to hear – from you and leaders in Congress – that any oil company profiteering will not be tolerated.

Oil profits in the past year have been astronomical. From April through June, Exxon-Mobil’s net income rose 32% to \$7.64 billion, Royal Dutch Shell announced a 34% increase in second quarter profits, and the list goes on. The excessive prices American citizens were paying for gasoline prior to Hurricane Katrina have now become shameless. The American people deserve better.

The major oil companies supplying our country should be our partners as the nation tries to recover, not profit at the expense of the nation. If high fuel prices continue, we face severe economic consequences.

As the American people rally to the aid of their fellow citizens in this hour of great need, I call on you to heed the message that all of us must share in the effort, and no one, no matter how rich and powerful, should profit in the suffering of others.

Sincerely,

John E. Baldacci

Governor

Cc: Maine’s Congressional Delegation

Invitation to Help Define Our Vision for Public Higher Education in Central Maine

September 28, 2005

Invitation to Help Define Our Vision for Public Higher Education in Central Maine

Saturday, October 1st, 2005

Augusta Civic Center

9:00 a.m. – 3:00 p.m.

The Governor's Task Force on Higher Education in the Kennebec Valley invites you to a day-long summit on Saturday, October 1st.

During the day, we want the many voices of Central Maine to take part in a dialogue that will help us all define a vision for public higher education in this region. We will honor the unique strengths of the existing institutions of public higher education— the University of Maine at Augusta, the University College at Bangor and Kennebec Valley Community College—while listening to your hopes for the future.

We need all voices! We want you to attend and bring colleagues, friends and neighbors – the more participants, the more complete picture we can create for the future. We will use a neutrally facilitated "Appreciative Inquiry" process, similar to a Town Meeting and designed to be easy, welcoming and comfortable for everyone. People have described this process as "fun", "heartwarming", "I really felt heard", "all the voices were included", "energizing and gives me hope".

Please join in a conversation with members of the Governor's Task Force, faculty, staff, students, business people, parents and other citizens. Help us design a future that meets the needs of the people here, and may even be a model for public higher education in other parts of our state and country.

What do we expect to accomplish?

Create a realistic vision of what public higher education in Central Maine can be, based on strengths, needs, and values.

Provide input for the Governor's Task Force on Higher Education in the Kennebec Valley to help shape its recommendations to the Governor and the Board of Trustees of the University of Maine System.

PLEASE JOIN US - THIS IS YOUR CHANCE TO MAKE A REAL DIFFERENCE!

Please RSVP to Tammy.Morrill@maine.gov or 624-6605

Governor Recognizes Continued Growth of Community College System

September 28, 2005

Contact:

Lynn Kippax, 287-2531

Joy Leach, 287-2531

Governor Recognizes Continued Growth of Community College System, Announces Summit for Governor's Task Force on Higher Education in the Kennebec Valley

AUGUSTA – Governor Baldacci today congratulated President John Fitzsimmons on the continued growth of the Community College System. The system announced that overall enrollment is up 5.2% this fall, and a nearly 7% increase in the number of students coming to community college directly from high school.

“At my initiative, we created the Community College System,” said the Governor. “Maine is making real progress in making higher education more accessible for Mainers, including high school students, working adults, and laid off workers. I am pleased with the expansion of the system because community colleges are part of the overall strategy to build the workforce of the 21st Century Economy.”

The Governor noted that his continued support of community colleges includes \$5 million for the system in the bond package going before voters November. The funding will provide renovations and upgrades at the Community College campuses. Each region served by a Community College will benefit — from Washington and Aroostook Counties down to York County.

Continuing his theme of increase access to higher education for all Maine people, the Governor also announced that this Saturday, October 1, the Governor's Task Force on Higher Education in the Kennebec Valley will hold a day-long summit. The Governor formed the Task Force in May to recommend a plan for achieving quality, affordable, accessible higher education in the Kennebec Valley.

Details of the summit are attached:

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Please RSVP to Tammy.Morrill@maine.gov or 624-6605

Governor Urges Congress to Appropriate More Emergency LIHEAP Funds

September 29, 2005

Contact:

Lynn Kippax, 287-2531

Joy Leach, 287-2531

AUGUSTA - Governor John E. Baldacci signed a letter to congressional appropriators in support of \$1.276 billion of emergency funding for the Low Income Home Energy Assistance program (LIHEAP). The Governor, in supporting the bipartisan request from twenty-eight Governors for the funding, noted that many families and businesses in Maine are facing difficult times as fuel prices rise. Heating oil this year is nearly 60% higher than last winter, and a surge of applications is expected for the heating assistance.

The text of the letter follows:

Dear Gentlemen,

Even before the tragic devastation of the Gulf Coast, low-income residents in our states faced significant increases in energy costs this winter. In this light, and with the added consideration of the hurricanes' impact, we are writing to request additional funding for the Low Income Home Energy Assistance Program (LIHEAP). We ask that you provide an immediate \$1.276 billion in emergency LIHEAP funds in the next available emergency supplemental appropriations bill. These funds are necessary to meet the needs of both newly-displaced evacuees and existing LIHEAP recipients. For Fiscal Year 2006, we would urge that you increase regular LIHEAP funds significantly from current levels. The recent increase in LIHEAP authorization to \$5.1B, signed into law last month as part of the Energy Policy Act, provides adequate room for a substantial increase.

The Energy Information Administration (EIA) had projected consumer energy costs would rise by about 20 percent this winter. The EIA has recently updated its figures and is now projecting that costs will be 77 percent higher than last winter. Consequently, our state LIHEAP programs are expecting to see a surge in applications for the program. LIHEAP budgets will be further stretched as we attempt to meet the needs of hurricane evacuees, many of whom lost virtually everything in the storm. Additional funding will allow us to aid these newest residents and those who have traditionally relied on LIHEAP assistance.

Congress must recognize that covering dramatic increases in natural gas and heating oil prices will pose an immense challenge for our citizens as winter arrives. Therefore, we encourage you to give strong consideration to the above requests. Immediate emergency funding, and a significant increase in regular LIHEAP funding for FY 2006, would allow critical energy needs to be addressed before a crisis develops. We also feel strongly that Congress should ensure that these additional funds are distributed to all states based on residents' demonstrated needs.

We appreciate your work and commitment to assisting our neediest families and we urge you to increase funding for LIHEAP.

Thank you for your consideration of this request.

Sincerely,

Governor Jennifer Granholm, Michigan

Governor Mitt Romney, Massachusetts

Governor Mike Huckabee, Arkansas

Governor Ruth Ann Minner, Delaware

Governor Rod Blagojevich, Illinois

Governor Thomas Vilsack, Iowa

Governor Kathleen Sebelius, Kansas

Governor John Baldacci, Maine

Governor Robert Ehrlich, Maryland

Governor Tim Pawlenty, Minnesota

Governor Haley Barbour, Mississippi

Governor Brian Schweitzer, Montana

Governor Richard Codey, New Jersey

Governor Bill Richardson, New Mexico

Governor George Pataki, New York

Governor Michael Easley, North Carolina

Governor Bob Taft, Ohio

Governor Ted Kulongoski, Oregon

Governor Edward Rendell, Pennsylvania

Governor Anibal Acevedo-Vila, Puerto Rico

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Governor Joe Manchin III, West Virginia

Governor Jim Doyle, Wisconsin

Governor Dave Freudenthal, Wyoming

Governor M. Jodi Rell, Connecticut

Governor to Help Maine Seniors in Medicare Part D Transition

October 1, 2005

Contact:

Lynn Kippax, 287-2531

Trish Riley, 624-7442

AUGUSTA - Governor John Baldacci announced today that Maine will provide immediate help to ease the transition of our most vulnerable seniors to the new federally mandated Medicare Part D program.

The Baldacci Administration has been preparing for the transition to Part D for months. A Stakeholders Committee is hard at work, led by Jude Walsh, pharmacy director in the Governor's Office of Health Policy and Finance. Walsh worked with the Governor and sought and received \$2 million in Federal grant funds to help Maine seniors with the transition to Part D coverage.

"We will be ready," said the Governor, "armed with information about which plans best meets seniors' needs. We appropriated \$4 million last session to help meet any emergency needs that may exist. In the days ahead we will be providing extensive outreach and information to Maine's seniors, their families and friends to help ease what promises to be a most confusing and complicated transition to the new federally mandated program. Maine seniors and their families need to know that my Administration and our Legislature have been hard at work to protect make sure Maine are not harmed by this federal mandate."

Governor Remembers Austin Wilkins

October 3, 2005

Contact: Lynn Kippax, 287-2531

Joy Leach, 287-2531

AUGUSTA – Governor John Baldacci today remembered Austin H. Wilkins, the longest-serving director in the history of the Maine Forest Service. Mr. Wilkins, who was 102, died Sunday morning. He resided in Augusta.

Born 1903 in Somerville, Massachusetts, Wilkins came to Maine to study Forestry in 1922 and made Maine his home. In 1928, Wilkins found his calling when he joined the Maine Forest Service. He was appointed Commissioner of Forestry by Governor Edmund S. Muskie in 1958 and served in that position until 1972. During his career, Wilkins served 13 Governors, both Democrat and Republican.

Mr. Wilkins was a leader in fighting the great forest fires of 1947 and was instrumental in the development of the Northeastern Forest Fire Protection Commission, of which he was Chairman in 1969. He assisted former Governor Percival Baxter in the creation of Baxter State Park. He was Chairman of the Baxter State Park Authority from 1959 until 1972.

Governor Baldacci called Wilkins a “true leader and one of the forestry greats of Maine.”

“His quiet and thorough approach and his eloquent speaking endeared him to the employees of the Maine Forest Service and gained strong respect from the forest managers in the Maine woods,” Governor Baldacci said from the State House on Monday.

Maine Leads Unique New Multi-State Effort to Lower Drug Prices

October 5, 2005

Contact:

Lynn Kippax, 287-2531

Trish Riley, 624-7442

Jude Walsh, 624-7442

AUGUSTA – Governor John Baldacci today announced a unique, multi-state initiative to provide lower cost prescription drugs by creating a large marketing pool. Said Governor Baldacci, “We are delighted that Vermont, Utah and Iowa have agreed to join with us to create this new partnership. By joining forces and negotiating together we can acquire the best supplemental pharmaceutical rebates while preserving each state’s ability to customize its own Preferred Drug List and Prior Approval programs.”

The newly created Sovereign States Drug Consortium will also maximize savings to the states by reducing current duplicative state administrative costs and using one non-profit to work with all participating states.

The program, initiated through Governor Baldacci’s Office of Health Policy and Finance, will begin with state Medicaid programs and is expected to save Maine about \$1,000,000 each year.

One objective of the initiative is to allow states to include private businesses and other public purchasers in the Consortium once it is operational. Maine has established the Pharmaceutical Cost Management Council with public and private purchasers to prepare for that opportunity.

Governor Baldacci concluded, “The Consortium provides an extraordinary opportunity for states to work together to reduce the growth of Rx spending in Medicaid programs and to build initiatives to help all citizens of our states. We are talking with other states in hopes of building even more negotiating power with the nation’s pharmaceutical industry.”

Governor Initiates Regional Energy Conservation Campaign

October 14, 2005

Contact:

Joy Leach, 287-2531

Kurt Adams, 287-1360

AUGUSTA – Governor John Baldacci has initiated a New England wide regional conservation campaign to proactively address a potentially serious energy problem this winter. The Governor's initiative is in response to the ISO-New England's assessment that natural gas supplies in New England will be tight, causing prices to remain at extremely high levels. About 40% of New England electricity supply is derived from natural gas. The ISO-New England is stressing that energy conservation and efficiency will be important to ensure the reliability of New England's electric grid this winter.

Governor Baldacci, who currently serves as Chair of the Coalition of Northeastern Governors, submitted to each New England Governor a draft proposal "Memorandum of Understanding for A New England Electricity and Natural Gas Conservation Initiative."

Governor Baldacci has been active in helping Maine's struggling families deal with high energy prices this season. He has urged the President to release more fuel assistance dollars and has tasked Beth Nagusky, his Director of Energy Independence and Security, with coordinating state agencies and private parties to help Maine citizens get through a long winter. Prior to the latest energy price increases, the Governor made State Government a leader by example in energy conservation and energy efficiency, and the use of renewable energy sources. Additionally, tomorrow morning Governor Baldacci will be leading the first team of volunteers of Operation Keep ME Warm, who will be winterizing the homes of 3,000 of Maine's seniors.

To find out more about Operation Keep ME Warm, please visit www.volunteermaine.org, and to find out more about energy issues in Maine, please visit www.maineenergyinfo.com.

The following is the text of the letter the Governor sent to the New England Governors dated October 13, 2005:

Dear Governor,

As you and the other Governors in New England know, we are facing a potentially serious energy problem this winter. The recent meetings ISO New England has been holding with our respective offices includes a natural gas outlook that suggests that we may face some very tight natural gas supply margins this winter and, because of our heavy reliance on natural gas to fuel our electricity production, a remote risk that we may face electricity shortages during a portion of this winter. Though it is important to recognize that actual shortages of natural gas are remote, the situation warrants immediate contingency planning.

The most effective way to address this essentially national and regional problem is together as Governors. I believe short- and long-term action can serve our citizens by easing the impact of shortages this winter, and reducing our dependence on fossil fuel in the future.

In the short-term, ISO New England believes that we can reduce the region's electrical load, and therefore our natural gas consumption, by 250MW to 500MW with a coordinated and sustained public conservation campaign. I have directed the Chairman of our Public Utilities Commission, Kurt Adams, to work with the ISO and the appropriate officials from your state on a regional conservation campaign. Kurt stands ready to work with your representative on developing a region-wide conservation campaign.

One benefit of the current attention on natural gas and fuel oil prices is that it sharpens our focus on our dependence on fossil fuel. A long-term solution is warranted. Attached is a draft proposed "Memorandum of Understanding for A New England Electricity and Natural Gas Conservation Initiative" that my staff has developed for your consideration, and for our collective discussion. It draws on similar efforts recently agreed to by our colleagues, the Midwest Governors Association. I believe this MOU can form the basis of effective regional efforts that can reduce our region's demand of natural gas while helping to reduce the cost of natural gas by an estimated 13% over the next five years. It will give us the most effective tool to offset a portion of the dramatic increase in the price of natural gas we've experienced in the past year.

I urge that this MOU be quickly, but carefully considered by each of the six states, that we move forward expeditiously to finalize an MOU that is acceptable to all of us, and that we implement it in time to take productive actions this winter.

Thank you for your prompt consideration, and your productive comments and suggestions for improving the draft MOU.

With warm regards,

John Elias Baldacci

Governor

DRAFT DOCUMENT FOR REVIEW

MEMORANDUM OF UNDERSTANDING

for

A NEW ENGLAND HEATING FUEL AND NATURAL GAS CONSERVATION INITIATIVE

WHEREAS, the price of natural gas has reached and sustained \$7 per Mcf during most of this year; and in the aftermath of Hurricanes Katrina and Rita natural gas prices exceeded \$15 per Mcf in September 2005 and may rise further this winter; and,

WHEREAS, the market for natural gas is extremely tight, causing high and volatile prices which disproportionately impact the New England region because of its significant reliance on natural gas for generation of electricity and the high concentration of natural gas fueled home heating in several New England states; and,

WHEREAS, recent reports indicate that natural gas supply disruptions, though a remote possibility, are more likely in the wake of Hurricanes Katrina and Rita; and, WHEREAS, heating oil prices are currently 45% higher than they were last year at this time, and last year they were roughly 25% higher than the previous year; and demand for heating oil could rise significantly if #2 oil is used more widely on-road and in dual-fuel combined cycle power plants;

WHEREAS, high natural gas and heating oil prices and the resulting impact on electricity prices and supply affect all aspects of the New England economy including individuals and families who cannot afford the associated high home heating costs, the manufacturers and companies that must pass increased production and operating costs on to their customers, and state and local governments and schools that are already financially challenged and must spend more on operating costs; and,

WHEREAS, high heating oil, natural gas and electricity prices are even more burdensome for low-income families and senior citizens who must often choose between paying their energy bills and buying food, medicine or clothes for their families; and,

WHEREAS, supply-side options including drilling in the Arctic National Wildlife Reserve and in the Outer Continental Shelf off the New England coast, and the Alaska pipeline are controversial, not widely supported in New England, and will take 5 to 15 years to have an impact on natural gas markets; and,

WHEREAS, conservation and energy efficiency are the only short-term options to ease the strain on heating fuel and electricity markets and are easily implemented at the state and regional levels; and,

WHEREAS, the New England region has a multi-billion dollar "dollar drain" due to its reliance on imported oil and natural gas; and,

WHEREAS, the American Council for an Energy-Efficient Economy found that a small reduction (1% per year for at least 5 years) in natural gas consumption can produce a 13% reduction in wholesale natural gas prices; and, a Northeast Energy Efficiency Partnerships analysis concludes that New England could reduce forecasted natural gas demand growth by 11% to 68% by 2013 depending on how much energy efficiency potential is captured, and

WHEREAS, conservation and energy efficiency also save money, increase energy reliability and economic prosperity in New England; and,

WHEREAS, a coordinated regional effort to promote and increase energy efficiency could easily achieve savings of 1% or more per year for New England people and businesses.

NOW, THEREFORE, be it resolved:

The states of Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont will work together to address the region's overdependence on fossil-fuels through conservation and energy efficiency.

We commit to pursue a 1% reduction (per year) in natural gas consumption in each of our states, helping to secure the larger regional goal of 5% reduction by 2011, beginning on the date of their signing this memorandum of understanding and continuing for 5 years from that date.

We commit to consider and enact policies, such as codes and standards for energy consumption, regulatory and legislative mandates and programs, that are appropriate for our state to accomplish the 1 % reduction per year and to serve as an educational contact for all other state agencies, parties and participants in our state to further the goal of a 1% per year reduction.

We commit to working collaboratively between and among states to develop a regional approach to increase energy efficiency as well as to working within our own state to achieve actual energy savings.

We commit to report the annual energy savings in our state to the Initiative for the purposes of demonstrating achievements and sharing lessons learned between the states.

Governor Announces Agriculture Commissioner Robert Spear to Step Down

October 14, 2005

Contact:

Joy Leach, 287-2531

Robert Spear, 287-3871

AUGUSTA – Governor John E. Baldacci announced today that Robert W. Spear would be stepping down as commissioner of the Maine Department of Agriculture, Food and Rural Resources.

“During Bob’s tenure as commissioner he has shepherded the Department’s development of some bold and important programs, whether Senior Farm Share, Farms for the Future, or the dairy stabilization,” Governor Baldacci said. “Maine’s farmers have certainly benefited from his leadership and I have enjoyed working with him.”

When re-appointed by Governor Baldacci in February of 2003, Commissioner Spear agreed to serve for up to two years, but subsequently agreed to remain an additional period of time. “After talking with the Governor it was decided that I would step down this fall,” Commissioner Spear said. “I decided that November 18 would be the day that I would finish up.

“I’m really proud of what we accomplished with a dedicated staff – Farm Share, irrigation, Farms for the Future and providing a safety net for dairy farmers come immediately to mind,” Spear said. “But one of my most important accomplishments was rebuilding morale among employees and re-establishing our credibility in the industry and with our partners.”

In the nationally recognized and federally supported Farm Share program a low-income senior receives a \$100 share of fresh produce grown by a local farmer. Under the well-received Farms for the Future, producers receive technical and financial assistance to develop business plans and are then eligible for financial assistance to implement the plan.

Among the other highlights of Spear’s watch are the Sustainable Water Source Development Program providing eligible farmers with cost-share assistance to develop water sources for critical irrigations projects, the marketing program centered on Get Real, Get Maine!, the nutrient management program for livestock operators, the meat and poultry inspection program providing benefits to both producers and consumers, and farmland protection to help farmers facing development pressures.

Commissioner Spear also led a successful trade mission to Cuba earlier this year, which was instrumental in marketing Maine products. “Bob’s efforts in opening up trade opportunities with Cuba have certainly paid off”, Governor Baldacci said. “I’ve asked Bob to represent Maine on the next trade mission this December.”

Spear, who lives in Nobleboro has led the Department since April 1998, first appointed by Governor Angus King and then re-appointed by Governor Baldacci. Additionally, he represented his community in the Maine House from 1990 to 1998. Since graduating from the University of Maine in 1965 he has worked at and run Spear Farms, Inc, a family-owned dairy and vegetable farm.

Deputy Commissioner Edwin Porter will serve as Acting Commissioner upon Spear's stepping down on November 18.

Governor's ConnectME Initiative Advances with Time Warner Cable's Announced Expansion Goals

October 20, 2005

Contact: Joy Leach, 287-2531

AUGUSTA – Governor Baldacci today praised Time Warner Cable, which is in the process of acquiring part of the assets of Adelphia Cable, as the company announced its broadband expansion goals for communities now served by Adelphia in Maine. Time Warner's aggressive build-out plans will significantly advance a key component of Governor Baldacci's ConnectME Initiative. Additionally, Time Warner Cable will be supporting its growing service area in Maine from a Maine location. As it expands its service area in Maine, the company intends to hire approximately 150 people to provide support services to the customers and communities that it will be serving.

In May of 2005, Governor Baldacci signed an Executive Order establishing a Broadband Access Infrastructure Board with the charge of expanding the availability of broadband services throughout the State. The Board's objective is to provide broadband availability to 90% of Maine homes and businesses by 2010.

Governor Baldacci stated, "Time Warner has a very good track record in Maine investing in advanced technology and providing excellent support services. Its announced plan for expanded broadband availability in Maine is further evidence that Maine is not only a great place to live, but a great place to invest and a great place to do business. Time Warner's announcement is good for Time Warner and good for Maine."

In today's announcement, Keith Burkley, Division President of Time Warner Cable's New England Division, stated that "our goal and business strategy is to provide broadband coverage to 90% or more of homes in our expanding service area. We will also reach out to those businesses seeking broadband services within these communities. We will be offering as many advanced services as possible such as Digital Phone, Video on Demand, High Speed Data, Digital Video Recorders, Interactive Services and Commercial Broadband Services. We intend to accomplish this within the first two years of serving these communities."

Burkley, who also serves on the ConnectME Broadband Access Infrastructure Board, said, "I am delighted that Time Warner Cable's strategic plans in Maine dovetail so well with the Governor's leadership regarding universal broadband coverage in Maine."

Time Warner Cable's Maine Division was the first of its operations to launch High Speed Internet Service back in 1997 and also pioneered the company's launch of Digital Phone in 2003.

Governor Opposes New Federal Cost Shifting

October 20, 2005

Contact: Joy Leach, 287-2531

Trish Riley, 624-7442

AUGUSTA - Governor John Baldacci announced today that the Federal government is requiring Maine taxpayers to pay at least \$9.2 million dollars in 2006 - a cost that will rise each year - to support the new Federal prescription drug benefit, Medicare Part D.

Said the Governor, "Maine has proven we can provide better drug coverage at lower cost for our most vulnerable citizens - those elderly and disabled who qualify for both Medicare and our MaineCare program. Yet the Federal government outlaws us from continuing to provide that coverage after January 1, 2006, and requires us to pay at least \$9.2 million dollars more than it costs us today to care for these citizens who depend upon prescriptions for their lives."

The Governor noted that the new Part D program creates important new coverage for elders and some disabled who had no prescription drug benefit previously. But he said, "It makes no good sense to further complicate an already complex program by disrupting the lives of elders and persons with disabilities, requiring them to switch health plans and lose some coverage they have today - all at a cost to the state that exceeds by at least \$9.2 million what we spend today. The Federal government has enough on its hands implementing this program for those who do not now have coverage without disrupting those who do."

Maine has been a leader in reigning in the costs of its MaineCare drug spending and has effectively negotiated supplemental rebates from drug manufacturers. The Federal government cost projections fail to take into account that experience in Maine.

The Baldacci Administration has been in contact with the Federal Centers for Medicare and Medicaid (CMS) and has requested a waiver from the Part D law that would allow Maine to continue its MaineCare drug coverage for the 52,000 people dually eligible for MaineCare and Medicare. While the prospect for Federal approval for such a waiver seems unlikely, the Governor said, "I am unrelenting in my commitment to protect Maine's most vulnerable citizens; we will fight for fairness but proceed recognizing that the Federal government will automatically reduce Maine's MaineCare federal funding starting in February to capture the new funds the State is required to pay. I remain concerned that CMS has missed multiple deadlines but remains committed to a January 1st start regardless of whether they are adequately prepared."

While the Governor continues to fight the harmful changes from Washington, he will request a supplemental budget this January to cover the costs of the Part D program. The Governor expects the costs to be at least \$9.2 million but warned that the details of the Part D program are evolving.

In August, Governor Baldacci convened a Medicare Part D Stakeholders Group as established by the Legislature to advise him about the transition issues. That group will examine the implications of this federal action and make recommendations to the Governor for additional action. Already the group has advised the Governor and the Department of Health and Human Services in developing activities to help Maine's elderly and disabled make the transition to Part D.

Governor Creates Keep Maine Warm Charitable Fuel Fund

October 21, 2005

Contact: Joy Leach, 287-2531

Beth Nagusky, 287-4315

AUGUSTA - Governor John Baldacci announced the creation today of "Keep Maine Warm" Charitable Fuel Fund. Joined at a State House ceremony by directors of community action agencies; Jamie Py, president of the Maine Oil Dealers Association; Sara Burns, president of Central Maine Power Company; and Dale McCormick, Director of the Maine State Housing, the Governor stated that former Maine Governors Angus King, John McKernan, and Joe Brennan are spearheading the Board of this charitable fuel fund.

Governor Baldacci's statement follows:

Last Saturday, my Operation Keep Maine Warm team winterized the home of an elderly woman, Mary Tobias of Chelsea. Mary is in her 80's and lives on her own on a fixed income. Her income does not increase as her energy and other expenses do.

There are tens of thousands of people with stories like Mary's around Maine.

The average household income of those served by federal fuel assistance is \$12,000. The average benefit for this coming winter is expected to be \$440. At today's oil prices, this benefit will purchase about 179 gallons of heating oil, which isn't even one full tank. And we know that tank will need to be filled 3 to 4 times before the end of the winter.

Although heating oil is nearly twice as expensive as it was 2 years ago, the federal government has flat funded the fuel assistance program - despite repeated pleas from me, our Congressional Delegation, and the Governors of more than 27 states. The latest attempt to obtain emergency LIHEAP funds failed in the Senate yesterday.

The failure of the federal government is more than unacceptable --- it threatens the health and safety of nearly 100,000 Maine people. We will continue to press the federal government to provide the funding needed to assure elderly and low income people will be warm this winter, but we cannot wait for Washington to act.

Two weeks ago my office started to receive calls from homeowners who had no fuel in their tanks, and had no money to fill those tanks. Maine's Community Action Agencies have been taking these calls as well, and are seeing many more applicants for fuel assistance than last winter.

Maine people have opened their hearts and their wallets many times in the past eighteen months to help victims of natural disasters across the globe and in our own country. I am calling on this generous spirit once again, because winter is fast approaching.

Today I am announcing formation of a Charitable Fuel Fund.

This fund will seek contributions from Maine people and businesses to supplement the federal fuel assistance dollars we receive from Washington so that no Maine person suffers this winter from lack of heat.

Our goal is to raise at least \$10 million - \$5 million in charitable donations, large and small and \$5 in reallocated state funds. I will ask the Maine Legislature as their first order of business in January to reallocate the \$5 million in state resources into this fund. These funds will be used to supplement the fuel assistance program, and assist those who need help paying their fuel bills this winter. The legislation will also increase our energy efficiency efforts.

But Government can not do it alone. That is why I have called upon three former Governors - Governors King, McKernan, and Brennan, state business leaders, the presidents of Maine's electric utilities and the president of Maine's oil dealers to spearhead a "Keep Maine Warm" Charitable Fuel Fund. I want to thank former Governor Angus King, John McKernan, and Joe Brennan for agreeing to spearhead this charitable fuel fund, and to all the business leaders who are supporting this humanitarian effort.

Private donations raised for the charitable fund will be tax deductible. Maine people can contribute to the Keep Maine Warm Charitable Fuel Fund in a number of ways:

First, you can send a check directly to the Keep ME Warm Charitable Fuel Fund at Keep ME Warm Fund, 510 Cumberland Ave, Portland, ME 04101, and direct those funds to your own community if you choose.

You can call toll free at 800-698-4959.

Or, you can contribute on line by going to www.mainecommunityaction.org.

Second, you can donate to one of a number of local fuel funds that are being established across the state.

Third, you can purchase fuel gift certificates from a local oil dealer and give them to a neighbor in need.

Lastly, you still have time to form a team and join the statewide effort next weekend to winterize the homes of 3000 of Maine's seniors. You can volunteer by going to www.volunteermaine.org and clicking on Operation Keep Maine Warm.

We can't wait for the federal government to act. Once again, Maine must lead the way and we are going to do that by working together.

Governor Hails Superintendent's Ruling Showing Dirigo Savings

October 29, 2005

Contact: Joy Leach, 287-2531

Trish Riley, 624-7442

AUGUSTA – Governor Baldacci hailed Superintendent of Insurance Alessandro Iuppa's independent ruling showing substantial Dirigo Health savings. The savings determination of nearly \$44 million comes after months of meetings between stakeholders, intensive public scrutiny and a two day hearing with expert witnesses and cross examinations.

"The Dirigo Health savings have been put under the microscope of the state's leading law firms and actuaries," said Governor Baldacci. "They've been examined by experts across the country and put through arduous scrutiny. There is no doubt at all that the savings are real. We should all be confident in the results of this intensive process and the decision by Superintendent Iuppa.

"The decision today is another mark of the success of Dirigo Health, the purpose of which is to comprehensively address health care in a way to ensure that Maine is the healthiest state in the nation. Dirigo Health contains costs, ensures access and improves the quality of health care for all Maine citizens. Realizing that these are long term goals, I am pleased that today we have firm evidence that we are, in fact, meeting the goals set forth under Dirigo Health, which had passed in the Legislature with strong bipartisan support, and which involved in its creation the input and cooperation of a wide variety of stakeholders."

Addressing Superintendent Iuppa's decision today, Trish Riley, Director of the Governor's Office of Health Policy and Finance, said, "Health care finance is complicated, and reasonable people can disagree – and did disagree – about exactly how much has been saved. In any such review, differences are discovered and expected but this extensive public review and determination of the Superintendent allows us to move forward with real savings."

Said Governor Baldacci, "There are clearly adequate savings in the system to support the costs of the Savings Offset Payment next year. The next challenge, which I am committed to, is ensuring the savings get to premium payers."

To cover the uninsured, Dirigo Health was specifically designed to contain costs, and produce savings. It then uses the savings to reinvest in the health care system by providing more people with coverage and access to better care. The Dirigo Health Agency Board of Directors will determine the size of the Savings Offset Payment in early November.

Board Chair Dr. Robert McAfee said: "Now that savings have been proven, we can move forward with providing quality and affordable health care to all Maine people."

Governor Baldacci expressed concern that even before the Superintendent's decision, insurers and self-insured companies reported plans to pass the cost of the Savings Offset Payment to Maine employers and employees.

"Insurance companies said they wanted to see demonstrated savings from Dirigo before we used the savings to fund DirigoChoice and the Maine Quality Forum. We have done that," said Governor Baldacci. "It is now their responsibility to advocate for their consumers and negotiate agreements with providers reflecting the savings."

"It wasn't easy to find cuts in numerous state programs to balance the budget, but we did. It wasn't easy for providers to restrain their charges and trim their budgets, but they did. Now it is up to insurers to do their part. They must deliver the savings to the health care consumer, so everyone benefits."

For more information on Dirigo Health, please visit: <http://dirigohealth.maine.gov/>

Governor Directs State Flag to be Flown at Half-Staff to Remember Rosa Parks

November 1, 2005

Contact: Joy Leach, 287-2531

AUGUSTA – In accordance with President Bush's proclamation and in respect for the life of Rosa Parks, Governor John E. Baldacci has directed that the United States flag and the State of Maine flag be flown at half-staff tomorrow, November 2, 2005.

Governor Baldacci called on all Maine people to remember the bravery and the example of the Mother of the Civil Rights Movement. "Rosa Parks' simple yet profound gesture fifty years ago propelled the civil rights movement forward," said the Governor, "ensuring that was no turning back from fighting the injustice of discrimination on the basis of color. We owe a debt of gratitude to this courageous woman who showed us that every citizen has the ability to take a stand and change a nation for the better. We honor the memory of Rosa Parks by fighting discrimination wherever it exists."

Statement on Vandalism Against Plum Creek Timber Company

November 1, 2005

Contact: Joy Leach, 287-2531

AUGUSTA – Responding to incidents of criminal vandalism in the recent past, along with new events on Monday evening, Governor Baldacci and other Maine leaders jointly issued the following statement.

“Here in Maine, we have a long and proud history of discussing matters in a civil manner. Our traditions are those of feisty yet healthy debates in town meetings, before the Maine Legislature, on the campaign trail, with the press, or simply in conversation. This is true even when people have strong feelings and are passionate about issues.

“Following these strong Maine traditions, together we stand united in opposition to the recent vandalism aimed against the Plum Creek Timber Company. We believe that there is no room, whatsoever, for people to destroy property, damage homes or cause harm as a means to express their views. It is illegal, and it is abhorrent to the Maine way.

“No matter what the subject, the issue or the people or institutions involved, destruction of property is a crime and we urge pursuit and prosecution of the perpetrators.”

Signed:

Governor John E. Baldacci

Brownie Carson, Natural Resources Council of Maine

Dana Connors, Maine State Chamber of Commerce

Kevin P. Carley, Maine Audubon

Steven Levesque, Economic Development Council of Maine

Walter Graff, Appalachian Mountain Club

Patrick Strauch, Maine Forest Products Council

George Smith, Sportsman's Alliance of Maine

Governor Names Advisory Council on Redevelopment of Brunswick Naval Air Station

November 2, 2005

Contact: Joy Leach, 287-2531

AUGUSTA – Governor John Baldacci today announced the membership of the Advisory Council to the Office of Redevelopment, Re-employment & Business Support, which will provide crucial functions in the redevelopment process of Brunswick Naval Air Station. The Advisory Council, co-chaired by Tony Armstrong and Bill Babbin, is comprised of local authorities, state officials and regional leaders.

The text of the Governor's remarks follow.

"We join today to recognize another important step in the successful redevelopment of Brunswick Naval Air Station.

"I would like to take this opportunity to thank the members of the Advisory Council to the Office of Redevelopment, Re-employment & Business Support. These members come from a variety of backgrounds, including federal, state and local agencies, private sector financing, business, and labor.

"I would also like to thank the representatives of the Congressional offices. The Congressional delegation could not have been a stronger partner in the efforts to save the bases, and they have been extremely helpful and supportive of our efforts as we move forward with the redevelopment of Brunswick.

"These individuals will make up the Advisory Council tasked with taking a regional look at the issues and impacts that will result from the decision to close the Brunswick Naval Air Station.

"This diverse group will focus on four primary areas: worker support and retraining; existing business support; immediate business recruitment and development for the area to help mitigate the effects prior to the actual closure and impacts on regional housing and community resources.

"They will work with assisting the Local Redevelopment Authorities (LRAs) in Topsham and Brunswick as we bring together all of the needed resources and assets within our state to address this challenge. They will be instrumental in aiding in the regional engagement of the areas affected by the closure decision and will further assist the LRAs in statewide and federal advocacy for the reuse plans that emerge from the LRA planning process.

"I am pleased that such a number of dedicated and talented individuals have willingly volunteered to contribute to this endeavor. Although the closure announcement was the most unfortunate and ill-conceived decision, I believe that we must know look at this as an opportunity to redefine and move the Midcoast region and our state forward in a new direction.

"I have often said that the talents and dedication to hard-work have earned Mainers a solid reputation across the country as one of the premiere workforces in the country --- if we harness that energy to tackle this challenge and come out stronger."

Members of the Advisory Council to the Office of Redevelopment, Re-employment & Business Support

Brunswick Local Redevelopment Authority (LRA) Representative --- to be selected by the LRA

Topsham LRA Representative --- Gary Brown

Tribal Representative --- Tim Love

Housing/Homeless Representative --- Dale McCormick

Chancellor of the University of Maine System --- Joseph Westphal

President of the Maine Community College System --- James Ortiz, SMCC President designated representative

Private Sector Finance Representative --- Tony Armstrong, Co-Chair

Commissioner of Department of Economic and Community Development -- Jack Cashman

Commissioner of Labor -- Laura Fortman

Union/Labor Representative --- Bill Babin, NASB AFGE, Co-chair

Small Business Administration --- Mary McAleney

Midcoast Chamber of Commerce --- Catherine Glover

Regional Economic Development District --- Jeff Snedden

Land Use Planning/Architecture Representative --- Cordelia Pittman

Lewiston/Auburn Representative --- Jim Bennett

Economic Development Resource Person --- Laurie LaChance

Venture Capitalist --- Karen Mills

Military/Veteran Retiree Community --- General Bill Libby

Town of Bath --- Paul Mateosian, City Manager

Cumberland County Government --- Peter Crichton

BIW Local 6 Representative --- Troy Osgood

Town of Lisbon --- Dan Feeney

2005 Archive of Governor Baldacci's Press Releases

Regional Business Owner – Adam Lee

Appointee of the Speaker of the House --- TBD

Appointee of the President of the Senate --- TBD

Congressional Offices Ex Officio members

Governor Calls on Health Insurers to Share Dirigo Health Savings

November 3, 2005

Contact: Joy Leach, 287-2531

Trish Riley, 624-7442

AUGUSTA – Governor John Baldacci, joined by Legislative leadership, concerned citizens and consumer advocates, called on insurers to renew their pledge to share the \$43.7 million in savings realized by Dirigo Health. Last Saturday, the Superintendent of Insurance independently ruled that Dirigo Health was responsible for this substantial savings.

The text of the Governor's remarks follow.

"Dirigo Health means savings.

"On Saturday, the Superintendent of Insurance ruled that Dirigo Health, in this year alone, saved almost \$44 million for health care consumers. Today I call on insurance companies to renew their pledge to share those savings.

"Dirigo Health Reform has achieved great results for the people of Maine: over 8,000 people and over 2,000 small businesses – the strength of our economy - enrolled in DirigoChoice; the new hospital Safety Star initiative from the Maine Quality Forum; the State Health Plan, the roadmap to make Maine the healthiest state coming later this month; and, now, proof that Dirigo Health is achieving one of its most fundamental goals – reducing the growth of Maine's health care costs. These are great achievements in the quest to bring affordable and high-quality health care to all Maine citizens.

"However, a roadblock stands in our way to ensuring the \$44 million in savings are shared with consumers and businesses.

"I've called this press conference today because of reports from insurers that they intend to increase premiums as a result of the Savings Offset Payment.

"This is unacceptable. Period.

"When we all reached the agreement that created Dirigo, it was clear – if there are savings, the Savings Offset Payment would be self-financed through the savings. Savings pay the Offset Payment, not premium payers.

"No number has been subject to such public and expert scrutiny as the Dirigo savings. The savings are here in large measure do to hospital cooperation with Dirigo's voluntary cost targets.

"But the job isn't done. Now that savings have been achieved, they must be delivered to consumers. Consumers must see the results in the health insurance rates they pay.

"The Superintendent's ruling proves that there are savings and that they are "recoverable." The savings are real. They are unassailable. No reasonable person can dispute them.

"It is deeply discouraging that several insurers are saying they will add the savings offset payment to their premium rates. There is simply no basis for claiming that savings in the health care system result in increased costs.

"Last month, we learned of record oil industry profits while gas prices spiked. Recent headlines of insurer profits and gains make this uncomfortably similar.

"As the Brunswick Times Record wrote yesterday in a staff editorial about this very issue, and I quote, "The Dirigo Health program leaves insurers free to do the right thing. If they don't, then who is to blame — the program that yielded health-cost savings or the insurers who treat the savings as a cost and pass it on?"

"As I've said previously, it wasn't easy to find cuts in numerous state programs to balance the budget, but we did it. It wasn't easy for providers to restrain their charges and trim their budgets, but they did it. Now it is up to insurers to do their part. They must deliver the savings to the health care consumer, so everyone benefits.

"Dirigo Health means savings. I call on insurers to renew their pledge to share the savings."

Governor's Health Office Releases Draft State Health Plan for Public Comment

November 7, 2005

Contact: Trish Riley, 624-7442 Adam Thompson, 624-7442

AUGUSTA – Trish Riley, Director of the Governor's Office of Health Policy and Finance, joined by members of the Advisory Council on Health Systems Development, released the Draft 2006-2007 State Health Plan for public comment. The State Health Plan is a key initiative of Dirigo Health Reform. It is a roadmap to make Maine the healthiest state in the country.

To read the draft plan and other materials, please visit the web link: <http://www.dirigohealth.maine.gov/dhsp07c.html>

The text of Trish Riley's remarks follow.

"We are here today, after a year of deliberation and public input, to present our Draft State Health Plan to the Advisory Council for Health Systems Development. This citizen council will lead our effort to assure broad public review of the plan before it is finalized in December. The State Health Plan is a roadmap, laying a course to prevent disease and promote good health and meet the broad goals of Dirigo Health Reform - to reduce costs, improve quality and assure access to health care for all Mainers.

"Over the last month there has been considerable attention in the media about Dirigo Health Reform's voluntary efforts to reduce health care cost growth in Maine. Nearly \$44 M has been saved and those voluntary efforts will continue. But today we are issuing a call to do even more to bring down the cost of health care, to make our citizens more productive and to improve the quality of our lives by committing together to make Maine the healthiest State in the nation.

"Our State does have a health care cost crisis ... Mainers spend more of our income on health care than residents in 45 other states. Our rates of health care use are high in large measure because we have high rates of chronic illness -- cancer, heart disease, lung and respiratory disease, diabetes and depression. These chronic illnesses account for 75% of our health care spending and much of this disease and disability is preventable. If we are a healthier state, we will need and use less health care.

"The State Health Plan is for all of Maine; so, to frame its priorities we sought and received extensive public input.

"In May we held the Tough Choices in Health Care meeting. 300 Maine people -- selected in a carefully constructed process developed by USM's Muskie School to assure a cross section of Mainers -- joined us to talk and vote on a full spectrum of ideas for improving our health and health care. Many also joined follow-up focus groups held in August.

"Over the summer and early fall, we met with over 20 key stakeholder groups to identify their concerns and ideas.

"Our office released "The State of Maine's Health", a book detailing the facts of our health and health care system. We used key data from the book as an introductory discussion at 7 public forums during the Health Care Listening Tour that we held in mid-September.

"This input, and the guidance from our Advisory Council, make this a draft plan of Maine, for Maine, and by Maine. Public hearings and review by the Legislature's Health and Human Services Committee in the weeks ahead should strengthen this draft and assure a final plan that reflects Maine's priorities.

"First, on page 6 we lay out our long term goals for access, affordability and quality and we establish explicit benchmarks to assure improved and integrated physical and mental health, specific reductions in substance abuse among high school students, reductions in tobacco use and reductions in unhealthy weight among adolescents and improved diabetes care.

"I want to briefly touch on some of the key themes and proposals within this draft Plan.

" Health begins with each of us. With the "Be Fit for Maine's Future" initiative, we ask Maine people to sign a confidential contract with their physician or a family member, to make and keep a personal commitment to take action to improve health. We endorse the "5-2-1-0" tool for child health created by the Maine Center for Public Health and Maine Chapter of American Academy of Pediatrics. And, we recognize employer initiatives and encourage more employers to take a role following the lead of many Maine businesses who now offer worksite wellness programs.

"We will create a sustainable public health infrastructure -- a public health system for Maine. Recognizing the lack of resources in public health, local and state leaders have been meeting to create a public health system that can work for Maine and build on the strong foundation and our considerable successes. Working collaboratively with local, community and state public health leaders we will identify sufficient numbers of sub-state umbrella organizations to cover the entire state and better connect local, community and state resources and priorities. To build a statewide system of comprehensive community coalitions, DHHS will braid together multiple sources of funding for preventive health and issue a single RFP. By coordinating funding, streamlining administrative and reporting requirements, economies of scale will be realized and local organizations will have more adequate funding to support core capacities.

"In addition we propose the "1% for Public Health" initiative to further support a strengthened public health infrastructure. Henceforth, high priority will be given to projects that seek Certificate of Need approval if they clearly commit to spending 1% of the project's costs to support public health and disease prevention.

"We address the growing challenges of assuring needed, affordable health and hospital care in rural Maine by creating a Rural Health Working Group and a Telehealth Workgroup charged with making explicit recommendations for action.

"To address chronic illness we continue our collaborative work to assure widespread implementation of The Care Model -- a model of excellence in chronic care. And, we will better integrate physical and

mental health by establishing one screening tool to identify depression and conduct a pilot project to increase screening and treatment.

"The Maine Quality Forum will continue to address the problem of variations in health care and build best practices. Unwarranted variation in care presents opportunity to increase quality of care and reduce costs. This year's effort will improve the speed and effectiveness of treating heart attacks.

"We will continue to restrain capital investment and set priorities that allow us to make investments in health services and infrastructure that are within our means.

- "Priority will be given to projects that:

- a. Protect public health and safety.

- b. Contribute to lower costs and increased efficiencies.

- c. Advance access to services and reflect a collaborative, evidence-based strategy for introducing new services and technologies.

- "Projects will be deemed higher priority that:

- a. Include prevention and population health.

- b. Investment in MHINT.

- c. Cause less than a 0.5% increase in insurance premiums, as determined by the Bureau of Insurance.

"And, we recognize that Maine's health cost crisis makes it harder to develop an affordable product for the uninsured. We renew our dedication to this task and will take several key actions.

- a. "Work with Anthem to expand DirigoChoice and increase enrollment of the uninsured by at least 100%. A specific enrollment target will be set by the Dirigo Health Agency Board late this week.

- b. Review the effectiveness of Dirigo Health Reform's small group rate regulation.

- c. Conduct an independent evaluation of Dirigo Health to identify key success and areas for improvement.

" Finally, we need to be sure the State Health Plan is not just a document on the shelf but sets in motion action for change. We return to the roots of the Dirigo Health Reform law that was crafted with guidance from a health action team, was compromised in deliberation and, as a result, won 2/3 bipartisan, majority support in the Legislature. All the stakeholders need to return to the table to make meaningful reform a reality. To that end we ask the ACHSD to conduct regular oversight of progress, to engage the public and to report progress, challenges and needs for mid-course corrections to the Governor and Legislature and the people of Maine. And we propose a Health Leaders Forum to conduct regular meetings and educational sessions to explore together what more we can do to continue achieving Dirigo's promise of affordable, quality health care for all Maine citizens.

"This is a draft plan. Much of it is based on the feedback and ideas we have received over the past 6 months. But we need to hear more. The Advisory Council will hold public hearings later this month on November 21 and 22 in Lewiston, Brewer and Portland to get feedback on the specific goals and proposals contained here.

"We ask Maine people to consider the goals and proposals in this draft and to give us their feedback. We can receive comments at the hearings but also by calling, mailing or e-mailing our office.

"After we receive comments and the formal review from the Advisory Council, we will make necessary revisions and present a final State Health Plan in mid to late December."

Public comments will be received by the Governor's Office of Health Policy and Finance until 5:00 p.m., Friday, December 2, 2005.

Public hearings will be held according to the following schedule:

- Lewiston, November 21, 11:00 a.m. to 2:00 p.m., Lewiston/Auburn Campus of the University of Southern Maine, 51 Westminster St.
- Brewer, November 21, 4:00 p.m. to 7:00 p.m., Jeff's Catering, East West Industrial Park, 5 Coffin Ave.
- Portland, November 22, 11:00 a.m. to 2:00 p.m., University of Southern Maine's Portland Campus, Hannaford Hall in the Abramson Building

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November 7, 2005

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"Over the last month there has been considerable attention in the media about Dirigo Health Reform's voluntary efforts to reduce health care cost growth in Maine. Nearly \$44 M has been saved and those voluntary efforts will continue. But today we are issuing a call to do even more to bring down the cost of health care, to make our citizens more productive and to improve the quality of our lives by committing together to make Maine the healthiest State in the nation.

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" Health begins with each of us. With the "Be Fit for Maine's Future" initiative, we ask Maine people to sign a confidential contract with their physician or a family member, to make and keep a personal commitment to take action to improve health. We endorse the "5-2-1-0" tool for child health created by the Maine Center for Public Health and Maine Chapter of American Academy of Pediatrics. And, we recognize employer initiatives and encourage more employers to take a role following the lead of many Maine businesses who now offer worksite wellness programs.

"We will create a sustainable public health infrastructure -- a public health system for Maine. Recognizing the lack of resources in public health, local and state leaders have been meeting to create a public health system that can work for Maine and build on the strong foundation and our considerable successes. Working collaboratively with local, community and state public health leaders we will identify sufficient numbers of sub-state umbrella organizations to cover the entire state and better connect local, community and state resources and priorities. To build a statewide system of comprehensive community coalitions, DHHS will braid together multiple sources of funding for preventive health and issue a single RFP. By coordinating funding, streamlining administrative and reporting requirements, economies of scale will be realized and local organizations will have more adequate funding to support core capacities.

"In addition we propose the "1% for Public Health" initiative to further support a strengthened public health infrastructure. Henceforth, high priority will be given to projects that seek Certificate of Need approval if they clearly commit to spending 1% of the project's costs to support public health and disease prevention.

"We address the growing challenges of assuring needed, affordable health and hospital care in rural Maine by creating a Rural Health Working Group and a Telehealth Workgroup charged with making explicit recommendations for action.

"To address chronic illness we continue our collaborative work to assure widespread implementation of The Care Model -- a model of excellence in chronic care. And, we will better integrate physical and

mental health by establishing one screening tool to identify depression and conduct a pilot project to increase screening and treatment.

"The Maine Quality Forum will continue to address the problem of variations in health care and build best practices. Unwarranted variation in care presents opportunity to increase quality of care and reduce costs. This year's effort will improve the speed and effectiveness of treating heart attacks.

"We will continue to restrain capital investment and set priorities that allow us to make investments in health services and infrastructure that are within our means.

- "Priority will be given to projects that:

- a. Protect public health and safety.

- b. Contribute to lower costs and increased efficiencies.

- c. Advance access to services and reflect a collaborative, evidence-based strategy for introducing new services and technologies.

- "Projects will be deemed higher priority that:

- a. Include prevention and population health.

- b. Investment in MHINT.

- c. Cause less than a 0.5% increase in insurance premiums, as determined by the Bureau of Insurance.

"And, we recognize that Maine's health cost crisis makes it harder to develop an affordable product for the uninsured. We renew our dedication to this task and will take several key actions.

- a. "Work with Anthem to expand DirigoChoice and increase enrollment of the uninsured by at least 100%. A specific enrollment target will be set by the Dirigo Health Agency Board late this week.

- b. Review the effectiveness of Dirigo Health Reform's small group rate regulation.

- c. Conduct an independent evaluation of Dirigo Health to identify key success and areas for improvement.

" Finally, we need to be sure the State Health Plan is not just a document on the shelf but sets in motion action for change. We return to the roots of the Dirigo Health Reform law that was crafted with guidance from a health action team, was compromised in deliberation and, as a result, won 2/3 bipartisan, majority support in the Legislature. All the stakeholders need to return to the table to make meaningful reform a reality. To that end we ask the ACHSD to conduct regular oversight of progress, to engage the public and to report progress, challenges and needs for mid-course corrections to the Governor and Legislature and the people of Maine. And we propose a Health Leaders Forum to conduct regular meetings and educational sessions to explore together what more we can do to continue achieving Dirigo's promise of affordable, quality health care for all Maine citizens.

"This is a draft plan. Much of it is based on the feedback and ideas we have received over the past 6 months. But we need to hear more. The Advisory Council will hold public hearings later this month on November 21 and 22 in Lewiston, Brewer and Portland to get feedback on the specific goals and proposals contained here.

"We ask Maine people to consider the goals and proposals in this draft and to give us their feedback. We can receive comments at the hearings but also by calling, mailing or e-mailing our office.

"After we receive comments and the formal review from the Advisory Council, we will make necessary revisions and present a final State Health Plan in mid to late December."

Public comments will be received by the Governor's Office of Health Policy and Finance until 5:00 p.m., Friday, December 2, 2005.

Public hearings will be held according to the following schedule:

- Lewiston, November 21, 11:00 a.m. to 2:00 p.m., Lewiston/Auburn Campus of the University of Southern Maine, 51 Westminster St.
- Brewer, November 21, 4:00 p.m. to 7:00 p.m., Jeff's Catering, East West Industrial Park, 5 Coffin Ave.
- Portland, November 22, 11:00 a.m. to 2:00 p.m., University of Southern Maine's Portland Campus, Hannaford Hall in the Abramson Building

Governor Meets with Municipal, Community and Religious Leaders on Energy Concerns

November 14, 2005

Contact: Joy Leach, 287-2531

Beth Nagusky, 287-4315

AUGUSTA – With energy prices at near historic highs and the prospect for federal low income fuel assistance looking dimmer, Governor John E. Baldacci today brought together a number of civic, community and religious leaders from across Maine to discuss raising funds and coordinating efforts to keep Maine people safe and warm this winter. Approximately thirty-five representatives of different faiths, community action agencies, service center communities and the Maine Municipal Association met with the Governor and his top energy and housing officials at the State House.

“Despite the leadership and hard work of our Congressional Delegation, the Federal government has failed to provide additional funding to the Low Income Home Energy Assistance Program (LIHEAP),” said the Governor. “Due to the greatly increased cost of heating fuel and its threat to low income and elderly members of our communities, the need is critical to involve all our partners in the State.”

To assist those Mainers with the greatest need, the Governor asked the representatives at today’s meeting for their assistance in raising funds for the “Keep Maine Warm” Charitable Fuel Fund, with a goal of raising \$5 million in private contributions to provide additional assistance to those people at greatest risk. Private donations are tax-deductible if they pass through the “Keep Maine Warm” Charitable Fuel Fund. Governor Baldacci will be speaking with Legislative Leadership today to discuss a possible special session to address the State’s contribution to the fuel fund. The Governor said that getting assistance to the most vulnerable early in the season would provide a more effective benefit.

“We can no longer wait for the Federal government to step up and do its part. We must act, and quickly, to keep our neighbors warm and safe.”

Governor Baldacci has written to the President and the leaders of Congress for increased funding for LIHEAP and to release LIHEAP emergency funds early. Despite support from the Maine Congressional Delegation, those efforts to release additional funds have not been forthcoming.

The Governor has also launched the second year of Operation Keep Maine Warm in late September, and to date 2,000 homes of low income elderly persons and families with very young children have been winterized. By this coming weekend, all homes that signed up for the installation of weatherization materials are due to be completed.

Governor Announces Drop in Youth Smoking Rates

November 15, 2005

Contact: Joy Leach, 287-2531

Dora Anne Mills, MD, MPH, 287-3270

AUGUSTA – Flanked by school children and public health advocates, Governor John Baldacci announced today that Maine's youth smoking rates continue to decline. "In 1997 Maine had the tragic distinction of having one of the highest youth smoking rates in the nation," said Governor Baldacci. "In eight years Maine has completely turned those numbers around, with an overall drop in youth smoking of over 60%. As a result, thousands of our children will be spared the diseases and premature death associated with tobacco use."

The Governor congratulated Maine's youth, schools, and public health community for their tremendous efforts in reducing high school smoking rates by 59% and middle school rates by 64%. According to the 1997 Maine Youth Risk Behavioral Survey, administered by the Maine Department of Education, more than 39% of high school students smoked. In 2005 that rate dropped to 16%. Likewise, in 1997, 21% of middle school students smoked, and in 2005 that rate dropped to 7%.

"No one single strategy is responsible for this success. The comprehensive approach that is so effective in addressing tobacco is what we need to do to make Maine the healthiest state in the nation, which is the goal of Dirigo Health," noted Trish Riley, Director of the Governor's Office of Health Policy and Finance. "As a result of these tobacco-related successes, the future costs of health care will not be as much as they would have been. The youth of today whose lives are saved because of these efforts would have incurred over \$400 million in additional health care costs if they had been smokers."

"While the current success is youth smoking rates, the strategies responsible for this are focused on changing the entire culture we live in to one that is tobacco-free," explained Commissioner Jack Nicholas of the Maine Department of Health and Human Services. "These strategies involve implementing effective community and school prevention efforts, educating the public through media, creating smoke free public places, enforcing laws pertaining to tobacco sales to minors, and raising the price of tobacco."

Maine is the top state in the nation in terms of the proportion of its share of the National Tobacco Settlement spent on tobacco prevention and control, allocating just over one-quarter of these dollars annually on tobacco-related programs.

Public Health Director Dr. Dora Anne Mills noted, "These efforts are seeing other successes as well. Cigarette consumption has dropped about 30% in the last eight years, which means smokers are not smoking as much. Additionally, adult smoking rates are starting to decline – dropping from 27% of Maine adults smoking in 1990 to 21% in 2004."

"We still face a number of challenges. Tobacco industry spending on marketing their deadly product has increased over 100% since 1998, when they signed the National Tobacco Settlement," commented Dr. Mills. "Here in Maine, they are spending an estimated \$74 million annually on marketing, with a focus on recruiting new smokers. And, still about one-third of young adults in Maine smoke."

Governor Baldacci concluded, "Overall, Maine's public health community and our youth have seen great success that will save thousands of lives, and we need to continue to work together so we don't want lose this momentum."

For more information: www.mainepublichealth.gov or www.tobaccofreemaine.org

Maine Tobacco Helpline: 1-800-207-1230.

Governor Announces Progress for Maine's Natural Resource-Based Industry

November 17, 2005

Contact: Joy Leach, 287-2531

Jodi Harris, 287-5424

AUGUSTA – Governor John Baldacci recounted solid progress on actions to strengthen Maine’s natural resource-based industry that were recommended by more than 750 attendees at the Governor’s Natural Resource-based Industries summit in 2003. “Our efforts are intended to help one of our most important industries. More than 14% of Maine people make their living from our fields, forests, waters, and landscapes. About half of those are in the tourism sector. This industry is not only important for our livelihoods, but it is also an important part of our heritage, and we must do everything we can to support it,” the Governor said.

It has been two years since participants gathered at the Blaine House Conference on Maine’s Natural Resource-based Industry in Augusta on November 17, 2003 and made 75 recommendations to strengthen the five sectors that make Maine’s Natural Resource Industry: agriculture, aquaculture, fishing, forestry, and tourism/outdoor recreation. Following the Blaine House Conference, Governor John E. Baldacci appointed a permanent steering committee to track progress on meeting the conference goals.

The Steering Committee has reported that a number of significant milestones have been achieved. These include efforts to:

- α preserve the industry’s access to their land and water resources;
- α increase the consumption of local Maine foods;
- α preserve working waterfronts;
- α single out Maine’s “green” paper and forest products in marketplace; and
- α take advantage of the profitable, niche markets that nature tourism offers.

“The single greatest threat to Maine’s natural resource-based industry is the loss of access to land and water resources on which it relies,” said Dick Barringer, co-chair of the Steering Committee. “Addressing this issue is one of the committee’s priorities, and I am pleased to report that Maine has made progress on a number of fronts, including: getting a land bond proposal before the voters, developing a constitutional amendment for current use taxation for working waterfront properties, and protecting rural working lands from development,” he said.

In its annual report and scorecard provided to Governor Baldacci, the Steering Committee documented progress on 95% of the conference recommendations. "In our first year following the conference, we initiated a number of long-range efforts, which we are now seeing produce results," said Dick Davies, co-chair of the Governor's Steering Committee. "A number of efforts that we reported getting underway last year have generated recommendations that are now being implemented, such as the Local Agriculture Task Force, the Governor's Advisory Council on the Sustainability of the Forest Products Industry, and the Maine Nature Tourism Strategic Plan," he said.

The Governor also thanked the Steering Committee on Maine's Natural Resource Industry for their hard work over the past year. "Their actions help to maintain the momentum of the conference and assure that we accomplish our goal of maintaining a healthy, sustainable natural resource industry," he said.

The Steering Committee's 2nd annual report is intended to update Governor Baldacci on the significant accomplishments of 2005 and to give an account of progress on implementing the recommendations. The full report can be found on line at: <http://www.maine.gov/spo/natural/gov>.

Governor Directs Flags to Be Flown at Half-Staff in Presque Isle

November 22, 2005

CONTACT: Joy Leach, 287-2531

AUGUSTA – In remembrance and honor of B. Jean Harding, first woman elected to the Presque Isle City Council, Governor John E. Baldacci has directed that the United States flag and the State of Maine flag be flown at half-staff from sunrise to sunset, tomorrow, Wednesday, November 23, 2005 in the City of Presque Isle. Funeral services for Mrs. Harding will be held that day.

The Governor recalled Jean's steadfast advocacy for the people of Presque Isle and her outstanding record of public service. "Jean was there for every person in need, and she made a great and lasting impact on the community and the region."

Governor Directs Flags to Be Flown at Half-Staff in Knox County

November 22, 2005

CONTACT: Joy Leach 287-2531

AUGUSTA – In remembrance and honor of former State Representative and Maine Forest Service Director, Richard Simoneau, Governor John E. Baldacci has directed that the United States flag and the State of Maine flag be flown at half-staff throughout Knox County from sunrise to sunset, Wednesday, November 23, 2005, the day of Simoneau's interment. Simoneau represented a number of Knox County communities in the 116th and 117th Maine State Legislature.

Dirigo Health Agency Board of Directors Votes to Grow DirigoChoice

November 22, 2005

Contact: Joy Leach, 287-2531

Trish Riley, 624-7442

AUGUSTA - The Dirigo Health Agency Board of Directors today voted to assess the full \$43.7 million in savings from Dirigo Health initiatives to continue the landmark Dirigo Health program. The assessment will be made beginning in 2006 and represents 2.408% of paid claims.

Governor Baldacci said, "DirigoChoice is working. The program is covering Maine's uninsured and underinsured and has demonstrated savings. The Board's decision today enables DirigoChoice to help even more Maine people."

Dr. Robert McAfee, Chair of the Dirigo Health Agency Board of Directors, stated that, "Our job is to cover the uninsured. Dirigo has achieved recoverable savings, as identified by the Superintendent of Insurance, which must be reinvested to keep the important work of Dirigo alive. We are about making affordable coverage available to Mainers. This vote will allow us to do so."

With the vote the Dirigo Health Agency will be able to serve nearly 23,500 members in next year. The waiting list for individuals and Sole Proprietors will be lifted in January and these funds will allow these individuals to be covered by DirigoChoice.

In making this determination, the Board supported the DirigoChoice coordination with the MaineCare program. Rebecca Wyke, Commissioner of the Department of Administrative and Financial Services, a non-voting Dirigo member, noted that the decision to use \$7 million of the \$43.7 million to expand MaineCare through DirigoChoice was part of the original legislation and represented a "good buy" for Maine. She noted that for \$7 million the program can serve 10,000 parents with incomes between 150%-200% of the federal poverty level. Said Wyke, "The MaineCare expansion allows us to use federal dollars to extend the reach of DirigoChoice."

Members of the Dirigo Health Agency Board of Directors expressed grave concern about insurance companies' statements that they will increase premiums by the amount of the savings offset payment. The Board made clear its expectation that the assessment should come from the determined savings and should not be passed on to premium payers. The Board made clear that this will remain a continuing agenda item and unanimously agreed to create a working group of key stakeholders to explore the best strategies to assure that the savings offset payment costs are paid through recaptured savings and not increases to premiums.

The Dirigo Board voted 4-1 to assess the \$43.7 million.

Governor Unveils Plan to Assist Seniors and People with Disabilities Facing Medicare Part D Choices

November 29, 2005

Contact: Joy Leach, 287-2531

Jude Walsh, 624-7442

AUGUSTA – Governor John E. Baldacci, joined by citizens and advocates at Chateau Cushnoc, a low-income elderly housing and individual living facility, discussed the impact of the federal Medicare Part D prescription drug benefit on Maine seniors and those with disabilities. The Governor said that the State will be assisting those affected by the new federal program.

The Governor's remarks follow.

"Beginning January 1, 2006, the federal Medicare Program will offer insurance coverage to help beneficiaries pay for prescription drugs through Medicare Part D. For over 150,000 Mainers it will make affordable drug coverage accessible for the first time.

"But, for more than 85,000 low-income seniors and people with disabilities – those served by MaineCare and Drugs for the Elderly - this new program provides less drug coverage at higher costs to the state and to individuals. Furthermore, this group must decide by January 1 which of the more than forty private prescription drug plans would be best for them – or lose their drug coverage altogether.

"That is unacceptable. Maine has a longstanding commitment to provide access to medications for our low income seniors and disabled people.

"Under Medicare Part D the Federal Government has made our job – to ensure the safety and welfare of our more vulnerable seniors and disabled – more difficult. Let me just share with you one story of how this just isn't working.

"On November 15th my pharmacy affairs director, Jude Walsh, was assisting a couple with enrollment into a plan. She called the phone number listed in the Medicare and You Handbook for the plan they wanted to enroll with, this number was disconnected, she then called 1-800-MEDICARE and the lines were all busy and she was told to call back, she then went to the Medicare website and the system crashed twice. After an hour she still was not able to enroll this couple in a plan. This is the same kind of difficulty seniors all over our state are experiencing.

"The Maine plan we are announcing today is a front line defense for keeping these seniors and disabled citizens out of expensive acute care and nursing homes – helping them to remain living independently in their own homes.

"I have created a team to provide a safety net to help MaineCare and Drugs for the Elderly members navigate this new system, pick the plan that is best to meet their needs, and help them with the new out-of-pocket expenses they face.

"We have secured a grant from Maine Health Access Foundation to add significant resources to provide this outreach to Maine's low income and disabled elderly.

"We began on November 1st by reaching out to over 1,000 people per day – people who depend on the drugs they get now and who will now need to choose a plan under Medicare Part D. The phone number for people to call is 1-866-RX-MAINE.

"We are asking permission from the federal government to review the plans that our seniors and disabled are enrolled in to ensure that they are in the plans that best meets their needs. We will also provide assistance with copays, premiums, deductibles and gaps in coverage.

"Finally, I pledge to work with legislative leaders on both sides of the aisle to make sure we maintain our longstanding commitment to the most vulnerable in our society, our seniors and those with disabilities.

"Make no mistake about it, this new federal program is complex and confusing. The Federal Government has tied our hands. What little we can do, we are going to do. But this isn't about politics and blame. It's about making sure we protect Maine citizens, so that they can remain in their homes, and avoid costly emergency room visits and hospitalizations."

For information on finding the right Medicare Part D plan, please call 1-866-RX-MAINE.

Governor Directs Flags to Be Flown at Half-Staff in Leeds and Manchester

November 29, 2005

CONTACT: Joy Leach, 287-2531

AUGUSTA – In remembrance and honor of Arnold Leo “Al” Biondi, Governor John E. Baldacci has directed that the United States flag and the State of Maine flag be flown at half-staff from sunrise to sunset, tomorrow, Wednesday, November 30, 2005 in the towns of Leeds and Manchester. Funeral services for Mr. Biondi will be held on Wednesday.

Al resided in Leeds, and had served as head pro at the Augusta Country Club in Manchester from 1957 to 1999.

The Governor recalled Al Biondi's significant achievements, not only in developing the sport of golf in Maine, but in his dedication to his community. “Al shared his talents, time and efforts with others – especially youth - and contributed to many causes,” said the Governor.

Governor Directs Flags to Be Flown at Half-Staff in Fayette

November 30, 2005

CONTACT: Joy Leach, 287-2531

AUGUSTA – In remembrance and honor of Marlee Johnston, Governor John E. Baldacci has directed that the United States flag and the State of Maine flag be flown at half-staff from sunrise to sunset, tomorrow, Thursday, December 1, 2005 in the town of Fayette. The Governor will be attending the celebration of Marlee's life, which will be held at 3 pm at Kents Hill School.

"Marlee touched so many people in her community and her loss is greatly felt by all," said the Governor.

Governor Applauds Superintendent's Decision on Dirigo

November 30, 2005

Contact: Joy Leach, 287-2531

Trish Riley, 624-7442

AUGUSTA – Governor John E. Baldacci today lauded the decision by the Superintendent of Insurance to deny the request by the Maine Association of Health Plans that would have prohibited the assessment of the savings offset payment pending by the Dirigo Health Agency. In making his ruling, the Superintendent held that the Association failed to meet all three legal criteria required to stop the assessment.

The Governor applauded the ruling, "I appreciate that the Superintendent has completed this thorough review and re-affirmed that Dirigo Health works and is succeeding in controlling health care costs. We have measurable tangible improvements, but recognize that as with any start up, Dirigo is a work in progress. We are willing to build upon Dirigo, learn from our experiences and improve it, but we must not lose this opportunity to improve health care for all Maine people. It's unfortunate that resources are being spent to stop Dirigo Health, which is working and meeting the goals of reducing costs and increasing health coverage, rather than helping it succeed."

Governor Addresses Key Transportation Issues

December 1, 2005

Contact: Joy Leach, 287-2531

AUGUSTA – Governor John E. Baldacci today addressed the 55th Annual Transportation Conference at the Augusta Civic Center. Following a review of recent successful transportation projects and initiatives, the Governor announced that he is forming a bipartisan working group to identify alternatives to the deferral of crucial transportation projects.

A portion of the Governor's remarks follow.

"The deferral of \$130 million in highway projects in nearly 100 communities will have a significant impact on public safety and Maine's economy. These impacts are unacceptable. We will act to explore every option at our disposal to address critical transportation and economic needs. All of the options that we pursue will be fully bipartisan, and fully supported by municipalities and economic interests.

"I called Commissioner Cole and we agreed we must exhaust all options to restore these projects. I have also reached out to Senator Dennis Damon – the Chair of the Transportation Committee – and discussed with him how to move forward.

"Today, I am announcing the formation of a working group between my office and the Transportation Committee to develop bipartisan solutions. I'd like to thank Senator Savage, Representative Terry McKenney, and Representative Boyd Marley for agreeing to join us. Commissioner Cole will extend a broad invitation to others to join us as well – quickly, and working through the holidays.

"John Melrose and Maria Fuentes and the Maine Municipal Association have agreed to join us and ask the tough questions, challenge assumptions, and develop innovative yet bipartisan funding alternatives. State Economist Kate Reilly has offered her independent assessment on the economic impact of project delays – and the economic benefits of bipartisan action.

"Senator Damon agrees that we must roll up our sleeves, crunch numbers, and work on alternatives including new financing tools. Yankee ingenuity and frugal engineering will be necessary, but by themselves will not be enough to fill the gap.

"This group will report back to me and the full Transportation Committee in January. Thank you for your hard work and support."

Governor Details Coordination for Increasing Heating Fuel Assistance

December 1, 2005

Contact: Joy Leach, 287-2531

Beth Nagusky, 287-4315

AUGUSTA – Governor John E. Baldacci today joined Congressmen Tom Allen and Michael Michaud, senior staff from the offices of Senators Olympia Snowe and Susan Collins, and State Legislative Council members to discuss Maine's Low Income Home Energy Assistance Program funding issues.

The Governor's remarks, a primer on State actions thus far, and the text of a letter being sent to Northeast governors follows.

"When we were last together it was during the BRAC process. Working together, we successfully fought the closure of two of those three facilities, and are seeing work at Kittery and Limestone expanding.

"From the ground up, with the help of state leaders such as President Edmonds and Speaker Richardson, communities were mobilized. Our Congressmen and Senators were relentless in their efforts. We worked together because Maine people come first – before politics.

"Today we come together to ensure that Maine people are safe, secure and warm this winter. This will be the first order of business in the legislative session in January.

"While we agree that heating oil assistance and protecting our people is our first priority, we have to continue this effort and formalize our focus – much like we did with BRAC. We should look at a ninety day plan to get things done here in Maine in and Washington, D.C., putting our people first.

"The Administration in Washington does not operate as a willing partner, and many oil companies are experiencing record profits. Therefore, we need to force this issue and make our priority the White House's priority, too.

"This is true for Maine, New England and the Northeast.

"Let's lead again and prove that our collective action will overcome inaction from the White House.

"I have been involved in public service since I was 23 years old. I served in the State Legislature and as a Congressman in Washington. I wanted to come home to Maine and be Governor so that I could use this experience to help people.

"I look around this room and see people of similar experience and a common mission. We have a great opportunity to make Maine a better place but we have to do it ourselves.

"The Maine team is a strong one and I am proud to be Governor and to be working with you all."

PRIMER ON STATE ACTIONS REGARDING HEATING FUEL ASSISTANCE

Ongoing Strategies to Mitigate High Heating Fuel Prices/ Flat Funding of LIHEAP

Maine faces a major challenge this winter as we strive to keep all our citizens safe and warm. The LIHEAP program has been flat-funded at the same time we are experiencing substantial increases in the cost of heating fuels. The big "wild card" this year is the looming risk of a shortage of fuel for the natural gas/power generation sector and its impact on fuel oil supplies if the Northeast's "duel fuel" generators have to switch to burning #2 oil. If this occurs, heating oil prices, already high, could rise 25% or more from current levels. We could be in for a very bad winter if we experience extended cold snaps and energy shortages.

In response to higher prices, and with no guarantee of increased federal funding for the low income heating assistance program, the Baldacci Administration has taken several actions to ensure that all Maine people stay safe and warm, including:

State \$5 Million Appropriation. The Governor has secured a commitment from all ten leaders of the Maine Legislature, Republican and Democrat alike, to take up the Governor's proposal to appropriate \$5 million to supplement LIHEAP. Leadership has committed to supporting this request and working for emergency enactment.

Keep ME Warm Fuel Fund. The Governor launched a charitable fuel fund that is being administered by a 501(c)(3) arm of the Community Action Agencies. The goal is to raise \$5 million in individual, corporate and foundation donations, with funds being used to supplement LIHEAP and to provide emergency fuel assistance to households ineligible for LIHEAP. The fund is being promoted through PSA's, utility bill inserts, and other means.

Operation Keep ME Warm 2005. For the second year, teams of volunteers winterized homes of Maine's low income seniors, disabled, and families with young children. This year, the 2500 homes that were treated will save between \$100 and \$250 on energy bills this year alone.

Maine State Housing Authority Rules regarding Discounts/Capped Prices. MSHA has adopted rules whereby oil dealers who voluntarily elect to offer their LIHEAP customers either a capped price or a discounted price will receive early payments. About 1/3 of the oil dealers who serve LIHEAP customers are participating in this program. MSHA also changed their rules to allow more applicants for LIHEAP to be certified as eligible by phone.

Coordination with Municipal, Religious, County, and Non-Profits. The Governor and Administration officials have held many meetings with municipal officials, religious leaders, low income and elderly advocates, and community agencies to coordinate efforts to ensure all Maine people are safe and warm this winter, including making sure that neighbors watch out for their neighbors.

Negotiations with Venezuela/CITGO. Maine will be discussing a purchase of discounted heating oil for low income Maine families with officials from Venezuela.

Coordinated, New England-wide Natural Gas and Fuel Oil Conservation. To get the region through a predicted fuel shortage this winter, the Governor proposed to the other five New England Governors a coordinated, region-wide effort to reduce the demand for natural gas and heating oil. PUC chair Kurt Adams has worked with representatives of the other New England Governors to craft a series of measures to reduce demand for these fuels this winter and for the next five years. The Governor and Chairman Adams will announce a major conservation initiative in the near future.

Campaign for Increased Funding of LIHEAP. The Governor, as Chairman of the Coalition of Northeast Governors, has sent letters to the Governors of the other Northeast states calling on them to personally contact Members of Congress from outside the region and urge their support for increased funding for LIHEAP.

Energy conservation and safety tips on the state web site. The BundleMeUp web site has been updated with information on how people can reduce their energy consumption in their homes, and safety information has been provided on heating with wood, and avoiding hypothermia.

Maine Emergency Management Agency planning for winter energy emergencies. MEMA is developing contingency plans to provide shelters in all regions of the state in the event that energy shortages or severe price spikes make it too expensive or unhealthful for people to remain in their homes for any period of time.

LETTER FROM GOVERNOR BALDACCIO TO NORTHEAST GOVERNORS

December 1, 2005

Dear Governor:

The states in the Northeast face a major challenge this winter as we strive to keep all our citizens safe and warm. Heating fuel prices are at record high levels. We have a high percentage of seniors living on low and fixed incomes, and a large working poor population. Our housing stock is some of the oldest (and draftiest) in the nation, and our winters are long and cold.

Together we have reached out to Congress and the White House to request an increase in funding for the Low Income Home Energy Assistance Program (LIHEAP) to offset the effects of record high prices for heating oil and natural gas, but, despite the vigorous efforts by many members of our Congressional delegations, our efforts have been turned down.

We must do more. The elderly, the disabled and the working poor who are our neighbors face the frightening prospect of entering winter with too little heating fuel and unable to secure what they need to be safe and warm. They need our concerted efforts to assure that no one will freeze this winter.

As chair of the Coalition of Northeast Governors, I ask that you join me in making personal calls to members of Congress who have voted against increased funding for LIHEAP to ask that they reconsider their opposition, and join with their colleagues from the Northeast to provide sufficient additional funding for the LIHEAP program so that our neighbors in need can be warm and secure this winter.

Members of your Congressional delegation should be able to identify those of their colleagues who may be the best prospects for persuasion.

Autumn will soon be replaced by much colder weather. The time for action is now!

With warm regards,

John E. Baldacci

Governor of Maine

Governor Names Maine Nature Tourism Initiative Task Force

December 2, 2005

Contact: Joy Leach, 287-2531

AUGUSTA – Governor John E. Baldacci today named the members of the Governor's Task Force on Maine Nature Tourism Initiatives. The task force will focus on implementing recommendations made by Fermata, a nationally known nature-based tourism consulting firm, to develop and expand nature-based tourism opportunities in Maine's rural communities. The Governor announced this initiative this spring, focused on rural Maine, where there is a wealth of natural resources, but a lack of basic tourism infrastructure to connect visitors to these recreational opportunities.

"Natural resources and tourism are vibrant elements of our State and our economy and are priorities of my Administration," said Governor Baldacci. "The task force members, representing a wide variety of stakeholders and the three regions Fermata studied during their year long evaluation, will focus on making the critical connections between our resources, tourism, and economic development – to maximize our resources and by doing so, to propel Maine as the premier tourism destination."

The members of the Task Force are:

Co-chairs:

Jonathan Daniels, Eastern Maine Development Corp, Bangor

Dick Davies, Governor's Office, Augusta

Tourism Industry Representatives:

Bob Smith, Sebago Estates, Sebago

Suzie Hockmeyer, Northern Outdoors, The Forks

Native American Representatives (invited):

Passamaquoddy Tribe

Penobscot Indian Nation

Downeast Region:

Dianne Tilton, Sunrise County Economic Council, Machias

Harold Clossey, Washington Hancock CAP, Calais

The Highlands Region:

Donna Fichtner, Bangor CVB, Bangor

Matt Polstein, New England Outdoors, Millinocket

Western Mountains Region:

Christine Krauss, Crafts Organization, Farmington

Dina Jackson, Androscoggin Valley COG, Auburn

At-Large:

Sean Gorman, L.L. Bean, Freeport

Rep. Bob Duchesne, State Representative & Consultant, Old Town

Joseph Cloutier, Realty Resources, Rockport

Agency Representatives:

Jeff Sosnaud, Department of Economic and Community Development

Dann Lewis, Maine Office of Tourism

Karin Tilberg, Department of Conservation

Marc Michaud, Inland Fisheries & Wildlife

Kathy Fuller, Maine Department of Transportation

Tim Glidden, Land for Maine's Future

Governor Unveils "Save a Watt. The 10% Challenge"

December 5, 2005

Contact: Joy Leach, 287-2531

Denis Bergeron, 287-1366

Governor Unveils "Save a Watt. The 10% Challenge"

50 Mainers to Receive \$1000 Towards ENERGY STAR Appliances

AUGUSTA – Governor John E. Baldacci announced today "Save a Watt. The 10% Challenge," a program that asks Mainers to help save electricity this winter.

The goal of The 10% Challenge is to help ease regional energy supply and reliability concerns by reducing electric usage by 10%, which will also yield direct benefits by lowering monthly utility bills, and greenhouse gas emissions.

If every Maine residential and small commercial customer in the Central Maine Power and Bangor Hydro-Electric service territories achieves the 10% reduction, we will save \$18 million and prevent the release of 83 tons of carbon dioxide into the atmosphere.

Efficiency Maine, a program administered by the Maine Public Utilities Commission, and Constellation, an electricity standard offer supplier, have partnered to create the Challenge and encourage Mainers to participate.

"The Save a Watt 10% Challenge is one of several steps Maine citizens can take to control the cost of energy this season and to help ease regional energy supply concerns," remarked Governor Baldacci.

And, if you use at least 10% less electricity this winter as compared to last winter, you may win a \$1,000 rebate toward the purchase of an ENERGY STAR appliance.

All Central Maine Power Company and Bangor Hydro-Electric Company residential and small commercial customers are eligible for a rebate. Customers who reduce electricity usage by 10% or more in their January, February, or March utility bill as compared to the same month last year are automatically placed in a random drawing for a \$1,000 rebate toward ENERGY STAR appliances. Beginning in early January, winners will be drawn weekly through the end of March. During these months, 50 Maine customers will win rebates.

Efficiency Maine is providing 10 Tips to 10% to help Maine residents meet the challenge. These are posted on the Efficiency Maine Web site and are available by calling the phone center.

10 Tips to 10%

Use ENERGY STAR Compact Fluorescent Lights (CFLs) and appliances in your home

Turn off items like TVs, computers and printers when not in use and lights when you leave the room

Turn electric water heater temperature down to 120°

Run dishwasher with full loads and remember newer units don't require pre-rinsing

When washing laundry, run full loads and rinse in cold water

When drying laundry, run full loads, always clean the lint filter and air dry when ever possible

Keep refrigerator coils clean and make sure the seal on the door fits tightly

Unplug seldom or lightly used refrigerators and freezers

When practical, cook on stove-top burners instead of in the oven, but if using the oven, do not preheat

Unplug power chargers when not in use

For Save a Watt 10% Challenge information:

Web site: www.energysave.org

Phone: 1-866-376-2463

Governor Expands Effort to Assist Seniors and People with Disabilities Facing Medicare Part D Choices

December 6, 2005

Contact: Joy Leach, 287-2531

Jude Walsh, 624-7442

AUGUSTA – In response to a high volume of calls to the State help line for seniors and people with disabilities, Governor John E. Baldacci today outlined expanded assistance for those concerned about their prescription drug coverage under the new federal Medicare Part D program. “It’s clear from the overwhelming reaction from thousands of Maine people that the federal program is confusing, and that people are concerned about their coverage choices,” said Governor Baldacci. “The State is working to ensure the safety and welfare of our more vulnerable seniors and disabled.”

Letters to people who currently receive dual coverage – coverage by both Medicare AND MaineCare – as well as people who are enrolled in the Drugs for the Elderly program have been sent from the Department of Health and Human Services. The letters notified people that the State would be automatically enrolling them in a Medicare Part D plan UNLESS they opted out of auto-enrollment by notifying the State by this Friday. They were instructed to mail back a form to the Department stating that they chose to opt out.

The State established a help-line – 1-866-RX-MAINE – to receive inquiries and requests to opt-out of auto-enrollment. On Monday, the help-line received 21,000 calls.

To handle the intense call volume and ensure people get the information they need, the hours of the help-line have been increased from 7:30 a.m. to 7:30 p.m. weekdays, and 8:00 a.m. to 5:00 p.m. on Saturday. Additional staff have been brought on to answer and return calls. Additionally, the deadline for choosing to opt-out of auto-enrollment is extended from Friday, December 9th, to Wednesday, December 14th.

Only those choosing not to participate in auto-enrollment need to call the help-line.

Everyone else will be notified of the plan chosen for them by the State. If people want the State to help them with their costs as we have been doing, they do not need to call. The State has been handling the prescription drugs needs of Maine seniors and the disabled enrolled in MaineCare and Drugs for the Elderly and is working to ensure that the Part D plan they enroll in best meets those needs.

The Governor reminded citizens of the additional help the State has pledged for those impacted by the Medicare Part D program. “Along with choosing the Part D plan that best meets an individual’s drug needs, we will assist Mainers served by MaineCare and Drugs for the Elderly with Part D’s premiums, deductibles and co-pays.”

Governor's Trade Mission to France Expanded Economy Overseas

December 6, 2005

Contact: Joy Leach, 287-2531

Elaine Scott, 624-7485

Governor's Trade Mission to France Expanded Economy Overseas

Local businesses cultivated relationships in France

AUGUSTA – Governor John Baldacci today welcomed to the Blaine House the business participants of the Governor's Trade Mission to France. The trade mission, conducted in October, enabled many new Maine companies to gain access to French markets.

The export of Maine products to France is expected to increase this year, as participating companies estimate more than \$5 million in first year sales as a result of a recent trade mission. Governor John Baldacci lauded the success of the trade mission and said Maine businesses are ready to compete on a global level.

"The value of Maine's products and businesses in the international market is evident in the increase of exports and in the reception we received from the French community," said Governor Baldacci. "We will continue to strengthen our relationship with France through the growing number of Maine businesses participating in the global economy."

In the last four years, gubernatorial trade missions yielded more than \$17 million in projected international sales for Maine businesses. Last year, Maine exports to France totaled \$18.5 million in 2004, an increase of 57 percent from 2003. France is the U.S.'s 10th largest export partner, with exports to France reaching \$21.2 billion in 2004.

The Maine International Trade Center (MITC) organized the seven-day trade mission. More than 30 participants from 18 industries met with French officials and business representatives during 62 scheduled one-on-one meetings. MITC, the U.S. Department of Commerce's Foreign Commercial Service, the American Association of the Forum Francophone des Affaires and Foodexport USA scheduled the meetings. Governor Baldacci served as a liaison between Maine companies and their French counterparts to promote international trade and investment. Department of Economic and Community Development Commissioner Jack Cashman also attended the trade mission to strengthen trade relations between Maine and France.

Evan Spoerl participated in the trade mission for the second consecutive year on behalf of his company, WahlcoMetroflex, a Lewiston-based manufacturer of engineered products used in gas flow control and isolation. He said the meetings he had with potential sales representatives and clients were beneficial, and estimated the potential revenue from the visit to be up to \$275,000.

"The combination of MITC and the U.S. Commerce and their resources are very effective," said Spoerl, national sales manager for WahlcoMetroflex. "It was much more successful to meet with French representatives through the trade mission, rather than trying to do everything yourself from your office, or going to France on your own and trying to schedule appointments."

MITC reported that this year's trade mission was one of the most successful to date. The delegation included representatives from Maine's boat building, wood products, metal products, food, and tourism industries.

"These trade missions are crucial to establishing and maintaining global business relationships on a personal level," Governor Baldacci said. "They provide opportunities for Maine businesses to interface with overseas businesses and they encourage industries to think and expand beyond national borders."

The trade mission also focused on promoting Maine's boat building industry. Bruce Schwab, the first American to finish the Vendée Globe around-the-world sailing race, accompanied Governor Baldacci on the trade mission and met with French representatives on behalf of Maine boat builders. Tim Hodgdon, president of Hodgdon Yachts in East Boothbay, participated in meetings with yacht brokers, designers and engineers, and the Department of Economic and Community Development provided a Maine Built Boats booth for receptions and public viewing.

"It was great to see the enthusiasm the French community had for what Maine is doing in the business and government sectors," said Schwab. "It was a great mix of people and businesses and the interest on both sides was evident."

Small businesses and organizations attending the trade mission received scholarship assistance from both the Forum Francophone des Affaires and the Maine Manufacturing Extension Program.

Formed in 1996 as a public/private partnership, MITC provides technical assistance and trade counseling, import and export leads, international credit reports, workshops, coordinated trade missions and trade shows, and many other useful services to help Maine companies seeking to succeed in international markets. MITC is partly funded by private businesses and organizations. For more information, visit www.mitc.com.

Governor Recognizes Long Career of Jack Nicholas

December 7, 2005

Contact: Joy Leach, 287-2531

Lynn Kippax, 287-5012

AUGUSTA – Governor John Baldacci accepted the resignation of Department of Health and Human Services Commissioner Jack Nicholas today and thanked him for his stellar service. Jack joined the administration in November 2003 as Deputy Commissioner of Finance and was named Commissioner in February 2004.

Said Governor Baldacci, "Jack joined my administration at a crucial time and his leadership was essential in making the merger of DHS/BDS a successful process. Jack's extraordinary career of public service, personal credibility and ability to listen built the foundation for a successful merger. During this time Jack redesigned new internal fiscal controls while promoting compassion and responsiveness at the department.

"My goal has been to create a human service system that is cost effective, high quality and responsive to the needs of consumers. While improvements have been made there is more to accomplish. Brenda Harvey will serve as the acting commissioner and the team in place will continue to build on progress. Deputy Commissioner Mike Hall will continue to focus on the all important task reforming the MaineCare payment system.

"I have asked my Senior Policy Advisor Patrick Ende, Commissioner Laura Fortman and Sara Gagne Holmes of the Governor's Office of Health Policy and Finance to meet with stakeholders to make recommendations on the next Commissioner."

Governor Lauds Maine's Improving Health Ranking

December 13, 2005

Contact: Crystal Canney, 287-2531

Trish Riley, 624-7442

AUGUSTA – Governor John Baldacci called Maine's improving ranking among states a sign that his health care plan is working for Maine people. A report by the United Health Foundation, the American Public Health Association, and the Partnership for Prevention concludes that Maine's ranking has improved two points over the past year. In 2004 Maine ranked as the 10th healthiest state; in 2005 that rank has improved to #8.

"This is great news for Maine and reaffirms the importance of the Dirigo Health Reform. The comprehensive plan to provide affordable health insurance and increase the quality and access of health care is moving Maine closer to becoming the healthiest state. This is the goal our Dirigo State Health Plan," said Governor John Baldacci.

In citing Maine as the 8th healthiest state, the United Health Foundation notes that Maine has a low rate of uninsured people, ready access to adequate pre-natal care, a low violent crime rate and low infant mortality rate. It cites as challenges the high rate of cancer deaths and the lack of activity by people in Maine. Decreasing rates of tobacco use and a lower percentage of children in poverty are successes noted in the report.

"These findings drive home the importance of our work to make Maine the healthiest state and show that, when we work together, we can have great successes as we have in reducing tobacco use. Maine's commitment to expanding the MaineCare program and to DirigoChoice has also resulted in a low rate of uninsured in our State," said Trish Riley, Director of the Governor's Office of Health Policy and Finance. Riley pointed out that the findings in the rankings are consistent with the work her office has completed in developing the publication, State of Maine's Health -- A Regional Comparison, August 2005, and in developing this year's draft State Health Plan.

"The United Health Foundation report makes clear, as have the people of Maine during our 'Listening Tour' to establish the State Health Plan, that we have significant issues with chronic illness in our State," said Riley. "The State Health Plan lays out a roadmap to address those issues that we hope will achieve even higher rankings in the year ahead."

The Governor said, "Successes in making Maine a healthier state require a concerted effort over long periods of time. In the late 1970s, Maine had one of the highest rates of infant mortality in the country - the report shows that we now have one of the lowest rates. To achieve such goals requires everyone working together -- payers, providers, consumers, families and individuals. We look forward to continuing our work to make Maine the healthiest state and to achieve even greater successes in the years ahead."

Governor Touts Trade Mission to Cuba

December 13, 2005

Contact: Crystal Canney – Press Secretary, 287-2531

Dan Cashman – Asst. Press Secretary, 287-2531

PORTLAND – Governor John Baldacci returned from a trade mission in Cuba this morning with good news for Maine people.

“This trip exceeded our expectations and is good news for Maine farmers,” said Baldacci at a press conference at the Portland Jetport. “This is a global economy and Maine businesses are doing well in it.”

The goal from the trade mission was to generate ten million dollars in Maine business from Cuba. The result was double that.

Maine is one of 37 states that is doing trade with Cuba. Overall, 1.5 billion dollars have been exported to Cuba from the United States.

Governor Baldacci made the trip with several Maine businesses. The remainder of the delegation is expected to return on Saturday.

The agreements are in the process of being finalized.

More details will be forthcoming.

Governor Confirms Fallen Soldier with Maine Ties

December 16, 2005

Contact: Crystal Canney, 287-2531

Joy Leach, 287-2531

AUGUSTA – Governor John E. Baldacci today noted the loss of Specialist Joseph Alan Lucas, a Maine native. Specialist Lucas, 23, of A Troop, 5-7 Armor Squadron 3rd Infantry Division, died yesterday of injuries suffered in an IED attack in Balad, Iraq. Specialist Lucas' family has been notified of his death.

"All of Maine joins with Joseph's family in their grief," said Governor Baldacci. "I offer my respect and gratitude to all who have loved ones serving overseas."

No other information is available at this time.

Governor Leads on Regional Greenhouse Gas Initiative

December 20, 2005

Contact:

Crystal Canney, 287-2531

David Littell, 287-2812

AUGUSTA - Governor John Baldacci today announced Maine's partnership in an important multi-state agreement to reduce regional greenhouse gas emissions. The Regional Greenhouse Gas Initiative (RGGI) to be signed by seven northeast states will create the first mandatory cap-and-trade system for carbon dioxide emissions in U.S. history, utilizing credits or allowances to limit the total amount of emissions.

"This agreement protects the health and welfare of our citizens," said Governor Baldacci. "Nothing is more important than protecting the air our children breathe and the water our children drink. Maine is leading by example to protect our energy and environmental resources, and RGGI is another crucial step."

Maine is the first state to measure and track greenhouse gas emissions from state energy use. Under Governor Baldacci's plan, Maine has reduced state government's emissions eight percent in two years:

- o Increasing the state's renewable power purchase;
- o Improving fleet fuel economy and reducing vehicle-miles-traveled by state employees;
- o Reducing energy usage in state buildings through efficiency investments; and
- o Using biodiesel to heat state office buildings cooperative effort to protect the health and well-being of us all from the dangerous effects of climate change.

Under the RGGI agreement, emissions of carbon dioxide from power plants in the region would be capped at current levels starting in 2009, with states then reducing emissions incrementally over a four-year period to achieve a 10 percent reduction by 2019. Any price impacts of this program are expected to be minimal. It also is anticipated that RGGI will generate significant new investments in innovative and cleaner technologies and energy efficiency, which could lower electricity rates.

The participating states - Maine, New York, New Jersey, Connecticut, Delaware, New Hampshire and Vermont - plan to issue a draft model regulation for public review and comment in early 2006. Each individual state will then proceed with the required legislative or regulatory approvals to adopt the program. In Maine, the Department of Environmental Protection will convene a stakeholder group to develop a draft rule.

Governor Recognizes Launch of Private Energy Initiative

December 21, 2005

Contact: Crystal Canney, 287-2531

Beth Nagusky, 287-4315

AUGUSTA - Governor John Baldacci today extended his sincere thanks to the Eastern Maine Funders, a collaboration of private foundations and funders convened by the Maine Philanthropy Center, for giving \$500,000 to launch the Eastern Maine Funders Energy Initiative. Among the goals of the initiative, \$250,000 of the funds is directed to the Keep Maine Warm Fuel Fund, a charitable fund launched by the Governor to supplement the Low Income Home Energy Assistance Program (LIHEAP).

"The need this year is enormous," said the Governor. "Every day we get calls from Maine people who are out, or nearly out, of both fuel and money. Washington has failed to appropriate the funds we need to keep pace with rising energy prices. The federal funds we have received to date do not even provide one full tank of heating oil. That is why Maine is taking up a \$5 million state appropriation as the first order of business in January, and why we are talking to CITGO about a donation of discounted heating oil from that company and the people of Venezuela."

The donation from Eastern Maine Funders will be used to address not only the short term, immediate need for additional funds to help tens of thousands of Maine people put oil in their tanks, but also to address the critical longer term need to reduce our demand for heating fuels through increased weatherization of homes, furnace maintenance, and wise purchasing. The half million donation will be spent in the five counties of eastern Maine.

The fund includes gifts from the Maine Community Foundation, United Way of Eastern Maine, Bangor Savings Bank Foundation, JTG Foundation, the Betterment Fund, the C.F. Adams Charitable Trust, Common Good Ventures and an anonymous donor.

Governor Announces Homeless Funding

December 22, 2005

Contact: Crystal Canney, 287-2531

Dan Simpson, 626-4600

State will receive nearly \$9 million in federal funding

AUGUSTA – Governor John E. Baldacci announced today that the federal Department of Housing and Urban Development (HUD) has awarded Maine nearly \$9 million to provide housing opportunities to homeless people in the state.

HUD awarded Maine a total of \$8,892,826 in homeless funding, including more than \$5.2 million through the Maine State Housing Authority, over \$2.5 million to the Portland Continuum of Care, and over \$1 million to the Bangor/Penobscot County Continuum of Care.

"The shelter, housing and supportive services programs that will be receiving these funds have been making a real difference across Maine communities," said Governor Baldacci. "The additional funds will enable the State to continue addressing critical homeless issues, and further my Administration's efforts to end homelessness in Maine."

"During a time when Maine is struggling to provide housing and heating assistance to its low-income people, HUD's announcement is great news for Maine's homeless people," said MSHA Director Dale McCormick. MSHA coordinated Maine's application for the HUD funding.

"Most of the new money will help create long term housing opportunities for individuals and families who are homeless," McCormick said. "This long term housing, and in some cases services as well, is a critical component to our goal of reducing homelessness."

MSHA's funding includes \$768,827 in Emergency Shelter Grants (ESG) funds that MSHA distributes to Maine's emergency shelters. ESG funds help pay operating expenses at the emergency shelters.

MSHA's remaining HUD Continuum of Care grants fall into two broad categories.

Supportive housing programs provide services and operating funds for transitional or permanent housing for homeless people, including money for new housing developments. MSHA will distribute about \$1.4 million to 10 non-profit organizations to provide the supportive housing.

The Shelter Plus Care grants, which amount to over \$3 million, go to Maine's Department of Health and Human Services and are used to pay for housing and services for mental health consumers who have been homeless. These grants fund rental assistance in privately owned apartments.

MSHA's application will finance 23 new units of Shelter Plus Care housing, 18 new transitional or permanent units under the Continuum of Care, and operating funds for a new veterans housing development in Waterville. The rest of the money is for renewals of existing housing.

In addition to the money coming through MSHA, the Portland Continuum of Care will receive \$2,502,206 and the city will receive \$94,419 in ESG funding. The Bangor Continuum of Care will receive \$1,069,377. Both Continuums will be getting new units as well as renewals.

McCormick noted the HUD grants leverage significant other funding – over \$5 million – for housing Maine's homeless people through a variety of other sources. This includes MSHA matching funds for new "bricks and mortar" construction.

HUD awards homeless funding to only some of the agencies that apply, due to the competitive application process.

Governor's Statement on the Department of Environmental Protection

December 22, 2005

Contact: Crystal Canney, 287-2531

Joy Leach, 287-2531

AUGUSTA – Governor John E. Baldacci issued the following statement today.

“Over the last several weeks, my office has worked closely with Maine Department of Environmental Protection (DEP) officials including Commissioner Dawn Gallagher to determine the validity of concerns resulting in the department's actions as it pertained to International Paper (IP) and the Androscoggin River.

“Commissioner Gallagher, who has been a strong leader at DEP for three years, agrees with me that recent departmental decisions could have been handled differently. These recent departmental decisions created adverse public reaction. This does not reflect my Administration's priority to always work for Maine people in the most accessible, consistent and open way possible. With that in mind, I felt it necessary to reopen the IP/river process and ask Deputy Commissioner David Littell to lead this revamped process. As Governor, I do not want any question of state government process to detract from the results or other important work still to be done in protecting the environment.

“While Commissioner Gallagher has played a prominent role in my Administration the last three years making significant improvements in how DEP assists Maine communities, I believe these recent issues make a change timely. For that reason, I am accepting Dawn's resignation as Commissioner, and I look forward to further using her expertise in another suitable position within the Administration.

“Dawn Gallagher has been a valuable public servant for the State of Maine for the past twenty years and it's my intention to further utilize her skills and experience in another position within the Administration. Current Deputy, David Littell, will be the acting Commissioner.”

Governor Directs Flags to Be Flown at Half-Staff

December 23, 2005

Contact: Crystal Canney, 287-2531

Joy Leach, 287-2531

AUGUSTA – In remembrance and honor of Army Specialist Joseph Alan Lucas, whose funeral will be held this Tuesday, Governor John E. Baldacci has directed that the United States flag and the State of Maine flag be flown at half staff from sunrise to sunset Tuesday, December 27, 2005. Specialist Lucas, who grew up in Maine, died from injuries suffered in an IED attack in Iraq on December 15, 2005.

Governor Announces Additional Steps to Help Mainers Transition to Medicare Part D

December 27, 2005

Crystal Canney, 287-2531

Jude Walsh, 624-7442

AUGUSTA – As Maine citizens continue to experience difficulties enrolling in the Federal Government's new Medicare Part D prescription drug program, Governor John Baldacci has taken additional steps to ensure Maine people are protected and continue to have drug coverage. In addition to extending help desk hours, the Governor has won approval to evaluate the plans the Federal Government has been randomly assigning to impacted seniors and the disabled, and to re-enroll citizens in plans that better meet their needs.

"Maine is the only state in the nation taking this proactive step to protect our seniors and disabled, and the State's evaluations and reassignments are improving their coverage," said Governor Baldacci.

"Under the federal random enrollment process 10,000 -- or one in four -- of Maine seniors only had 60% or less of their drugs covered. Under Maine's intelligent reassignment we increased that percentage so that between 97% –100% of their drugs will be covered."

Maine is the only state in the nation that has analyzed the coverage in plans assigned by the Federal government against the coverage currently provided under MaineCare for every single member who must leave MaineCare on January 1 for a new Medicare plan. Effective January 1, 45,000 low income seniors and disabled can no longer receive prescription drug coverage from the State's MaineCare program but must enroll in the Federal Medicare Part D program.

Another 22,000 beneficiaries of our State Drugs for the Elderly and Disabled (DEL) program are receiving help signing up for Medicare Part D. The Governor's Office of Health Policy and Finance and the Department of Health and Human Services will soon notify MaineCare and DEL recipients about plans that have more of the drugs they are using so they can elect to switch if they choose.

The Governor noted that these actions are necessary to protect our seniors and disabled. "Maine has a longstanding commitment to provide access to medications for our low income seniors and disabled people," said Governor Baldacci. "Under Medicare Part D the Federal Government has made our job to ensure the safety and welfare of our more vulnerable seniors and disabled more difficult. We will do our very best to help our citizens get the best coverage possible within the limits of this new Federal program."

Due to the continued confusion over the transition to the Federal Medicare Part D benefit, the Pharmacy Help Desk will be expanding its hours of operation to include phone coverage from 8:00 am to 5:00 pm on Sunday January 1, 2006 and 8:00 am to 7:30 pm on Monday January 2, 2006. The State's Pharmacy Helpline can be reached toll free 1-866-RxMaine.

Governor Baldacci calls for wider training on Freedom of Access Act Requests.

December 30, 2005

Crystal Canney – Press Secretary, 287-2531

Dan Cashman – Asst. Press Secretary, 287-2531

AUGUSTA – Governor John Baldacci announced this morning that he is calling for “...further training of state employees regarding the Freedom of Access Act.”

In a meeting with Attorney General Steve Rowe, Governor Baldacci was briefed on the AG’s independent investigation relative to a recent situation within the Department of Environmental Protection.

According to the report, DEP failed to provide public records of negotiations conducted with Rumford Paper.

The Attorney General’s office also states in the report that the department did not violate the act willingly, but rather didn’t have a thorough understanding of the law.

The Attorney General’s office recommended further training of all state employees regarding the FOAA.

The Governor’s office has a long history of making FOAA documents available when requested.

Governor Baldacci says, “It’s unfortunate the DEP made this mistake. We want to do everything possible to make sure that we’re completely transparent and there is access to every document that needs to be furnished.”