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## Final Report of the Task Force to Study Equal Economic Opportunity For All Regions of the State, 1998

Maine State Legislature

Maine Office of Policy and Legal Analysis

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**STATE OF MAINE  
118TH LEGISLATURE  
FIRST REGULAR AND FIRST SPECIAL SESSIONS**

**Final Report  
of the**

**TASK FORCE TO STUDY EQUAL ECONOMIC  
OPPORTUNITY FOR ALL REGIONS OF THE STATE**

**January 1998**

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## **Executive Summary**

The Task Force to Study Equal Economic Opportunity for All Regions of the State was established by Private and Special Law 1997, chapter 51. The Task Force was created to examine the disparity of economic development within the State and determine appropriate solutions for improving opportunity for economic growth in disadvantaged areas.

The Task Force included legislators, members of regional development agencies, representatives from the Department of Economic and Community Development, the Department of Environmental Protection and the Maine Land Use Regulation Commission, and members of public. The Task Force also contacted U.S. Senator Susan Collins, U.S. Senator Olympia Snowe, U.S. Representative John Baldacci, and Governor Angus S. King, Jr. and received their support of the Task Force's goal of achieving equal economic opportunity in Maine.

The duties of the Task Force were set forth in the legislation:

- Study the causes of unequal economic growth in regions of the State and recommend strategies to overcome barriers to economic growth in affected regions of the State, including but not limited to Aroostook, Franklin, Oxford, Piscataquis, Penobscot, Somerset, Waldo, Hancock and Washington Counties;
- Identify strategies to provide fair and equitable standards for development and construction in all areas of the State; and
- Examine laws and regulations governing economic development and recommend policies and actions that will enhance economic development statewide.

The Task Force convened on October 30, 1997 and met six times. Its meetings included regional public hearings in Presque Isle, Machias and Farmington to obtain comments and recommendations from members of the public. After examining the information provided, the Task Force found that different levels of economic opportunity within the State are caused by a number of factors. This disparity in development impacts communities in a variety of ways. The Task Force found there is no easy solution to improving economic opportunity for people in rural Maine. The Task Force could not address all of the problems it identified. However, it focused on solutions that would have a positive long-term impact.

The Task Force developed recommendations for policies and strategies to improve economic opportunity in regions of the State that have had little or no economic growth in recent years. These recommendations fall into six categories: continued examination, infrastructure-transportation, infrastructure-telecommunications, business development, state and regional efforts, and federal issues. The recommendations are:

### **Continued Examination**

- Create a permanent Economic Opportunity Advisory Committee to continue to monitor progress of economic development disparities within the State and recommend solutions.

### **Infrastructure-Transportation**

- Issue \$1.7 million in transportation bonds to be eligible for federal matching funds to fund the next level of studies and permits needed to extend Interstate 95 north from Houlton through Aroostook County.
- Accelerate the planned reconstruction of Route 11 from six years to two years by proposing approximately \$3 million in new bond revenues for that purpose. The \$3 million would be used to harness federal matching dollars, enabling the reconstruction of Route 11, as well as the reconstruction of Route 212, to be accomplished in two years.
- Reduce the number of days that Route 11 is posted by basing closures on daily road and weather conditions and the needs of companies that rely on Route 11 for transporting goods.
- Ensure proper repair or reconstruction of routes providing access to northern, eastern and western counties. At a minimum, the State should bring up to standard minor arterials and Maine highways that are part of the National Highway System.
- Study the ability of the State to improve rail access in northern, western and eastern Maine.
- Support Maine Department of Transportation's efforts to develop a sponsor for an economic development airport in the western region of the State.

### **Infrastructure-Telecommunications**

- Encourage the State to monitor the policies of all state agencies to make certain that state investments, policies, and resources are used to ensure that the private sector provides affordable telecommunications and energy infrastructure in rural areas.
- Encourage the Maine Public Utilities Commission to guarantee equitable telecommunications service to rural areas.

### **Business Development**

- Appropriate \$2 million to develop and implement an economic development marketing plan and conduct a comprehensive labor force analysis including determining workforce skills, industry resources and business climate throughout the State.
- Encourage the Department of Labor and Maine Revenue Services to work with business development groups to identify, collect and make available economic and demographic data on a regional basis.
- Develop workforce preparedness programs with a particular focus on adult education.

## **State and Regional Efforts**

- Add a new level of reimbursement under the Employment Tax Increment Financing program to encourage job creation in areas where unemployment is 50% greater than the state average.
- Continue to encourage the coordination of regional economic development efforts.
- Develop incentives to encourage municipalities and regions to pool resources.
- Create and fund a Mature and Dominant Industries program.
- Provide increased marketing funding for the Department of Marine Resources, the Department of Agriculture, Food and Rural Resources and the Department of Conservation. Encourage the State's natural resources agencies to seek marketing efficiency through pursuing a centralized approach.
- Provide an additional \$300,000 to Department of Economic and Community Development to increase support for regional tourism efforts in the northern, western and eastern regions of the State. This increase would be in addition to tourism dollars proposed in the Governor's supplemental budget during the Second Regular Session of the 118th Legislature.

## **Federal Issues**

- Encourage Congress to re-examine federal truck size and weight standards so as to eliminate incentives for large trucks to travel state highways and to provide for efficient transport of goods.
- Encourage Congress to re-examine the Davis-Bacon wage rate calculations for federal projects. Under the current formula, a large employer located in a rural area can inflate the area's prevailing wage and reduce the extent of projects that can be accomplished with federal funds.
- Encourage Congress to repeal the freight carrying limitations of the Jones Act. The federal Jones Act was enacted in 1920 and requires that any ship that carries freight between two United States ports must be built in the United States, documented under United States law and owned by United States citizens. Since very few ships in the marine freight industry meet these standards, this law greatly inhibits the use of Maine ports in the interstate marine shipping trade.
- Encourage Congress to repeal the passenger travel limitations of 46 U.S.C. §289 and to pass S. 803, the United States Cruise Ship Tourism Act of 1997. Current federal law prohibits foreign vessels that carry passengers from transferring passengers from one United States port to another. This law is a barrier to growth in cruise ship travel into Maine's harbors.

- Encourage Congress to amend the Community Reinvestment Act so that a certain percentage of a bank's or credit union's community-based lending takes place in areas of below-average growth in the state in which the bank or credit union is located.

## **Introduction**

### *Creation of Task Force*

During the First Session of the 118th Legislature, Representative Henry Joy presented a bill that proposed a moratorium on construction and development in the southern part of Maine for two years or until a means could be found to provide equal opportunities for economic development in all parts of the state. LD 1452, An Act to Place a Moratorium on Construction and Development in Southern Maine and to Provide for Equal Economic Opportunity for All Regions of the State, also sought to create a board to recommend laws to provide for equal economic opportunity throughout Maine and to study the feasibility of dividing Maine into two states. The Joint Standing Committee on Business and Economic Development replaced the original bill with one that created the Task Force to Study Economic Opportunity for All Regions of the State.

The Task Force was comprised of 14 members: five legislators, one designee each from the Department of Economic and Community Development, the Department of Environmental Protection and the Maine Land Use Regulation Commission, three members from regional development agencies located in northern, western and eastern counties of the State and three members of the public.

The duties of the Task Force were set forth in the legislation:

- Study the causes of unequal economic growth in regions of the State and recommend strategies to overcome barriers to economic growth in affected regions of the State, including but not limited to Aroostook, Franklin, Oxford, Piscataquis, Penobscot, Somerset, Waldo, Hancock and Washington Counties;
- Identify strategies to provide fair and equitable standards for development and construction in all areas of the State; and
- Examine laws and regulations governing economic development and recommend policies and actions that will enhance economic development statewide.

The Task Force convened on October 30, 1997 for its first meeting. The legislation required the Task Force to hold meetings in “various regions of the State, with emphasis on holding meetings in the areas most affected by lack of economic development.” The Task Force held regional public hearings in Presque Isle, Machias and Farmington to obtain comments and recommendations from members of the public. Following the public hearings, the Task Force met two more times to develop and finalize its findings and recommendations.

## **The context**

### *Long Term Solutions to Deeply Rooted Problems*

From the information provided by various members of the public, economic development experts and community leaders, the Task Force learned that the causes of unequal economic opportunity in Maine are varied and deeply rooted. The impact of unequal economic opportunity on stagnant and slow growth areas ranges from lack of local school funding and loss of population to poverty and despair. The Task Force observed that economic disparity is not a new issue to Maine.



Many people who testified at the public hearings emphasized that community and state leaders have been discussing ways to improve economic opportunity in northern, eastern and western Maine for decades.

The need for improved education and workforce training was cited by the Task Force as a vital concern for Maine. However, because of time limits, Task Force members decided they could not adequately address these issues. Members agreed education and workforce training deserve a more detailed future examination by the Economic Opportunity Advisory Committee proposed in this report.

The Task Force heard testimony and reviewed data that illuminated the challenges confronting economic development in Maine. The Office of Policy and Legal Analysis presented data noting that although total change in Maine employment on a percentage basis between 1982 and 1995 mirrored the change for the United States as a whole, Maine's employment picture contained several important differences. (See Appendix E.) During this time period, Maine lost substantially more higher paying manufacturing jobs on a percentage basis than the United States: 17% lost in Maine compared to 3% lost throughout the nation. Maine was particularly hard hit by these losses because of the relatively high percentage of manufacturing jobs in the state: 28% of all jobs in 1982 compared to 22% throughout the United States. The services sector, with its relatively low-wage positions, was the fastest expanding sector of Maine's economy growing 76% between 1982 and 1995. (This increase was nearly identical to service job growth throughout the United States.) Maine also saw substantial growth in retail trade jobs and jobs in finance, insurance and real estate.

A 1996 review of data by Maine State Economist Laurie G. Lachance found a dramatic drop in the working wage generated by new jobs. The ten industries that added the largest number of jobs to Maine's economy from 1989 to 1994 were service-related industries. The 22,800 new jobs paid an average annual wage of \$19,777 for an average workweek of 27-33 hours. In contrast, 10 industries, primarily manufacturing industries, lost 27,700 jobs from 1989 to 1994. Those lost jobs paid an average annual wage of \$29,227 (in 1994 dollars) for an average workweek of 38.4 hours.<sup>1</sup>

Although discussion of economic equality in Maine often focuses on differences between the northern and southern sections of the state, the Task Force heard testimony and reviewed data that divided differences into a context of higher rates of employment growth among coastal and urban areas and lower rates among inland and rural areas of the state. A review of labor market data found that the fastest growing region of Maine is the mid-coast area. A review of county data by the Office of Policy and Legal Analysis mirrored the labor market data (see Appendix F). The Task Force heard testimony stating employment trends show that future increases in Maine's fastest growing employment sectors are most likely to take place in urban areas. These fast-growing sectors are services, retail trade and finance insurance and real estate.

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<sup>1</sup> Laurie G. Lachance, *The Maine Economy: Facing the Challenge*; Maine State Planning Office, p 2.

The Task Force also heard testimony from economic development experts and community leaders that many of the forces guiding economic development come from outside of the state. The globalization of the world economy and the ease with which capital crosses national boundaries have placed Maine's work force in competition with nations across the earth.

The Task Force found that there is no simple solution to increasing economic opportunity in areas of the state which are experiencing job loss or slow economic growth. The Task Force has developed a series of recommendations, each working on a piece of the problem. These recommendations cannot be viewed independently, but must be seen as a coordinated effort to improve opportunity for all areas of the State. As the root causes of unequal economic development are complex and deeply rooted, the solutions will take time to grow and flourish.

## **Findings and Recommendations**

The findings and recommendations of the Task Force fall into several categories: continued examination, infrastructure, transportation, telecommunications, business development, state and regional efforts, and federal issues. Within these categories are many specific problems to be addressed.

- A. Continued Examination:** Maine citizens would benefit from an ongoing effort focused on increasing economic opportunity throughout the state.
- B. Infrastructure - Transportation:** Infrastructure is the backbone of business development. Without the means to move goods, services and information, a location cannot expect to sustain or expand economic activity.
- C. Infrastructure - Telecommunications:** Telecommunications infrastructure is a critical factor in location decisions. Businesses now rely heavily on technology to communicate faster and to work more efficiently. An extensive, affordable, and reliable telecommunications network is crucial to business development.
- D. Business Development:** Marketing information, materials and strategies are necessary to successfully market Maine, in particular rural areas, as a practical business location. Without appropriate materials and a consistent message, rural areas will be at a disadvantage in attracting new businesses.
- E. State and Regional Efforts:** There are a myriad of state, regional and local agencies and programs all working towards improving economic development. However, often the people and businesses that could benefit do not know where to find this information or how to take advantage of it.
- F. Federal Issues:** Finally, there are several Federal issues identified by the Task Force that restrict economic development in Maine.

## ***A. Continued Examination***

### *Creation of a permanent committee*

**Finding:** Maine faces many challenges in generating economic development throughout the state. Maine citizens would benefit from an ongoing effort focused on increasing economic opportunity throughout the state.

**Recommendation: Create a permanent Economic Opportunity Advisory Committee to continue to monitor progress of economic development disparities within the State.**

In the short time that the Task Force has had to examine the problems of unequal economic opportunity within the State, the group has realized that addressing this problem will require a long-term commitment to the recommendations provided below. The Task Force recommends that a permanent group be established to continue examining the pattern of economic development in the State and the methods of making opportunities for growth more equal. A continuing examination of economic development issues will ensure that the State makes its best effort at addressing the disparity in economic growth. The permanent Advisory Committee should be made up of legislators, economic development experts, state officials and members of the public. This group should be required to report to the Business and Economic Development Committee on an annual basis on the progress made towards improving economic opportunity throughout the State. (See Appendix A for proposed legislation to create the Economic Opportunity Advisory Committee.)

## ***B. Infrastructure-Transportation***

At each of the public hearings, members of the public expressed their concern over the lack of access to their regions and the poor condition of existing means of transportation. Building infrastructure is the first step in opening access to rural areas of Maine. Business location decisions are based as much on *ease of access* to markets as they are actual distance to markets. Without an easy and reliable way to get products from suppliers and to markets, a business cannot afford to compete. A more sophisticated network of transportation infrastructure would improve rural counties' ability to attract and expand business.

### *New Roads*

**Finding:** The lack of major routes from north to south in northern Maine and from east-to-west in the central area of the state is a serious disadvantage to many areas when trying to attract new business. Because there are no major interstate highways serving these routes, businesses discount northern, eastern and western Maine as being remote and inaccessible. While plans have been in the works for extending Interstate 95 northward and for developing an east-to-west highway, the Task Force believes that these plans must be accelerated to improve opportunity for economic development.

**Recommendation: Issue \$1.7 million in transportation bonds (to be eligible for federal matching funds) to fund the next level of studies and permits needed to extend Interstate 95 north from Houlton through Aroostook County.**

The next step in the effort to extend Interstate 95 north from Houlton through Aroostook County is to review alternatives through Maine's Sensible Transportation Policy Act and to obtain necessary permits through the federal National Environmental Policy Act (NEPA) process. The NEPA process will require the development of a detailed environmental impact statement. It may also entail efforts to mitigate environmental damage. The cost of these studies and permit processes is estimated to be \$5 million. A \$1.7 million transportation bond issue could be combined with matching federal money to provide the resources to accomplish these next steps. The bond proposal should be made a part of the proposals contained in LD 1812, An Act to Authorize Department of Transportation Bond Issues in the Amount of \$79,500,000 to Match Available Federal Funds for Improvements to Municipal and State Bonds, State and Local Bridges, Airports, State Ferry Vessels and Terminals and Rail and Marine Facilities.

### Existing Roads

**Finding:** Many of the existing roads in the northern, eastern and western regions of the state have not been adequately maintained and are poorly designed to support existing, heavy truck loads. When important arteries face seasonal closing because of weather, or when an area is not served by a major highway, trucks must take smaller back roads. This adds to the wear on smaller roads that are not designed for such heavy traffic, increases transportation costs for businesses and causes additional safety risks in the towns that receive this traffic. Existing state highways are also subject to additional usage because a difference in weight limits for interstate and state highways forces some of the most road-damaging trucks onto state highways (see Federal Issues). Greater repairs are required to improve state roads that are left long in disrepair.

A prime example of the poor conditions of existing roads is Route 11 in Aroostook County. In the winter and spring, portions of this road are posted and closed. Trucks are then forced to travel on Route 1 going through Presque Isle and other smaller communities, inconveniencing both the truckers and the towns. A study done by the Northern Maine Development Commission and the Route 11 Corridor Committee showed that during a single season the posting of Route 11 translated into additional costs of over \$8 million to the companies that use this route, not including companies that stopped shipping completely. The posting of Route 11 usually begins in the winter, just as activity in Presque Isle increases with holiday shopping. With increased truck traffic in the downtown area, there are increased safety risks to the people who live, work and shop there. Finally, the environmental impact of the additional truck traffic cannot be underestimated. Presque Isle is the only northern Maine location that does not meet federal Clean Air Act requirements. Trucks create additional dust and worsen air quality.

**Recommendation: Accelerate the planned reconstruction of Route 11 from six years to two years by proposing approximately \$3 million in new bond revenues for that purpose. The \$3 million would be used to harness federal matching dollars, enabling the reconstruction of Route 11, as well as the reconstruction of Route 212, to be accomplished in two years.**

At a December 15, 1997 meeting of the Routes 11 and 212 Corridor Committee in Ashland, committee members heard from a Department of Transportation engineer that reconstruction of both roads could be completed by the end of 1999 if approximately \$16 million were made available for the project. The Task Force recommends that approximately \$3 million in new bond revenue be made available for this purpose and be utilized to obtain matching federal dollars to complete the funding. The bond revenue should be made a part of the Route 11 bond proposal contained in LD 1812, An Act to Authorize Department of Transportation Bond Issues in the Amount of \$79,500,000 to Match Available Federal Funds for Improvements to Municipal and State Roads, State and Local Bridges, Airports, State Ferry Vessels and Terminals and Rail and Marine Facilities. (The precise amount of bond dollars would need to be determined in order to obtain the necessary federal match.) The Department of Transportation has a current plan to complete reconstruction in six years. However, the Task Force's bond proposal would accelerate by four years the completion of the reconstruction of both Route 11 and Route 212.

**Recommendation: Reduce the number of days that Route 11 is posted by basing closures on daily road and weather conditions and the needs of companies that rely on it for transporting goods.**

The Task Force recommends that in light of the Department of Transportation's plan to reconstruct Route 11, the Department should reduce the number of days Route 11 is posted. The poor condition of this stretch of highway causes a large financial cost to businesses and significant safety problems. Since the road is targeted for major reconstruction, trucks should be allowed to travel this route now. There is no point in saving the road from wear and tear when it is going to be replaced. However, the Task Force does realize there is a need for posting under certain cases when the road is truly unsafe to travel. The Task Force encourages the Department of Transportation to monitor the conditions on a daily basis and contact the companies who use the route as a major transportation route when deciding whether it should be posted.

**Recommendation: Ensure proper repair or reconstruction of routes providing access to northern, eastern and western counties. At a minimum, the State should bring up to standard minor arterials and Maine highways that are part of the National Highway System.**

While the Task Force identified Route 11 as a priority for improving transportation infrastructure, it also finds that many other roads in northern, western and eastern Maine need critical repair. The Maine Department of Transportation indicates that approximately 157 miles of the National Highway System in Maine are not up to standard. In addition, 313 miles of minor arterial highways are below standard. The Task Force recommends the development of a plan and the allocation of funds to bring these highways up to standard. In establishing priorities, the Maine Department of Transportation should consider the current condition of the roads, the economic impact of the poor road conditions and the availability of alternate routes.

### Railways/Ports

**Finding:** Highways provide the main route of transportation for most businesses in Maine. However, other means of transportation are also important to businesses. Another important transportation issue is the lack of rail transportation, particularly from the port in Eastport. The Task Force heard testimony that Eastport offers the second deepest port in the United States, but loses business to ports served by rail, such as Halifax, Nova Scotia, and St. John, New Brunswick because freight cannot be moved by rail directly to or from the port. The port manager in Eastport informed the Task Force that many shipping customers are currently shifting ports and there is an opportunity to attract additional business to Washington County. However, large shipping customers consider the lack of rail service a significant drawback to choosing Eastport. Rail access to this area would also relieve some of the traffic and wear on the heavily traveled highways.

**Recommendation: Study the ability of the State to improve rail access in northern, western and eastern Maine.**

The Task Force heard testimony on the need for rail service to rural areas of Maine. In Washington County, recent proposals have been brought forth to redevelop the Calais-Brewer rail route. The Task Force believes that improving rail transportation is an important part of bringing economic development to rural areas of Maine. However, given the short amount of time the Task Force had to study this issue, it recommends that the Economic Opportunity Advisory Committee proposed in this report analyze the benefits of redeveloping rail service in rural areas of the State.

### Regional Airports

**Finding:** In addition to the two main airports in Maine (Bangor International Airport and Portland International Jetport), many regional airports offer service to most other locations. The western region of Maine has been identified as an area that does not have an “economic development” airport. This means that the region does not have 5,000 linear feet of hard surface for planes to land. Another limitation to air travel in rural areas is that many regional airports offer only charter service. This lack of scheduled service limits the ability of many areas to attract businesses. In Piscataquis County, for example, three airports (Greenville, Dover-Foxcroft and Dexter), offer charter service, but the closest scheduled air service to that area is Bangor. These more remote areas have plenty to offer businesses looking to relocate, but potential clients need an easy, reliable way to reach such destinations.

**Recommendation: Support Maine Department of Transportation’s efforts to develop a sponsor for an economic development airport in the western region of the State.**

The Task Force recommends that the Maine Department of Transportation continue to work with municipal and regional officials to find a sponsor, such as a management authority, for an economic development airport in western Maine. The creation of an economic development

airport in the western region of the State is one step towards improving economic opportunity for this area.

## ***C. Infrastructure-Telecommunications***

### *Telecommunications and Energy Infrastructure*

**Finding:** Transportation infrastructure will always remain an important factor in economic and business development, but with companies increasingly dependent on communications, telecommunication infrastructure has become essential to attracting businesses. The State markets its telecommunications technology as one of the advantages to locating here. The Department of Economic and Community Development advertises that Maine will be the first state in the nation to have a statewide ATM (Asynchronous Transfer Mode) fiber optic based network, one of the first with a 100-percent digitally switched network, and the first state to have every school and library in the state linked via Frame Relay Service. These are major programs to improve telecommunications access in the State. However, it is important to ensure that rural areas continue to receive affordable access to new technology.

In the long run, such technologies as e-mail and video conferencing should reduce the importance of geographic location when doing business. Currently, rural areas may have access to the same technology, but costs may be significantly higher or service less reliable. For example, pricing for access to a point of presence switch is generally based on distance. The result is that companies located in Aroostook County that need access to a point of presence switch must pay more than a company in Bangor that is located much closer to the switch. In addition, there is also almost no redundancy in the telecommunications infrastructure in rural areas. Therefore, if a major telecommunications line is disabled, there is no alternate route for telecommunication traffic.

Deregulation in utilities is predicted to lead to greater choices, better service and lower rates. However, these gains may not be equally distributed across the State. With the increase in competition in many utilities (telephone, electricity and natural gas), companies can be more selective in the regions they service. This type of “cherry-picking” could mean that rural areas, with smaller markets, may not be as attractive to companies and therefore may not receive adequate and timely investments in equipment and services. To ensure that there are no significant increases in price or cutbacks in service, the State should monitor these developments as deregulation moves ahead.

**Recommendation: Encourage the State to monitor the policies of all state agencies to make certain that state investments, policies, and resources are used to ensure that the private sector provides affordable telecommunications and energy infrastructure in rural areas.**

In light of the recent changes in telecommunications and energy industries, the State needs to continually monitor the access and cost of utilities to rural areas of Maine. Policies should be developed to encourage investments that provide high-quality infrastructure to rural areas. Most utilities need the use of state rights-of-ways to create their networks of service. The Task Force recommends that the state look into developing a program to provide tax recovery on the use of

the State's rights-of-ways. The additional taxes paid for equipment and lines on state rights-of-ways could be used to fund improvements to telecommunications infrastructure in rural areas.

**Recommendation: Encourage the Maine Public Utilities Commission to guarantee equitable telecommunications service to rural areas.**

The Task Force believes strongly that it is the Maine Public Utilities Commission's responsibility to ensure that Maine's rural areas are not left behind in the push towards competition. The Task Force believes that the PUC should monitor the availability of advanced telecommunications in rural regions of Maine to ensure that residents and businesses in these areas have equal access to technology at fair prices.

## ***D. Business Development***

**Finding:** When businesses are looking to relocate or expand, they conduct extensive searches to determine the most advantageous place to locate. A search often starts with reviewing trade magazines and economic development information provided by states or regions and meeting with location specialists. Once potential sites are identified, companies require detailed, statistical information about the particular locations to decide which sites meet their location criteria. Finally, once the final contenders are determined, a company will visit sites before a final decision is made. States, regions and cities spend large amounts of money trying to attract new and expanding businesses.

Economic development professionals in Maine indicate that Maine lacks the marketing and information gathering tools to successfully market Maine as a business location. A recent survey of site location specialists conducted by Maine and Company reveals that although people consider Maine a fantastic place to vacation, it is barely considered as a place to locate a business. While the Department of Economic and Community Development has been very successful in advertising the state as a vacation destination, additional focus needs to be placed on marketing Maine to businesses.

A successful business attraction program begins with gathering information that is valuable to businesses looking to expand or relocate. This type of information includes: labor market information, labor skills assessment, energy costs, and availability of other resources. The Maine Department of Labor does collect some information on wages and employment by labor market area and county, but this information is targeted towards meeting federal requirements, not for attracting businesses. Businesses are concerned with the productivity, expertise and availability of workers, not simply wages and number of employers. In addition, the labor market information that is collected is not in a form that makes it easy to extract information requested by business location experts or companies. The information provided must be appropriate and timely. Once the information is developed, a marketing strategy needs to be developed to get this information to site locators and businesses looking to relocate.

The lack of targeted and timely information about the resources available in Maine puts rural areas at a serious disadvantage in attracting businesses. Rural areas of Maine tend to have fewer



resources to put into business attraction. Businesses tend not to even consider these rural locations, even though in some instances these locations would provide good matches to the companies' resource and location requirements. If potential employers are not aware of the options available, it will be very difficult for these regions to attract new businesses.

Several Maine counties have good opportunities to attract and increase business with Canada. Aroostook, Washington, Somerset, Franklin and Oxford counties all have large Canadian markets near by. As Maine's site location information is improved, the opportunity to attract expanding business from Canada should not be overlooked. For example, the recent expansion of cranberry bogs in Washington County is due to an expansion by Cherryfield Food, a division of Oxford Frozen Foods of Nova Scotia. Because the resources in northern, western and eastern Maine are very similar to those in the provinces of Quebec and New Brunswick, there is a clear opportunity for expanding Canadian businesses to locate in Maine.

**Recommendation: Appropriate \$2 million to develop and implement an economic development marketing plan and conduct a comprehensive labor force analysis including determining workforce skills, industry resources and business climate throughout the State.**

Because of the lack of an adequate business marketing strategy, the Task Force recommends that \$2 million be appropriated to develop and implement a targeted business development marketing effort. This marketing effort would allow the Department of Economic and Community Development, Maine & Company and regional economic development agencies to actively attract new businesses. The major component of this plan would be marketing rural regions. This effort would include economic development training, data collection and documentation, development of marketing tools and coordination of marketing messages.

One part of this marketing plan should include a region or town-specific inventory of labor force skills and a labor force analysis, including self-employed people. Once the information is gathered, the results should be organized in an easy-to-access database or web site that would allow companies, municipalities and state officials to research business location statistics quickly and easily. A plan should be put in place to continue updating the database on a regular basis so that the information continues to be a useful business attraction tool. This information can then be used by state and regional economic development agencies to promote Maine as a place to locate businesses.

It is this type of organized, concerted effort to attract business to all areas of the state that will have a positive impact on economic development in northern, eastern and western Maine. Although the actual return on this investment is hard to estimate, the recent study that showed investment in the 1997 summer tourism promotion provided an 11 to 1 return indicates that investments in business location marketing should also have a significant return. The State Planning Office estimates the economic impact of adding 1,000 jobs at the 1996 average wage of \$23,445 would be \$38,516,000 in total annual wages (1,000 new jobs would create an additional 660 jobs) and \$12,661,000 in retail sales.<sup>2</sup>

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<sup>2</sup> Maine and Company, *Marketing Funding to Attract New and Expanding Business to Maine*.

**Recommendation: Encourage the Department of Labor and Maine Revenue Services to work with business development groups to identify, collect and make available economic and demographic data on a regional basis.**

While economic development is not a responsibility of the Department of Labor or Maine Revenue Services, each agency collects and maintains information that would be valuable to economic development agencies and companies looking to expand or relocate. The Task Force realizes that both of these agencies have many federal and state filing and data collection requirements. However, it recommends that these agencies work with economic development specialists to develop ways to make the data these agencies collect easier to access. By working with the people that request and use this information, these state agencies may be able to adapt their data collection and extraction methods to continue to meet their own requirements, while also providing useful information for economic development.

**Recommendation: Develop workforce preparedness programs with a particular focus on adult education.**

Once a comprehensive workforce skills inventory has been completed, the next step is to use that information to develop and improve workforce training programs. A bill was passed during the First Session of the 118th Legislature to improve the coordination of resources for apprenticeship programs through the Maine Jobs Council. The Task Force recommends that the Maine Jobs Council use the information gathered by the workforce skills inventory to determine Maine's workforce training needs. Once these needs have been identified, the council should work to develop new programs to fill these gaps and to help workers learn employable skills.

## ***E. State and Regional Efforts***

State government offers a variety of resources and incentives for businesses to locate in Maine. It also plays an essential role in many efforts to generate economic growth in Maine. These programs range from loan guarantees through the Finance Authority of Maine to Employment Tax Increment Financing programs through the Department of Economic and Community Development. The variety of programs available support the needs of small microbusinesses and the demands of large multi-national corporations looking to locate in Maine.

### ***Employment Tax Increment Financing***

**Finding:** The Task Force believes that incentives should be increased for companies locating in areas with extremely high unemployment. These are the locations that need the most assistance in attracting steady, well-paid jobs with good benefits. The Task Force does not believe that new incentive programs need to be developed to address this need; there are already many incentive programs available.

Currently, the Employment Tax Increment Financing program returns state withholding taxes to companies that increase employment by 15 people, provide a retirement program subject to federal Employment Retirement Income Security Act (ERISA) requirements, provide group health insurance and pay an annual income greater than the average annual per capita income for the labor market area (see 36 §6753 et seq. for more detail). There are two levels of reimbursement, 30% for companies located where the unemployment rate is at or below the state average and 50% for companies located where the unemployment rate is greater than the state average. This program has been well received, but more can be done to attract businesses to areas that are seriously disadvantaged.

**Recommendation: Add a new level of reimbursement under the Employment Tax Increment Financing program to encourage job creation in areas where unemployment is 50% greater than the state average.**

The Task Force recommends that 75% of state withholding taxes be returned to companies that meet the Employment Tax Increment Financing program criteria in areas where unemployment is 50% greater than the state average. This additional level of reimbursement under the program will target development toward areas with the most need.

#### Coordinated development efforts

**Finding:** There are many state agencies, non-profit organizations, private companies and individuals involved with economic development work in the northern, eastern and western regions of Maine. As noted by the Maine Rural Development Council, many of these groups operate without knowing about resources and programs offered by other economic development groups. The result is a patchwork of programs and policies that do not work in coordination with each other.

During the past two years, three Maine counties have been the focus of efforts to coordinate economic development. In 1996, the State Planning Office led a pilot program to develop a strategic plan for economic development in Washington County. This initiative brought together people working on improving the economy in Washington County to develop a Coordinated Investment Strategy for the county. Representatives from the Departments of Transportation, Environmental Protection, Economic and Community Development, Agriculture, Marine Resources, and Labor were included in dialogues to improve working relationships between Washington County business people and state agencies. The result has been a well thought-out attempt to improve the entire region's economy, not just the creation of a single program to help a single group or industry. The plan includes both broad goals and specific strategies. Progress on the plan is monitored by the State Planning Office. Other counties, such as Aroostook and Piscataquis Counties, are following this model to develop their own regional goals and strategies.

During the past year, the Maine Rural Development Council has also sponsored a series of regional meetings to encourage people involved in regional economic development efforts to identify key goals and share information and resources. The day-long forums were held in Aroostook, Washington and Franklin Counties and allowed people to share ideas and work

together to find solutions to the low rates of economic growth in these predominately rural areas. These forums also highlighted the need for a multi-faceted approach to improve conditions in rural Maine.

**Recommendation: Continue to encourage the coordination of regional economic development efforts.**

The State Planning Office's Washington County initiative provides a good model for other rural counties to follow in developing a comprehensive plan for economic development. The Task Force recommends that these efforts be extended to other counties. By combining the knowledge of the people working and living in the region with the resources of development and state agencies, progress can be made toward improving economic opportunity for all residents of a county, not just specific industries and areas. In addition, this coordination should help people interested in economic development learn more about the available resources and programs.

**Recommendation: Develop incentives to encourage municipalities and regions to pool resources.**

Coordination of economic development should extend beyond sharing information and ideas. The Task Force recommends that the State develop a program that provides incentives to municipalities and regions that coordinate or share major infrastructure projects. In a recent report on the "Cost of Sprawl," the State Planning Office found that as municipalities become more spread out, they are forced to duplicate services, such as schools, sanitation and public works, that are already available. To counter the increasing costs of providing these duplicative services, the State should offer incentives for municipalities to work together to provide these services. This type of program would be applicable to towns that are expanding or to smaller towns that do not have the critical mass to provide or upgrade certain services to their residents.

*Mature Industries*

**Finding:** Major reductions in employment tend to have a larger impact on small, rural towns, where there are not as many opportunities for work. Cities and towns in Maine rely heavily on natural resource and manufacturing operations. Many of these operations were drawn to Maine decades ago by a low-cost, skilled labor force. However, the more recent opening of the global workforce, with its comparatively cheaper and more technically skilled workforce, has put these Maine operations at a disadvantage. In addition, the reliance on a single industry or employer places some Maine communities in serious jeopardy, if the industry declines or the employer makes cuts in its workforce. Such events have occurred throughout Maine and have forced town officials, workers and state agencies to scramble to find a means of securing jobs for workers. Recent losses in Winslow at the Kimberly-Clark plant, in Augusta at Tree-Free plant and in Wiscasset at the Maine Yankee nuclear power plant are just some examples of this problem.

**Recommendation: Create and fund a Mature and Dominant Industries program.**

With many regions in Maine still relying heavily on a single industry or employer for its jobs, when job cuts occur, the workers, town officials and the State are not fully prepared to deal with the

results. Workers, uncertain of their future, are left waiting for a last-minute response, as the State and town try to work out a solution. The Task Force recommends that the Department of Economic and Community Development, working with regional economic development agencies, develop a Mature and Dominant Industries program that identifies industries and towns most at risk and helps to prepare those who are likely to be affected by a plant closing or cutback. Once at-risk areas are identified, plans can be developed to provide additional training to employees making it easier for them to find future employment. The program could also determine what other industries might need the same skills as provided in this area. With more time to prepare for the loss of jobs, employers and workers would be in a better position to develop creative and workable solutions. This type of forward-looking strategy would help to minimize the negative impact of large reductions in employment.

### Market Development

**Finding:** In recent years, rural Maine businesses have worked hard to develop new industries. Some examples of this include the expansion of cranberry harvesting, aquaculture and secondary wood products. These expansions required extensive research into the markets for these products to determine if there was enough demand to support the creation of these businesses. A crucial part of developing or expanding a business is marketing. A product can be far superior to what is currently available on the market, but if customers don't know about it or if it is priced incorrectly, the product won't sell.

Cuts in funding for state marketing efforts have impacted many rural industries. One significant loss of marketing dollars was in the Department of Marine Resources for the seafood industry. At one time the department had five individuals to work on marketing Maine seafood. The staff has been cut to one. When there was money available, Maine had a significant presence at the Boston Seafood Show, which is one of the largest seafood shows in the nation. With the loss of marketing personnel and funds, other regions have been able to move into markets which Maine used to supply. A second example is the recent marketing efforts for Idaho potatoes. The efforts by Idaho potato farmers have resulted in the loss of markets for Maine potatoes. While cuts in marketing may seem harmless because they don't have any immediate impact on production, they do have significant long-term effects on sales, market expansion and long-term viability of an industry. These reductions in marketing funds hit rural areas harder because they often rely very heavily on these natural resource-based industries for income and employment.

**Recommendation: Provide increased marketing funding for the Department of Marine Resources, the Department of Agriculture, Food and Rural Resources and the Department of Conservation. Encourage the State's natural resources agencies to seek marketing efficiency through pursuing a centralized approach.**

Maine has many unique, high-quality natural resource products that would be valuable to manufacturers and retail customers, nationwide and worldwide. The Task Force supports providing marketing funding for the Department of Marine Resources, the Department of Agriculture, Food and Rural Resources and the Department of Conservation to increase the market for Maine products. Maine seafood, agriculture and forest products need organized

marketing strategies to help them compete in very competitive markets. With reduced transportation costs and travel times, products from Maine can easily be used by companies in any part of the United States or Canada. Increased marketing will not only help get Maine products noticed, it will also provide Maine businesses with more contacts and resources within their own industries.

### Regional Tourism

**Finding:** Industry-specific marketing is not the only type of marketing that can benefit rural Maine communities. Regional tourism marketing can also increase the number of jobs and income. The Department of Economic and Community Development has worked hard to develop a successful tourism plan for marketing Maine out-of-state. However, local areas do not have enough funds to develop their own region-specific marketing tools. Last year approximately \$188,000 of the Department of Economic and Community Development grants were awarded to regional development groups for their own marketing. Some examples of how this money was used include: regional marketing in the downeast area, a television campaign for inland Aroostook, Kathadin and Moosehead areas and snowmobiling marketing within the State.

Members of the public who spoke to the Task Force indicated that each region of the state has its own unique attractions that would serve as excellent tourist destinations. One example is marketing the vast range of snowmobile trails in Aroostook County. A study commissioned by the Maine Snowmobile Association in 1997 estimated that snowmobilers added \$226 million to the Maine economy. Aroostook County has done some limited advertising, but they do not have enough money available to reach all parts of the state and out-of-state visitors. A second example of an untapped tourist location is the St. Croix Islands. Even though these Islands are the oldest European settlement in North America, very little effort goes into marketing this historical tourist destination.

**Recommendation: Provide an additional \$300,000 to the Department of Economic and Community Development to increase support for regional tourism efforts in the northern, western and eastern regions of the State. This increase would be in addition to tourism dollars proposed in the Governor's supplemental budget during the Second Regular Session of the 118th Legislature.**

Many rural areas of Maine have unique tourism destinations, but they do not have the funds available to market these locations. The Task Force believes that significant opportunities for increased tourism income exist for many areas in rural Maine. \$300,000 of additional funds should be made available on a matching basis to the regional development districts in the most disadvantaged areas of the State (Androscoggin Valley Council of Governments, Eastern Maine Development Corporation, Northern Maine Development Commission, and Kennebec Valley Council of Governments). Increasing the number of regional tourism development efforts requires complementing the resources in the statewide tourism budget with additional funds to encourage region-specific marketing, not merely shifting funds from statewide promotion to regional promotion. By developing regional tourism marketing plans, these rural areas can highlight the attractions in their regions to tourists from Maine, other parts of the United States

and other countries. This, in turn, will result in increased awareness of Maine's regional diversity and contribute to the economy with an increase in revenue from tourism spending. As noted in the business development section, investment in tourism marketing in Maine was estimated to result in an 11 to 1 return on the 1997 summer promotional campaign.

## ***F. Federal Issues***

The Task Force heard testimony that identified several Federal laws that may create additional barriers for economic development in Maine.

### ***Interstate Weight Limits***

**Finding:** Currently there is a difference between the weight limit on interstate highways (80,000 pounds) and the state weight limit (100,000 pounds). This difference creates unsafe and inefficient traffic patterns in the interstate corridor because the heaviest trucks travel parallel to the interstate on less direct, less well-maintained, less safe roads. One example of this type of traffic pattern is on Interstate 95 between Houlton and Bangor. Because of the difference in weight limits, heavier trucks drive on Route 2 which parallels the Interstate. The result is slower movement of goods and more hazardous traffic conditions on state highways. Massachusetts and New York have federal exemptions that allow heavier trucks to travel on certain areas of the interstate. The consequence is that Maine becomes a less attractive place to do business in or even travel through because of the slow and inefficient routes that the freight trucks are required to use.

**Recommendation: Encourage Congress to re-examine the federal truck size and weight standards.**

The current federal weight standard of 80,000 pounds on interstate highways (compared with 100,000 pounds on state and local roads) limits Maine's ability to attract businesses that rely on transporting their products by truck. The Task Force recommends that these limits be re-examined. The intent of federal law was to ensure safe travel, but the unintended consequence of the law is that trucks travel rural state highways and compromise the safety of people traveling those routes. In addition, truck size limitations should be reviewed with an eye toward improving the efficiency of moving goods by truck. An ideal opportunity to consider this issue is during the upcoming reauthorization process of federal transportation programs. The Federal Highway Administration should be required to complete its study of truck sizes and weights.

### ***The Davis-Bacon Act (40 U.S.C. § 276a et seq.)***

**Finding:** The Davis-Bacon Act requires projects receiving federal funds to pay their workers the prevailing wage for that type of work in a particular region. However, these wages can be skewed in some small rural areas. Large employers in such areas tend to have much higher wages

than most companies in these areas. The result is that the calculated prevailing wages are very high in these areas and that increases the cost of federal projects, particularly Community Development Block Grant projects. With the high costs of federal projects, the federal funds that these areas receive do not accomplish as much as they could with properly calculated prevailing wages.

**Recommendation: Encourage Congress to re-examine the Davis-Bacon wage calculations for federal projects.**

The prevailing wage provision in the Davis-Bacon Act is important for ensuring that workers on federal projects are not working for below-market wages. However, the method of calculating the prevailing wage could be amended to accommodate areas where one large company may dominate the outcome of the calculation. The Task Force recommends that Congress consider amending the calculations so that locations with one large employer are not put at a disadvantage. By reducing the costs of federal projects, rural areas could better take advantage of federal funds for community development and transportation.

*The Jones Act (46 App. U.S.C. §883)*

**Finding:** Another example of federal legislation that has had a significant negative impact on the development of business is section 27 of the Merchant Marine Act of 1920, commonly referred to as the Jones Act. This law was passed originally to support U.S. shipbuilding and merchant marines. The Jones Act requires that ships carrying freight between two ports in the United States must be built in and documented under the laws of the United States and owned by persons who are citizens of the United States. There are very few ships that satisfy these requirements. As a result of the Jones Act, foreign ships that unload cargo in a Maine port cannot ship goods from Maine to another United States port. This negatively impacts the use of Maine ports for cargo.

**Recommendation: Encourage Congress to re-examine the Jones Act.**

The restrictions in the Jones Act regarding ships carrying freight between two U.S. ports are a serious impediment to Maine fully developing business for its ports. The Task Force recommends the Maine Legislature memorialize Congress and the President of the United States to repeal this restriction and allow freight to move more freely to and from U.S. ports. (See Appendix A.). In an increasingly global market, restrictions as to the nationality of the builders and owners of a ship no longer make sense. This provision of the Jones Act is outdated and should be amended.

*Carriage of Passengers*

**Finding:** According to 46 U.S.C. §289, foreign vessels carrying passengers are not allowed to transfer passengers from one United States port to another. In Maine, this restricts the number of cruise ships that could use Maine ports as a cruise stop and prohibits foreign cruise ships from developing a New England or Maine route that could make several stops along the coast. This provision is outdated and does not correspond with expanding international trade and free



movement of goods and passengers. The original intent of the law may have been to protect the U.S. merchant marines, but the law diverts money from U.S. ports to foreign ports.

**Recommendation: Encourage Congress to re-examine the 46 U.S.C. § 289 and to pass S. 803, the United States Cruise Ship Tourism Act of 1997.**

46 U.S.C. §289 unnecessarily limits the movement of passenger ships. The Task Force recommends the Maine Legislature memorialize Congress and the President of the United States to repeal the provision that prohibits foreign vessels from carrying passengers from one port in the U.S. to another and, as a first step, enact S. 803, the United States Cruise Ship Tourism Act of 1997 (see Appendix A). S 803 would authorize the Secretary of Transportation to approve the transportation of passengers on foreign-flag cruise vessels not otherwise qualified to engage in trade between ports in the United States. The bill also provides protections for current U.S. flagged vessels.

*Community Investment Act (12 U.S.C. §2901 et. seq.)*

**Finding:** Areas of Maine with lower rates of economic growth could greatly benefit from the availability of capital for start-up businesses and the growth of existing businesses.

**Recommendation: Encourage Congress to amend the Community Reinvestment Act so that a certain percentage of a bank's or credit union's community-based lending takes place in areas of below-average growth in the state in which the bank or credit union is located.**

The Community Reinvestment Act encourages banks and credit unions to loan money to individuals and businesses that reside in communities in which the banks and credit unions are located. Although the act does not prescribe any set level of loans, a financial institution's loan activity is evaluated as part of periodic renewal reviews of the institution's charter. The Task Force recommends Congress amend the Community Reinvestment Act to require financial institutions to loan a specific percentage of their deposits in areas of below-average growth within the states in which the institutions are located.

## **APPENDIX A**

### **Legislation Proposed by the Task Force to Study Equal Economic Opportunity for All Regions of the State**

Sponsor:  
Drafter:  
File Name: G:\OPLANRG\NRGSTUD\EQUALEC\LEGIS-2.DOC  
LR (item)#:  
Date: January 13, 1998

Title: An Act to Create the Maine Economic Opportunity Advisory Committee

**Be it enacted by the People of Maine as follows:**

**Sec. 1. 5 M.R.S.A. § 12004-I, sub-§ 6-E is enacted to read:**

6-E. Economic Development Maine Economic Expenses and 5 MRSA § 13090-K  
Opportunity Advisory Committee Legislative Per Diem  
for Legislators Only

**Sec. 2. 5 M.R.S.A. chapter 383, sub-chapter III, article 5-C is enacted to read:**

**Article 5-B. Maine Economic Opportunity Advisory Committee**

**§ 13090-J. Maine Economic Opportunity Advisory Committee**

1. Appointment. The Maine Economic Opportunity Advisory Committee, referred to in this section as the "committee," established by Title 5, section 12004-I, subsection 6-E, consists of the following 15 voting members:

A. Three legislators appointed jointly by the President of the Senate and the Speaker of the House of Representatives;

B. One member from a regional economic development agencies located in eastern Maine, appointed jointly by the President of the Senate and the Speaker of the House of Representatives;

C. One member from a regional economic development agencies located in northern Maine, appointed jointly by the President of the Senate and the Speaker of the House of Representatives;

D. One member from a regional economic development agencies located in western Maine, appointed by the Governor;

E. One member from a regional economic development agencies located in southern Maine, appointed by the Governor;

F. One member from northern Maine representing the general public, appointed jointly by the President of the Senate and the Speaker of the House of Representatives;

G. One member from eastern Maine representing the general public, appointed jointly by the President of the Senate and the Speaker of the House of Representatives;

H. One member from western eastern Maine representing the general public, appointed by the Governor;

I. One member representing the Maine Municipal Association, appointed by the Governor;

J. The Commissioner of Economic and Community Development, or the commissioner's designee, who serves as an ex-officio member;

K. The Commissioner of Environmental Protection, or the commissioner's designee, who serves as an ex-officio member;

L. The Commissioner of Transportation, or the commissioner's designee, who serves as an ex-officio member;  
and

M. The Director of the Maine Land Use Regulation Commission, who serves as an ex-officio member.

2. Term. Except for ex-officio members, committee members serve for 2 years. Members continue serving until a successor is duly appointed and qualified. When a vacancy occurs during a member's term, the vacancy must be filled by the appointment of a member by the appropriated appointing authority from the same categories of members listed in subsection 1 as the member who vacated the committee.

3. Purpose. The Maine Economic Opportunity Advisory Committee shall advise the Legislature on ways to improve economic development opportunities for all regions of the State. The committee shall:

A. Monitor the differences in economic growth in various regions of the State;

B. Develop strategies to overcome barriers to economic growth in disadvantaged regions of the state and;

C. Report its findings and recommendations annually by February 1 of each year to the joint standing committee of the Legislature having jurisdiction over business and economic development matters.

4. Chair and officers. The committee shall annually chose one if its voting members to serve as chair for a one-year term. The committee may select other officers and designate their duties.

5. Meetings. The committee must meet as follows.

A. The committee must meet at least twice annually. The meetings must take place when the Legislature is not in session. One of the meetings must be held in an economically disadvantaged area of the state. Meetings may be called by the chair or the chair's designee. Meetings must be announced in advance and open to the public, to the extent required by Title 1, chapter 13, subchapter I.

6. Quorum. Eight members of the committee constitute a quorum. No action of the committee may be effective without the concurrence of at least 8 members.

7. Compensation. Legislative members of the committee must be compensated according to the provisions of Title 5, section 12004-I, subsection 6-E.

8. Sunset. Authorization for the committee expires on March 1, 2007. Prior to the sunset date, the committee must provide recommendations to the Governor and the Legislature concerning the need for extending authorization for the committee.

9. Staffing. The committee may request staff assistance from the Office of Policy and Legal Analysis.

### Summary

This bill creates the Maine Economic Opportunity Advisory Committee to continue the work of the Task Force to Study Equal Economic Opportunity for All Regions of the State. The purpose of the committee is to advise the Legislature on ways to improve economic development opportunities for all regions of the State.

Sponsor: Pursuant to 1997 P&S 51  
Drafter: JGK  
File Name: G:\OPLANRG\NRGSTUD\EQUALEC\336001.DOC  
LR (item)#: 3360 (1)  
Date: January 16, 1998

**JOINT RESOLUTION MEMORIALIZING THE PRESIDENT OF THE UNITED STATES AND THE CONGRESS OF THE UNITED STATES TO AMEND THE JONES ACT**

**WE**, your Memorialists, the members of the One Hundred and Eighteenth Legislature of the State of Maine now assembled in the Second Regular Session, most respectfully present and petition the President of the United States and the Congress, as follows:

**WHEREAS**, the Merchant Marine Act of 1920 was passed to protect the development of the Merchant Marines in the United States; and

**WHEREAS**, 46 App. U.S.C. § 883, also known as the Jones Act, requires that ships carrying freight between two ports in the United States must be built in and documented under the laws of the United States and owned by persons who are citizens of the United States; and

**WHEREAS**, the restriction of the Jones Act limits the ability of the State of Maine to fully develop and utilize its ports and significantly reduces economic development along the coast of the State of Maine; and

**WHEREAS**, the ship building industry and merchant marines have developed in a manner that makes the Jones Act obsolete; and

**WHEREAS**, removing the restriction of the Jones Act would increase traffic between Maine ports and other ports in the United States and improve economic activity in rural regions of the State where unemployment is significantly higher than the State average; now therefore be it

**RESOLVED**: That We, your Memorialists, request the United States Congress and the President of the United States to amend 46 App. U.S.C. § 883 and remove the restrictions that place significant barriers to economic development for the ports of Maine; and be it further

**RESOLVED**: That suitable copies of this resolution, duly authenticated by the Secretary of State, be transmitted to the Honorable William J. Clinton, President of the United States, the President of the United States Senate, the Speaker of the House of the Representatives of the United States and each Member of the Maine Congressional Delegation.

Sponsor:  
Drafter:  
File Name: G:\OPLANRG\NRGSTUD\EQUALEC\LEGIS-2.DOC  
LR (item)#:  
Date: January 13, 1998

**JOINT RESOLUTION MEMORIALIZING THE PRESIDENT OF THE UNITED STATES AND THE CONGRESS OF THE UNITED STATES TO AMEND 46 UNITED STATES CODE SECTION 289**

**WE**, your Memorialists, the members of the One Hundred and Eighteenth Legislature of the State of Maine now assembled in the Second Regular Session, most respectfully present and petition the President of the United States and the Congress, as follows:

**WHEREAS**, on June 19, 1886, An Act to Abolish Certain Fees for Official Services to American Vessels and to Amend the Laws Relating to Shipping Commissioners, Seamen and Owners of Vessels for Other Purposes was passed to protect the development of the Merchant Marines in the United States; and

**WHEREAS**, section 8 of the Act (46 U.S.C. § 289) restricts foreign vessels from transporting passengers between ports or places in the United States; and

**WHEREAS**, this restriction reduces the use of Maine ports by cruise ships and thereby limiting the ability of the State of Maine to fully develop and utilize its ports and significantly reducing economic development along the coast of the State of Maine; and

**WHEREAS**, removing this restriction would result in improved economic activity in rural regions of the State where unemployment is significantly higher than the State average; and

**WHEREAS**, S. 803, the United States Cruise Ship Tourism Act of 1997, which is currently pending before Congress, proposes to authorize the Secretary of Transportation to approve the transportation of passengers on foreign-flag cruise vessels not otherwise qualified to engage in trade between ports in the United States and provides protections for current U.S. flagged vessels; now therefore be it

**RESOLVED:** That We, your Memorialists, request the United States Congress and the President of the United States to amend 46 U.S.C. § 289 and remove the restrictions that place significant barriers to economic development in the coastal regions of Maine; and be it further

**RESOLVED:** That, as a step toward complete removal of the restrictions, the United States Congress and the President of the United States enact S. 803, the United States Cruise Ship Tourism Act of 1997, which is currently pending before Congress.; and be it further

**RESOLVED:** That suitable copies of this resolution, duly authenticated by the Secretary of State, be transmitted to the Honorable William J. Clinton, President of the United States, the President of the United States Senate, the Speaker of the House of the Representatives of the United States and each Member of the Maine Congressional Delegation.



**1997, Private and Special Laws, Chapter 51**

**H.P. 1035 - L.D. 1452**

**An Act to Establish the Task Force to Study Equal Economic Opportunity for All Regions of the State**

**Be it enacted by the People of the State of Maine as follows:**

**Sec. 1. Task Force to Study Equal Economic Opportunity for all Regions of the State; established.** The Task Force to Study Equal Economic Opportunity for all Regions of the State is established and referred to in this Act as the "task force."

**1. Membership.** The task force consists of 14 members appointed as follows:

- A. Five members of the Legislature, appointed jointly by the President of the Senate and the Speaker of the House of Representatives in consultation with the Chairs of the Joint Standing Committee on Business and Economic Development;
- B. The Commissioner of Economic and Community Development or a designee empowered to act on the behalf of the commissioner;
- C. The Commissioner of Environmental Protection or a designee empowered to act on the behalf of the commissioner;
- D. The Director of the Maine Land Use Regulation Commission or a designee empowered to act on the behalf of the director;
- E. Three members from regional development agencies located in northern, western and eastern counties of the State; and
- F. Three members of the public.

The task force may create working groups with representatives from interested parties and members of the task force to assist in its work. Regional development agencies members and public members of the task force must be appointed by the chair.

**2. Appointments.** All appointments must be made no later than 30 days following the effective date of this Act, with the exception of the regional development agency members and public members. The regional agency members and public members must be appointed by the chair of the task force by the task force's 2nd meeting. The appointing authorities shall notify the Executive Director of the Legislative Council upon making their appointments. When the appointment of all members is complete, the Chair of the Legislative Council shall call and convene the first meeting of the task force no later than October 15, 1997. The task force shall select a chair from among its legislative members. Task force meetings must be held in various regions of the State, with emphasis on holding meetings in the areas most affected by lack of economic development. The task force may not hold meetings during the Second Regular Session of the 118th Legislature.

**3. Duties.** The task force shall:

A. Study the causes of unequal economic growth in regions of the State and recommend strategies to overcome barriers to economic growth in affected regions of the State, including but not limited to Aroostook, Franklin, Oxford, Piscataquis, Penobscot, Somerset, Waldo, Hancock and Washington counties;

B. Identify strategies to provide fair and equitable standards for development and construction in all areas of the State;

C. Examine laws and regulations governing economic development and recommend policies and actions that will enhance economic development statewide; and

D. Request necessary data from either public or private entities that relate to the needs of the task force.

**4. Staff assistance.** The task force shall request staffing and clerical assistance from the Legislative Council.

**5. Meetings.** The task force may meet up to 4 times.

**6. Reimbursement.** The task force members who are Legislators are entitled to receive the legislative per diem, as defined in the Maine Revised Statutes, Title 3, section 2, for each day of attendance at meetings of the task force and reimbursement for travel and other necessary expenses upon application to the Legislative Council. All other members are not entitled to compensation for their participation on the task force. The Executive Director of the Legislative Council shall administer the task force's budget.

**7. Report.** The task force shall submit a report with any accompanying legislation to the Governor, the Legislative Council and the Joint Standing Committee on Business and

Economic Development to the Second Regular Session of the 118th Legislature by January 1, 1998.

**Sec. 2. Appropriation.** The following funds are appropriated from the General Fund to carry out the purposes of this Act.

**199**

**LEGISLATURE**

**Task Force to Study Equal Economic Opportunity for all Regions of the State**

|                   |       |
|-------------------|-------|
| Personal Services | \$1,1 |
| All Other         | 1,50  |

Provides funds for the per diem and expenses of legislative members and miscellaneous costs of the Task Force to Study Equal Economic Opportunity for all Regions of the State.

**LEGISLATURE**

|              |              |
|--------------|--------------|
| <b>TOTAL</b> | <b>\$2,6</b> |
|--------------|--------------|

See title page for effective date.

## **APPENDIX C**

### **Task Force Membership**

## **Joint Appointments by the President and the Speaker**

Senator John T. Jenkins  
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Lewiston, Maine 04243  
Tel: 784-0322

Senator R. Leo Kieffer  
Assistant Republican Leader  
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Tel: 463-2507

Representative Martha Bagley  
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Machias, Maine 04654  
Tel: 255-6567

### **Ex Officio**

Alan Brigham, Director of Policy & Planning  
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John S. Williams, Director  
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**Appointments by the Chair**

Robert Clark, Executive Director  
Northern Maine Development Commission  
302 Main Street  
PO Box 779  
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Tel: 498-8736

Robert Thompson, Executive Director  
Androscoggin Valley Council of Governments  
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Auburn, Maine 04210  
Tel: 783-9186

Michael Kelly, President  
LEAD  
c/o Key Bank  
187 State Street  
Presque Isle, Maine 04769  
Tel: 764-9424

Terrence J. MacTaggart, Chancellor  
University of Maine System  
107 Maine Avenue  
Bangor, Maine 04401  
Tel: 973-3205

Diane Tilton, Director  
Sunrise County Economic Council  
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Machias, Maine 04654  
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## **APPENDIX D**

**Potential findings and recommendations suggested at the Presque Isle,  
Machias and Farmington public hearings**

## **Appendix C: Findings and recommendations from Presque Isle, Machias and Farmington public hearings**

### *Transportation infrastructure*

**Finding:** Improvements in Maine's transportation infrastructure is vital to promoting economic growth and maintaining jobs in rural areas and areas that have experienced low rates of job growth.

#### **Recommendations:**

- Fund reconstruction of Rt. 11 in Aroostook County
- Pursue extension of I-95 into northern Aroostook County
- Fund improvements to Rt. 1 in Aroostook and Washington Counties - widening and adding passing lanes.
- Expand rail service to the port in Eastport
- Create an East-west highway
- Upgrade and maintain Rtes. 6 and 9 to improve traffic flow and safety
- Improvements to Western Maine highways - Rts. 4, 16, 17 - various others mentioned as well
- Conduct a cost analysis to assess the cost of not providing adequate access to targeted areas of the state (i.e. welfare costs, low wage rates)
- Change the funding mechanism for some of the major collector roads of economic significance in the state from a system in which cost are shared by municipalities to one in which the state pays all the costs.

### *Natural resource marketing*

**Finding:** The economic development components of the state's natural resource agencies are underfunded, yet economic growth throughout much of Maine will be based upon the state's natural resources. The state should put more effort into promoting Maine's natural resource products.

**Recommendation:** Increase funding in natural resource marketing and re-establish marketing positions in the Department of Marine Resources, the Department of Agriculture, Food and Rural Resources and the Department of Conservation.

### *Marketing of Tourism Destinations*

**Finding:** There exist untapped tourism destinations that could be capitalized on with creative marketing efforts.

**Recommendation:** Determine locations that could be marketed as travel destinations; Develop brochures and marketing pieces for specific locations, such as St. Croix Islands.



*Labor force information I*

**Finding:**

- More current employment and labor market information needs to be provided to people involved in attracting economic development.
- Small communities and sparsely populated areas do not generally meet the demographic search criteria for most companies

**Recommendations:**

- Dept. of Labor should assess the labor data needs of expanding/relocating companies and create an ongoing system of documenting the available labor base and the associated skills throughout Maine
- Staff suggestions: Develop a database of workforce characteristics by labor market area; Require the Department of Labor to assess the timeliness of its data and its delivery; Make recommendations on what is needed to improve the timeliness of data; Require the Dept. of Labor to report its findings to the Joint Standing Committee on Business and Economic Development.

*Labor force information II*

**Finding:** Better employment/labor force information is needed on a county-by-county basis, particularly information related to self-employed people. Self-employed people are an important component of the labor force in rural and low-growth areas. More information is needed on self-employed people in order to provide interested businesses information on the available work force.

**Recommendation:** Staff suggestion: Revise the state tax forms to provide a check-off box through which a person could give permission for his/her name and occupation to be included in a registry of self-employed people. The data collected for this registry could be used in responses to business location inquiries. Funds could be included to promote use of the check-off box.

*Tax incentives*

**Finding:** Rural and low-growth areas could benefit from a tax incentive tool designed to attract businesses.

**Recommendations:**

- Develop an Enterprise Zone Program
- Examine opportunities to create Free Trade Zones
- Provide tax-free status for new businesses for their first 2-3 years of operation and slowly increase tax rate up to a capped rate
- Revamp ETIF program to insure that it is truly providing an incentive for disadvantaged communities. (ETIF reliance on per-capital basis exposes rural communities to inflated figures because of single large employer, as in mill towns.)
- Review tax incentive programs to ensure they can be clearly understood and easily implemented

*Location service*

**Finding:**

- Maine and Company could use more funding to generate development leads and provide location information to businesses. Maine and Company could also benefit from the services of French-speaking representatives who could interact with Canadian businesses.
- Marketing a state as a location in which to conduct business is essential to attracting new businesses. Maine greatly underfunds its business attracting marketing.

**Recommendation:**

- Provide challenge grants (private match) to regional/subregional economic development groups for marketing
- Provide outright grants for marketing to groups in economically depressed areas
- Create a small team to travel into areas of the state and train communities and groups of communities to market themselves.

Provide a state grant to Maine and Company to increase its capacity to attract economic development and hire French-speaking representatives.

### *Workforce training*

#### **Finding:**

The state needs a comprehensive workforce preparedness program, particularly adult education, with special attention paid to basic skills.

#### **Recommendations:**

- Need a mechanism to coordinate and focus the many different training and education programs in the state
- Work with the state's 11 State Community Action Agencies to create innovative partnerships - \$5 million coming to those agencies for training as part of federal welfare reform

### *Commercial buildings*

#### **Finding:**

Many communities lack available commercial buildings into which a relocating business can move.

#### **Recommendation:**

Initiate a "shell building" program to construct the necessary buildings to attract businesses to certain communities

### *Availability of assistance information*

**Finding:** Many sources of technical assistance and funding exist for attracting small businesses and economic development in general. However, it is difficult, particularly for remote communities, to learn about these sources and determine which is most appropriate for a person or a proposal.

**Recommendation:** Staff suggestion: Fund development of an Internet site to provide easy access to all sources of economic development assistance and other information (such as regulations, permitting requirements, taxation, etc.) Design the site as an interactive site that would allow a person to type in simple terms and receive pertinent information.

*Example:* Type in "aquaculture" and receive access to permitting information and forms, state laws and regulations regarding aquaculture, available financial assistance for aquaculture operations, data on existing aquaculture operations, data on aquaculture production in Maine, etc.

*Secondary manufacturing*

**Finding:** Economic development opportunities exist in secondary manufacturing for wood products.

**Recommendation:** Provide seed dollars for businesses looking to develop products in the secondary manufacturing sector.

*Comprehensive Planning*

**Finding:** The comprehensive planning process of the Growth Management Act provides a community a process for envisioning its economic future, infusing the values of the community into a vision of the future and identifying community improvements necessary to foster economic growth.

**Recommendation:** Promote the value of the comprehensive planning process; provide funding for technical assistance grants and incentives for communities to engage in the comprehensive planning process; ensure that existing funding is secure.

*Coordination of Economic Development Efforts*

There are many different individuals and groups working on economic development, all of which have good ideas for improving economic development in rural areas. However, all parties are not aware of the efforts and resources of other people involved in economic development efforts.

**Recommendation:** DECD should sponsor an annual meeting in each county with slow employment growth for people involved with economic development.

*Job Opportunity Zone Program*

**Finding:** The Job Opportunity Zone program performed a very valuable purpose of bringing communities together to think regionally and to take actions to benefit an entire region. This approach is a more efficient use of community resources than one that pits individual communities against each other.

**Recommendation:** Restore funding to the Job Opportunity Zone Program.

### *Taxation and Regulation of Small Businesses*

**Findings:** Several small business owners indicated that while it is up to the individual to develop and implement a plan for a business, tax payments, workers' compensation payments and unemployment insurance payments create additional costs, both administrative and financial, to the business owner.

**Recommendations:** Monitor changes in taxation, unemployment and other benefits to minimize impact on small business owners.

### *Availability of staff to process permits*

**Finding:**

The Maine Yankee nuclear power plant shutdown will consume approximately 4 people full time at the Department of Environmental Protection. This could impact the agency's response time to permit applications.

**Recommendations:**

Ensure the DEP has adequate staff to efficiently process applications

### *Housing*

**Finding:** Rural and low-growth areas have problems with the age and quality of housing, which impacts the ability of those areas to attract new business investment.

**Recommendation:** Restore the Real Estate Transfer Tax to its original percentage division and increase the funding to the Maine State Housing Authority.

### *Loss of talent*

**Finding:** Rural and slow-growth areas are adversely impacted by the loss of talented young people who permanently leave for better opportunities.

**Recommendation:** Provide incentives, such as education funding or relocation funding to bring young people back to their home areas.

### *Attract Retirees to Designated Areas*

**Findings:** Florida offers a "Homestead Exemption" that gives all property owners who have a permanent residence in Florida a \$25,000 exemption on property taxes. People over 65 are able to apply for additional deferrals of property tax depending on their income level.

**Recommendations:** Implement a property or state tax exemption for people locating in designated areas.

*Canadian border*

**Finding:** In addition to local economic growth through existing businesses and entrepreneurs, the top prospects for new jobs in Aroostook County and areas along the Canadian border are in the provinces of Quebec and New Brunswick. Federal immigration and international trade laws make it difficult to attract businesses over the border.

**Recommendation:** Staff suggestion: Encourage Maine's congressional delegation to pursue federal policies to make it easier for Canadian businesses to locate in Maine.

*Property taxes*

**Finding:** Differing property tax rates among communities greatly impact the ability of higher-tax communities to compete for economic development, and to devote resources to attracting economic development.

**Recommendation:** Pursue a state tax policy that equalizes property taxes throughout the state.

*Purchases of Land Impact on Local Tax Revenues*

While the purchase of land for preservation has had a positive impact of providing open space, there has been a significant negative impact on property tax revenues.

**Recommendation:** Examine purchases of land and corresponding exemptions of property tax

*Regulations on Private Land*

**Finding:** Land owners rely on their land as means of making a living. Additional regulation of private land might make it increasingly difficult for these private landowners to survive. Education on sound forest practices will benefit landowners just as much as additional regulation.

**Recommendation:** Fund outreach aspects of the Forest Practices Act.

*Yellow pages*

**Finding:** Higher telephone service costs for business versus residential phone lines keeps a large number of Maine businesses (particularly the self-employed) from subscribing to business lines, thus keeping them from appearing in Yellow Page listings. Yellow Page listings are a vital database for identifying businesses and available commercial resources.

**Recommendation:** Require the Public Utilities Commission to investigate reasons for rate differentiation and encourage them to equalize residential and business rates.

*Federal Issues-Davis-Bacon Act*

**Findings:** The Davis-Bacon Act requires workers to be paid the prevailing wage for all federally funded projects. Because of the way the prevailing wages are calculated, the prevailing wages are very high in Washington County. The high level of prevailing wages pushes up all costs of federally funded projects in the region.

**Recommendation:** Recommend to Congress a modified calculation of prevailing wages in areas dominated by one large employer.

*Federal Issues-Community Reinvestment Act*

**Findings:** Rural areas of Maine and areas of the state with lower growth rates could benefit from the availability of additional bank financing.

**Recommendation:** Recommend to Congress that the Community Reinvestment Act be amended to require a certain percentage of a bank's community-based lending take place in areas of below-average growth in the state in which the bank is located.

*Federal Issues-Jones Act*

**Findings:** The Jones Act requires that ships carrying freight between two ports in the United States must be built in the United States, owned by an American company and crewed by workers from the United States. This regulation limits the ability of the port in Eastport to expand business.

**Recommendations:** Encourage Congress to repeal or re-examine the Jones Act.

*Federal Issues-Carriage of Passengers Act*

**Findings:** Foreign vessels carrying passengers are not allowed to transfer passengers from one United States port to another, which limits the number of cruise ships that could use Eastport as a cruise stop.

**Recommendations:** Encourage Congress to repeal or re-examine the Carriage of Passengers Act.

## **APPENDIX E**

**Historical Maine and National Economic Data, 1982 to 1995**



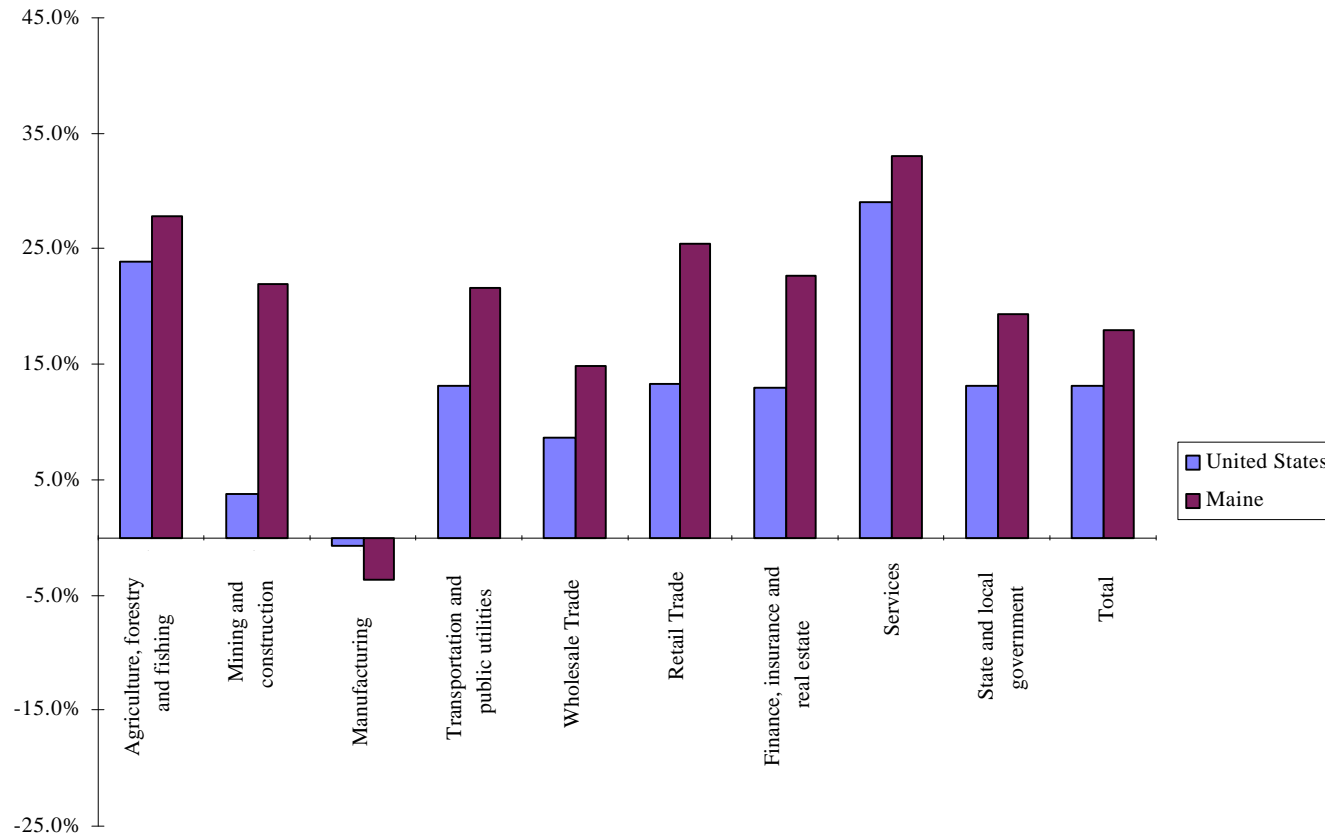
## Percent Change in Employment\* United States and Maine

|                                     | Percent Change<br>1982 to 1995 |              | Percent Change<br>1982 to 1985 |              | Percent Change<br>1985 to 1990 |              | Percent Change<br>1990 to 1995 |              |
|-------------------------------------|--------------------------------|--------------|--------------------------------|--------------|--------------------------------|--------------|--------------------------------|--------------|
|                                     | <u>US</u>                      | <u>Maine</u> | <u>US</u>                      | <u>Maine</u> | <u>US</u>                      | <u>Maine</u> | <u>US</u>                      | <u>Maine</u> |
| Agriculture, forestry and fishing   | 46.3%                          | 35.2%        | 5.6%                           | 1.9%         | 23.9%                          | 27.8%        | 11.8%                          | 3.8%         |
| Mining and construction             | 12.9%                          | 29.3%        | 10.8%                          | 40.0%        | 3.8%                           | 21.9%        | -1.8%                          | -24.2%       |
| Manufacturing                       | -2.6%                          | -16.9%       | 1.6%                           | -3.4%        | -0.7%                          | -3.7%        | -3.5%                          | -10.6%       |
| Transportation and public utilities | 25.7%                          | 33.6%        | 4.5%                           | 9.8%         | 13.0%                          | 21.6%        | 6.5%                           | 0.1%         |
| Wholesale trade                     | 19.8%                          | 32.2%        | 7.1%                           | 16.2%        | 8.6%                           | 14.9%        | 2.9%                           | -1.0%        |
| Retail trade                        | 38.9%                          | 56.1%        | 13.7%                          | 20.1%        | 13.4%                          | 25.5%        | 7.7%                           | 3.6%         |
| Finance, insurance and real estate  | 25.8%                          | 42.8%        | 11.1%                          | 16.8%        | 12.9%                          | 22.6%        | 0.3%                           | -0.2%        |
| Services                            | 75.5%                          | 75.8%        | 16.0%                          | 14.4%        | 29.1%                          | 33.0%        | 17.2%                          | 15.4%        |
| State and local government          | <u>23.3%</u>                   | <u>29.3%</u> | <u>1.2%</u>                    | <u>7.3%</u>  | <u>13.1%</u>                   | <u>19.4%</u> | <u>7.6%</u>                    | <u>0.9%</u>  |
| TOTAL                               | 30.8%                          | 31.5%        | 8.3%                           | 10.4%        | 13.1%                          | 18.0%        | 6.8%                           | 1.0%         |

\* Employer reported figures for all employees covered by unemployment insurance. Excludes self-employed and certain farm and domestic workers.

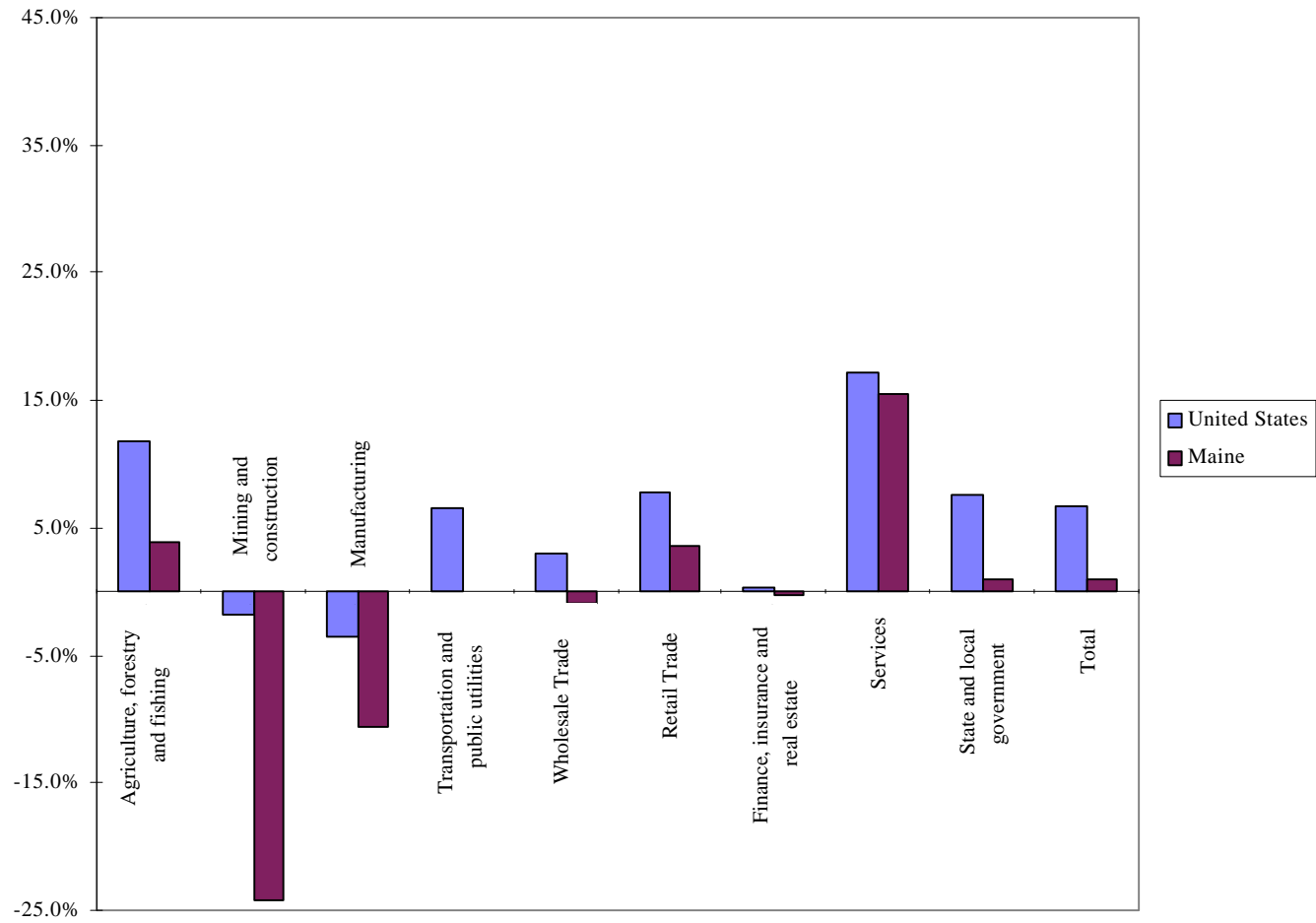
Source: U.S. Department of Labor, Bureau of Labor Statistics, *Employment and Wages, Annual Averages*, 1982, 1985, 1990 and 1995.  
Maine Department of Labor, *Maine Employment Statistical Handbook*, 1982, 1985, 1990 and 1995.

### Percent Change in Employment Maine and United States, 1985 to 1990



Source: U.S. Department of Labor, Bureau of Labor Statistics, *Employment and Wages, Annual Averages*, 1985 and 1990.  
Maine Department of Labor, *Maine Employment Statistical Handbook*, 1985 and 1990.

### Percent Change in Employment Maine and United States, 1990 to 1995



Source: U.S. Department of Labor, Bureau of Labor Statistics, *Employment and Wages, Annual Averages*, 1990 and 1995.  
Maine Department of Labor, *Maine Employment Statistical Handbook*, 1990 and 1995.

## Sector Employment as a Percentage of Total Employment\* United States and Maine

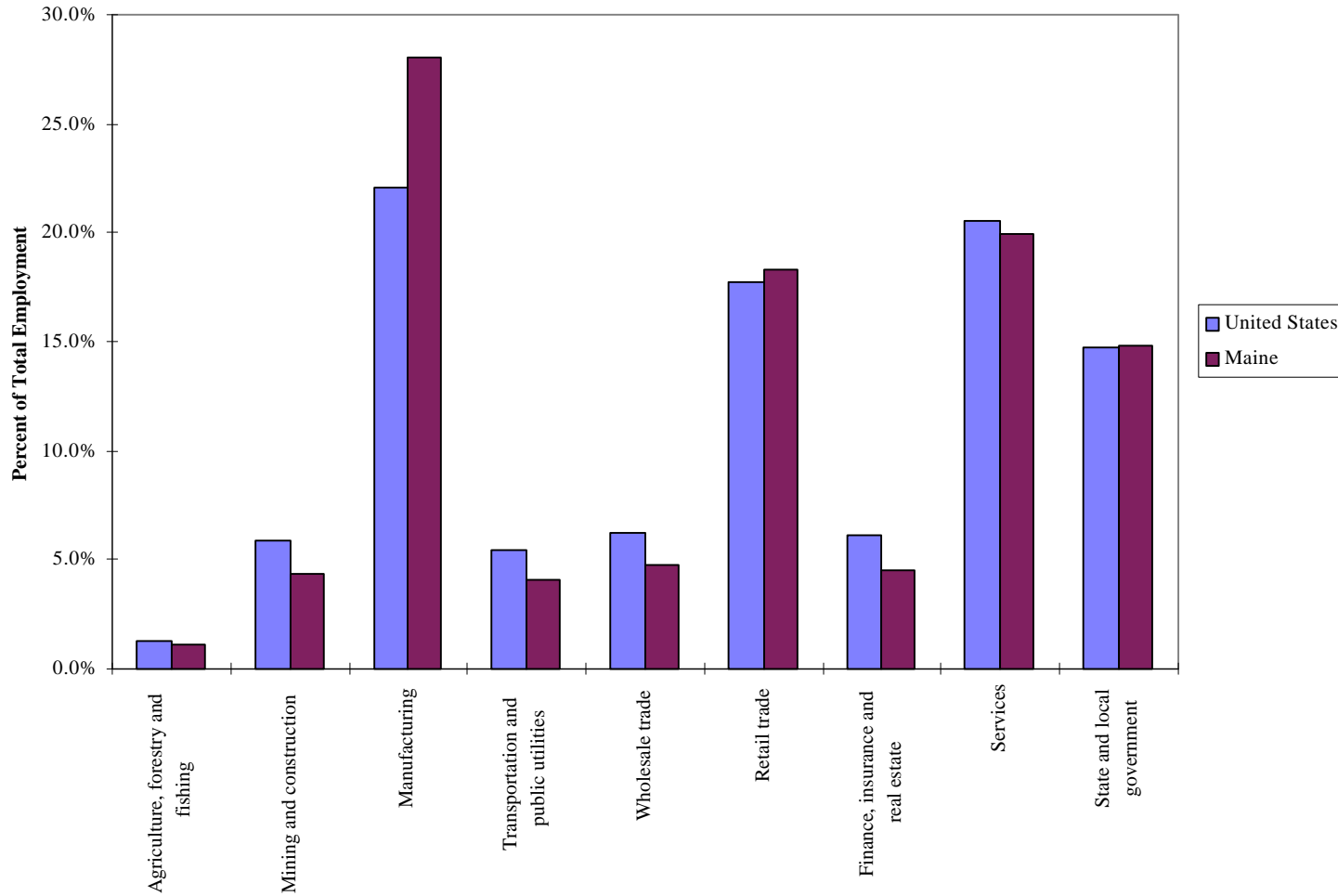
|                                     | 1982         |              | 1985         |              | 1990         |              | 1995         |              |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                     | <u>US</u>    | <u>Maine</u> | <u>US</u>    | <u>Maine</u> | <u>US</u>    | <u>Maine</u> | <u>US</u>    | <u>Maine</u> |
| Agriculture, forestry and fishing   | 1.3%         | 1.1%         | 1.3%         | 1.0%         | 1.4%         | 1.1%         | 1.5%         | 1.1%         |
| Mining and construction             | 5.8%         | 4.3%         | 6.0%         | 5.5%         | 5.5%         | 5.6%         | 5.0%         | 4.2%         |
| Manufacturing                       | 22.1%        | 28.0%        | 20.7%        | 24.5%        | 18.2%        | 20.0%        | 16.4%        | 17.7%        |
| Transportation and public utilities | 5.4%         | 4.1%         | 5.2%         | 4.1%         | 5.2%         | 4.2%         | 5.2%         | 4.2%         |
| Wholesale trade                     | 6.2%         | 4.8%         | 6.1%         | 5.1%         | 5.9%         | 4.9%         | 5.7%         | 4.8%         |
| Retail trade                        | 17.7%        | 18.3%        | 18.6%        | 20.0%        | 18.7%        | 21.2%        | 18.8%        | 21.8%        |
| Finance, insurance and real estate  | 6.1%         | 4.5%         | 6.3%         | 4.7%         | 6.3%         | 4.9%         | 5.9%         | 4.9%         |
| Services                            | 20.5%        | 20.0%        | 22.0%        | 20.7%        | 25.1%        | 23.3%        | 27.5%        | 26.7%        |
| State and local government          | <u>14.8%</u> | <u>14.8%</u> | <u>13.8%</u> | <u>14.4%</u> | <u>13.8%</u> | <u>14.6%</u> | <u>13.9%</u> | <u>14.6%</u> |
| TOTAL                               | 100.0%       | 100.0%       | 100.0%       | 100.0%       | 100.0%       | 100.0%       | 100.0%       | 100.0%       |

\* Employer reported figures for all employees covered by unemployment insurance. Excludes self-employed and certain farm and domestic workers.

Source: U.S. Department of Labor, Bureau of Labor Statistics, *Employment and Wages, Annual Averages*, 1982, 1985, 1990 and 1995.

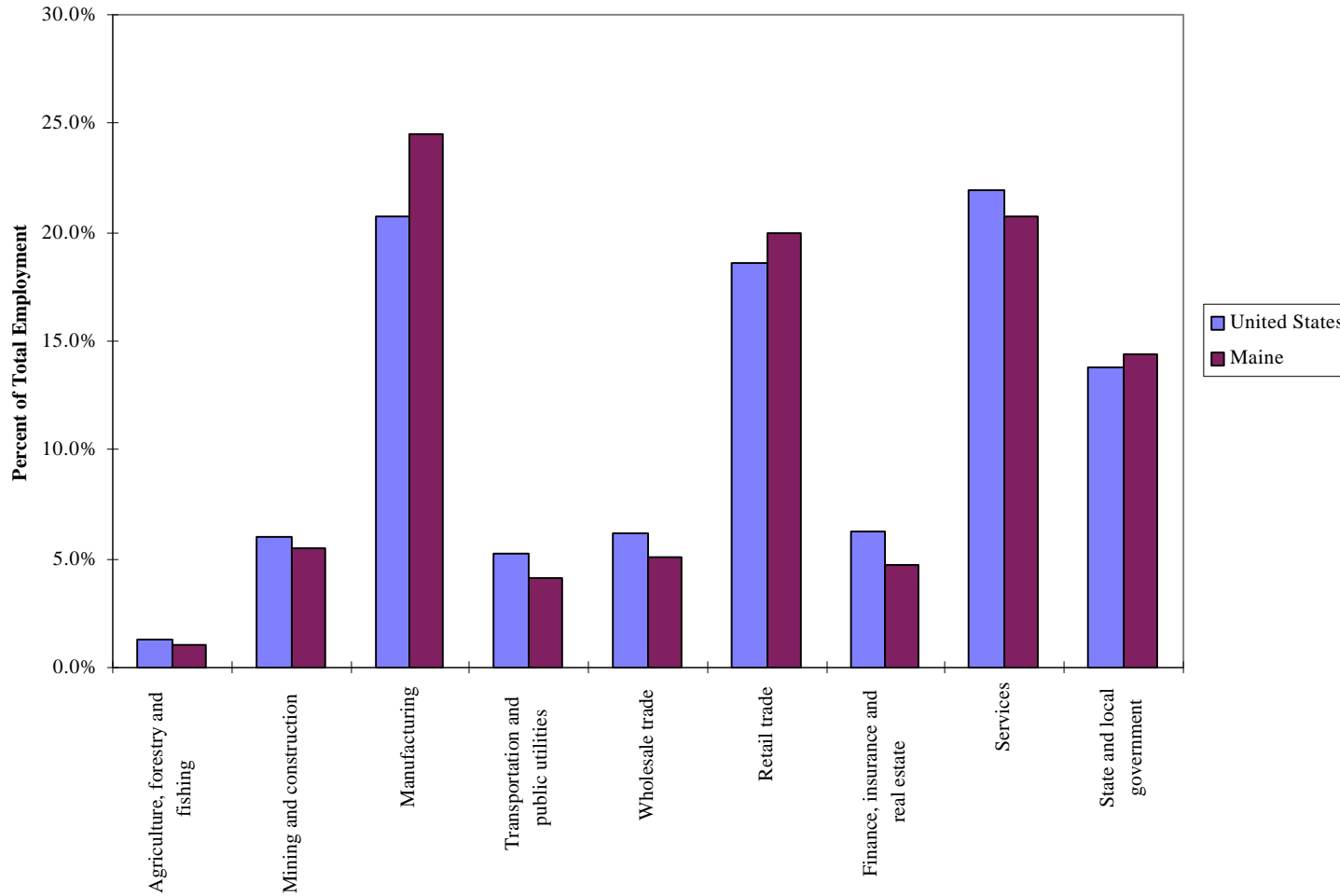
Maine Department of Labor, *Maine Employment Statistical Handbook*, 1982, 1985, 1990 and 1995.

**Sector Employment as a Percentage of Total Employment  
Maine and United States, 1982**



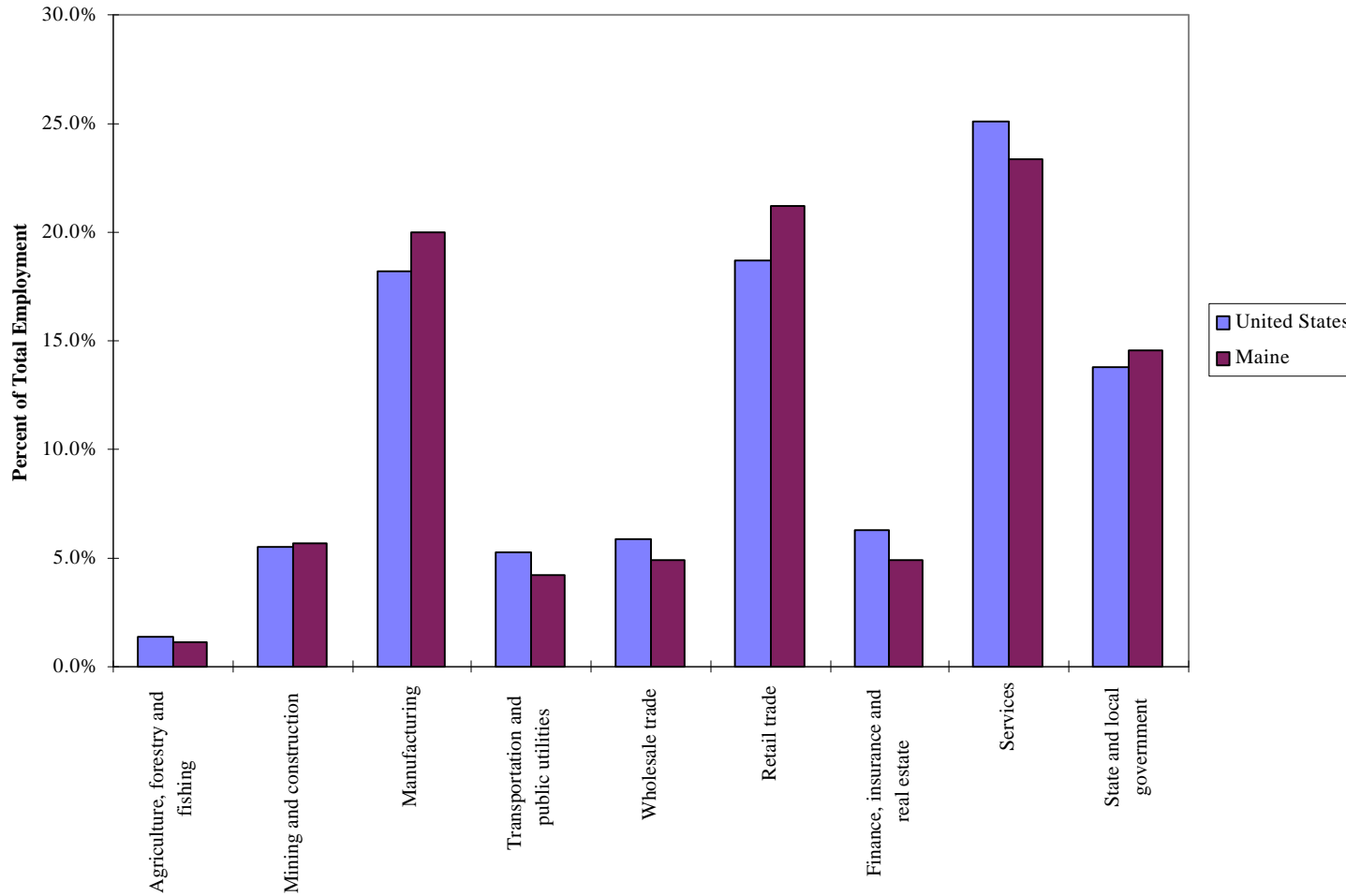
Source: U.S. Department of Labor, Bureau of Labor Statistics, *Employment and Wages, Annual Averages, 1982*.  
Maine Department of Labor, *Maine Employment Statistical Handbook, 1982*.

**Sector Employment as a Percentage of Total Employment  
Maine and United States, 1985**



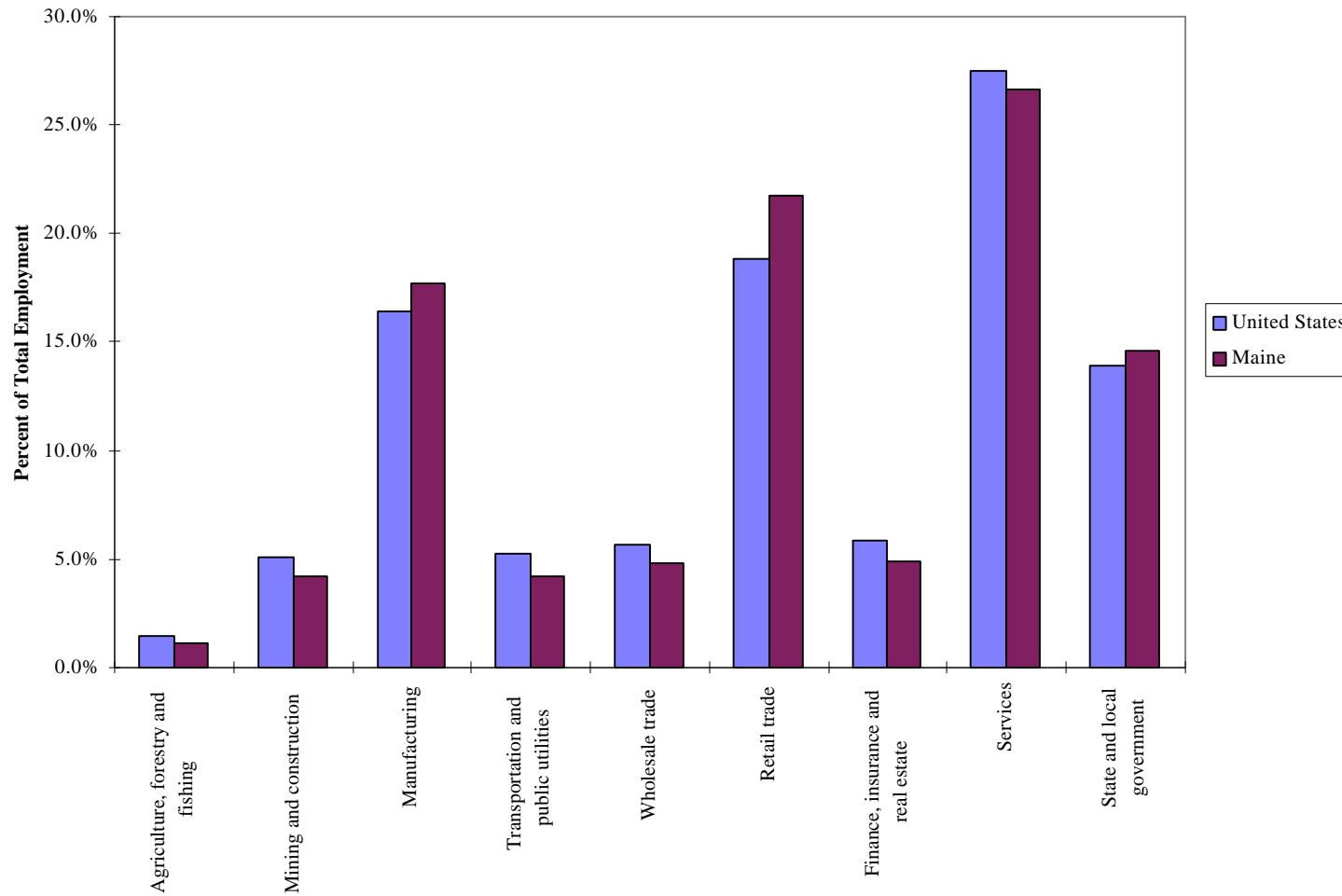
Source: U.S. Department of Labor, Bureau of Labor Statistics, *Employment and Wages, Annual Averages*, 1985.  
Maine Department of Labor, *Maine Employment Statistical Handbook*, 1985.

**Sector Employment as a Percentage of Total Employment  
Maine and United States, 1990**



Source: U.S. Department of Labor, Bureau of Labor Statistics, *Employment and Wages, Annual Averages*, 1990.  
Maine Department of Labor, *Maine Employment Statistical Handbook*, 1990.

**Sector Employment as a Percentage of Total Employment  
Maine and United States, 1995**

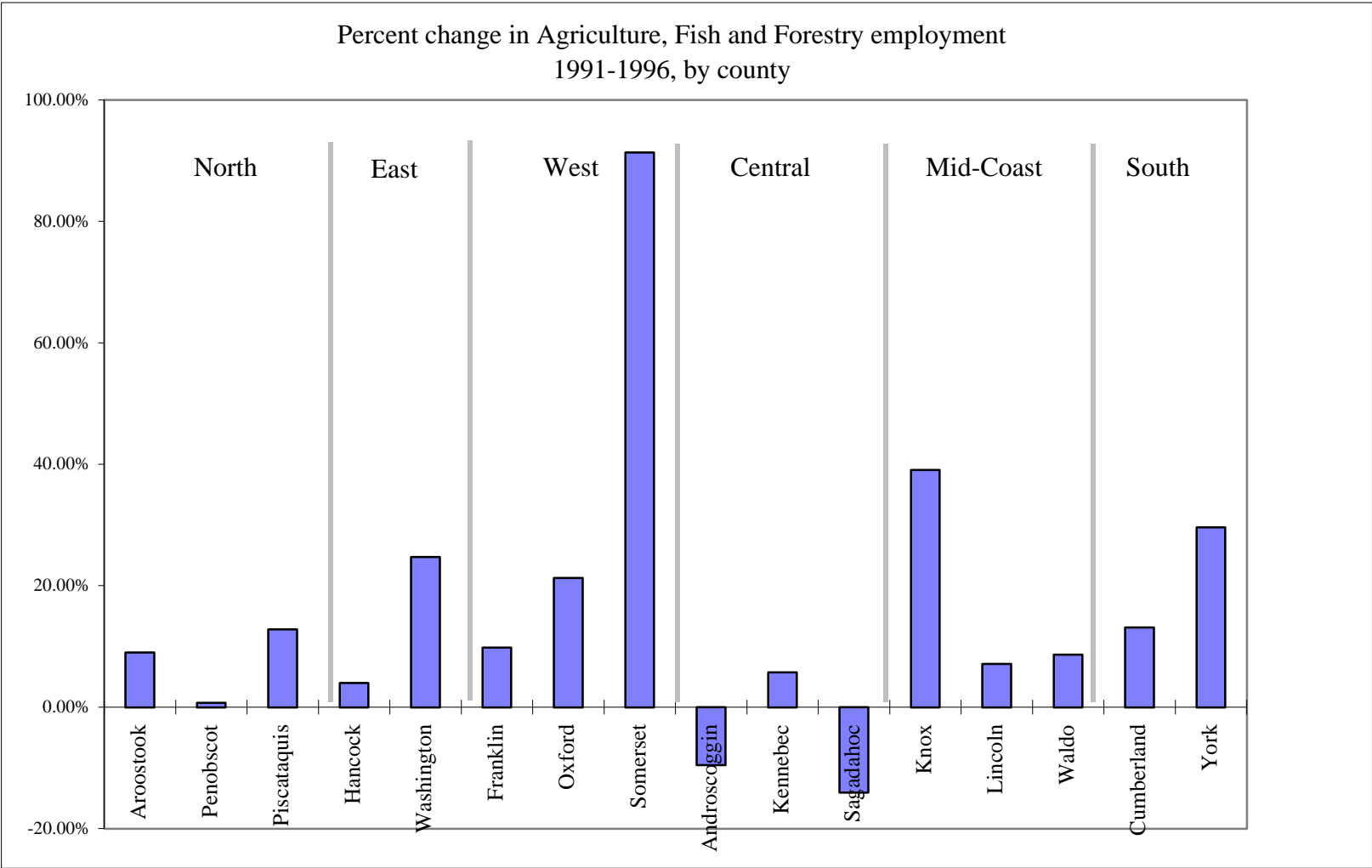


Source: U.S. Department of Labor, Bureau of Labor Statistics, *Employment and Wages, Annual Averages*, 1995.  
Maine Department of Labor, *Maine Employment Statistical Handbook*, 1995.



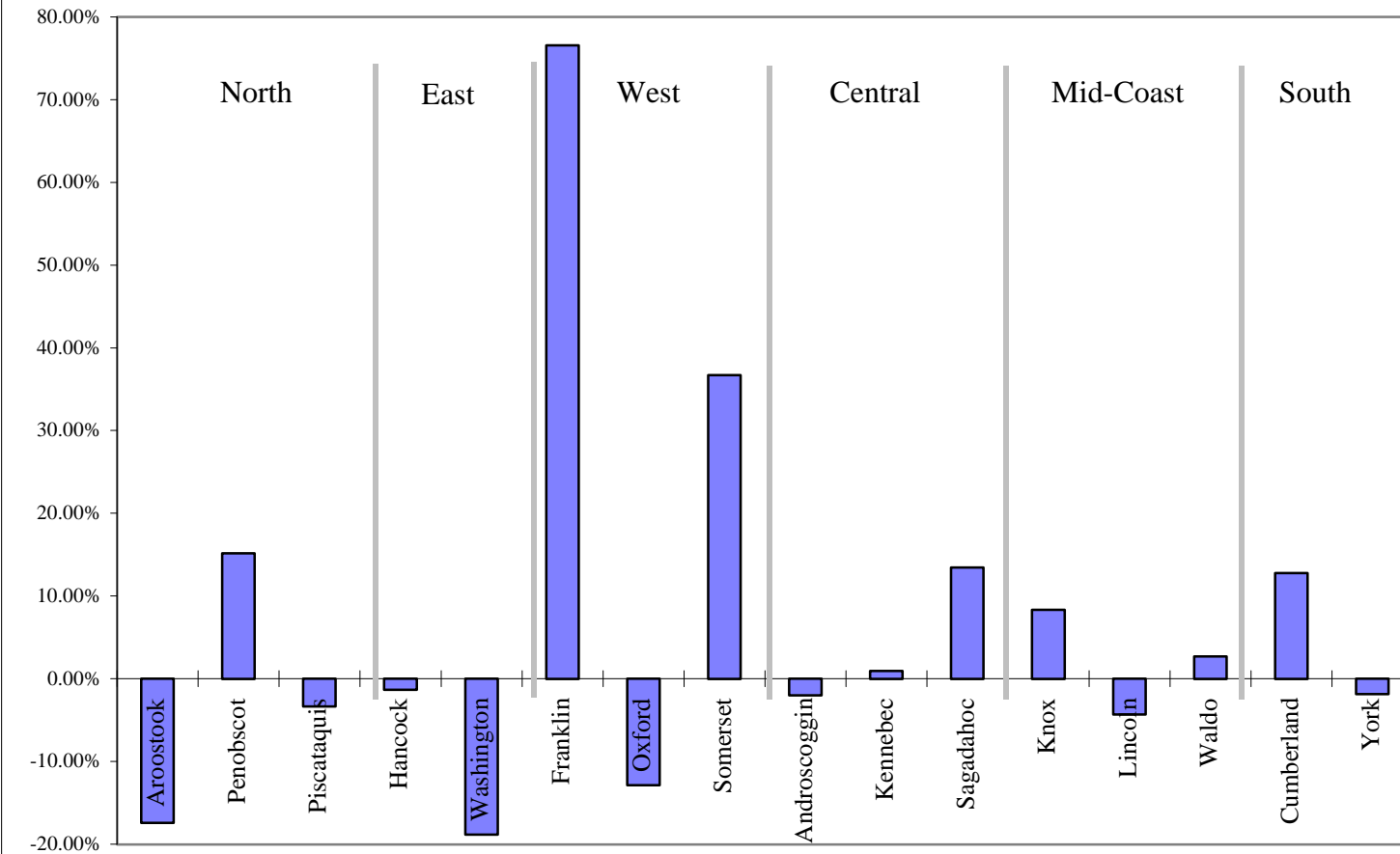
## **APPENDIX F**

**Historical Maine County Data: 1991 to 1996**

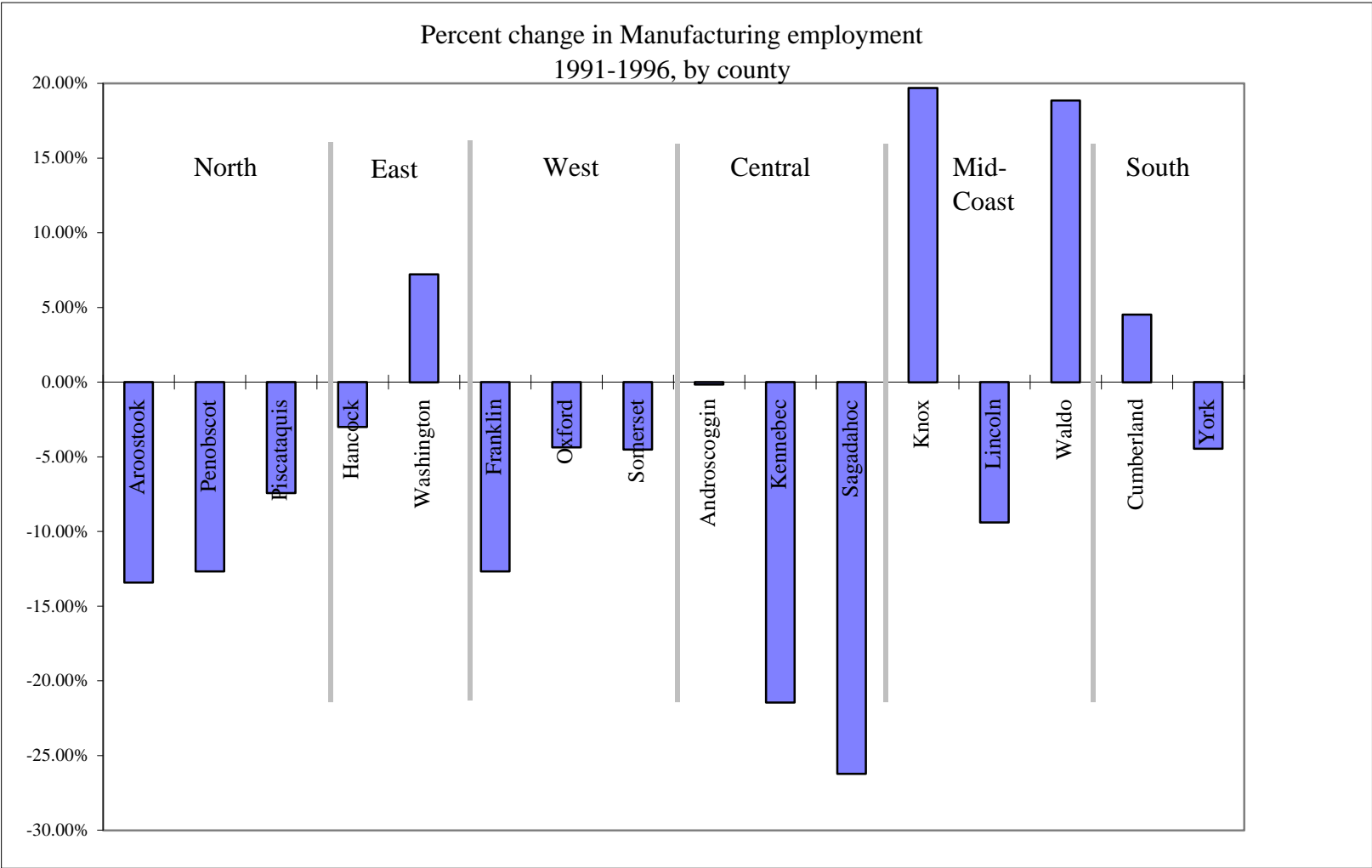


Source: Employment numbers from Maine Department of Labor, Employment Statistical Handbook, 1991 and 1996  
 Prepared by the Office of Policy and Legal Analysis, November 1997

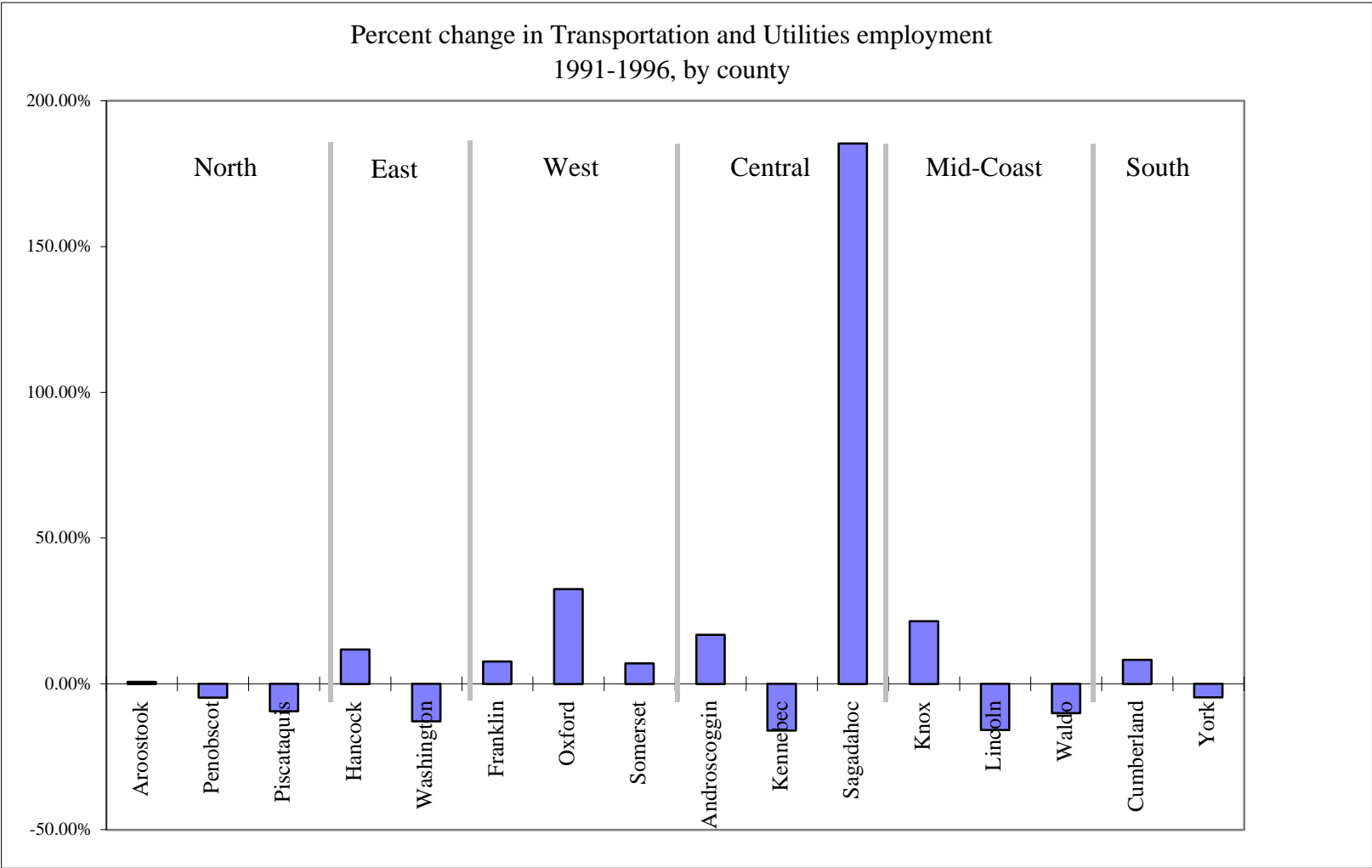
Percent change in Mining and Construction employment  
1991-1996, by county



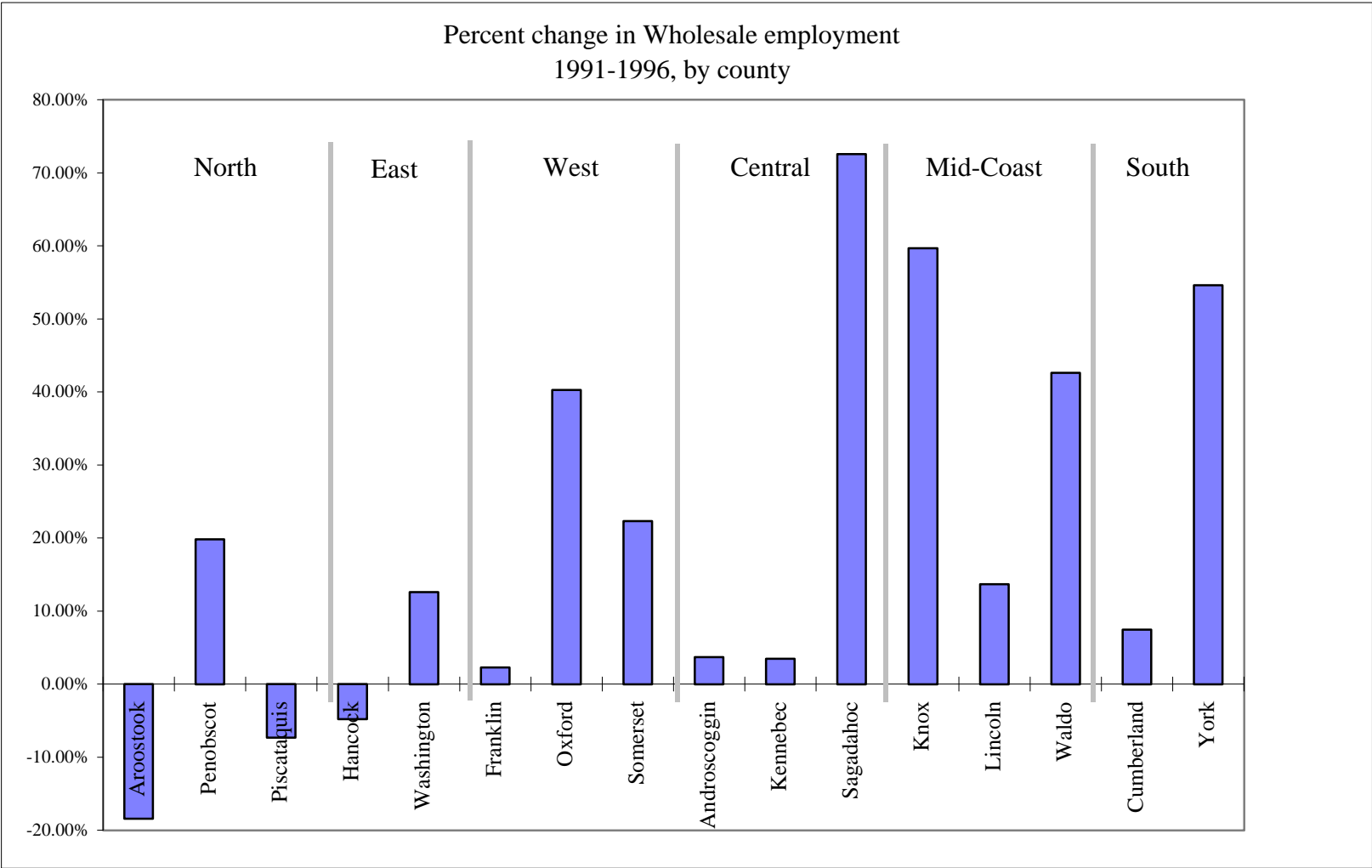
Source: Employment numbers from Maine Department of Labor, Employment Statistical Handbook, 1991 and 1996  
Prepared by the Office of Policy and Legal Analysis, November 1997



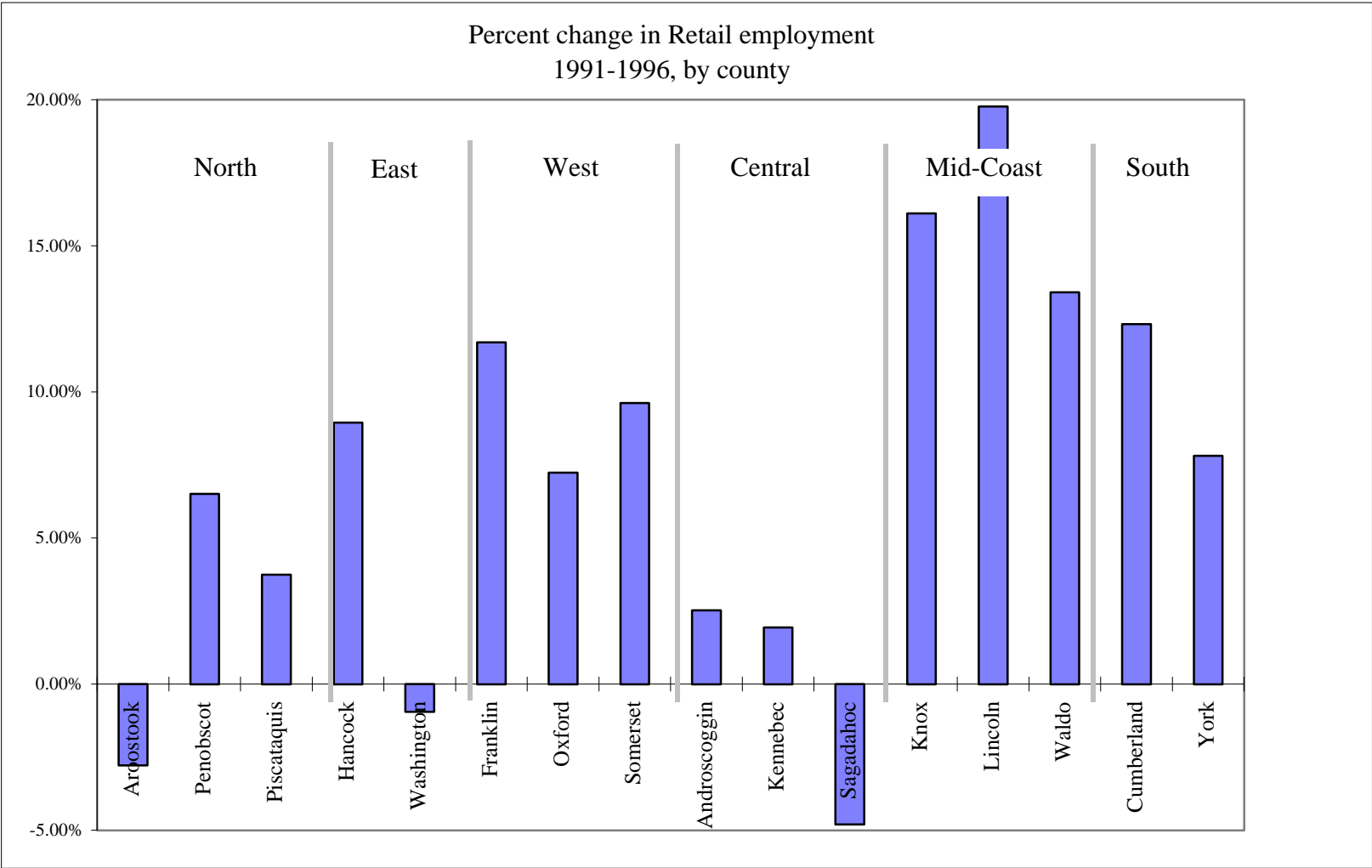
Source: Employment numbers from Maine Department of Labor, Employment Statistical Handbook, 1991 and 1996  
 Prepared by the Office of Policy and Legal Analysis, November 1997



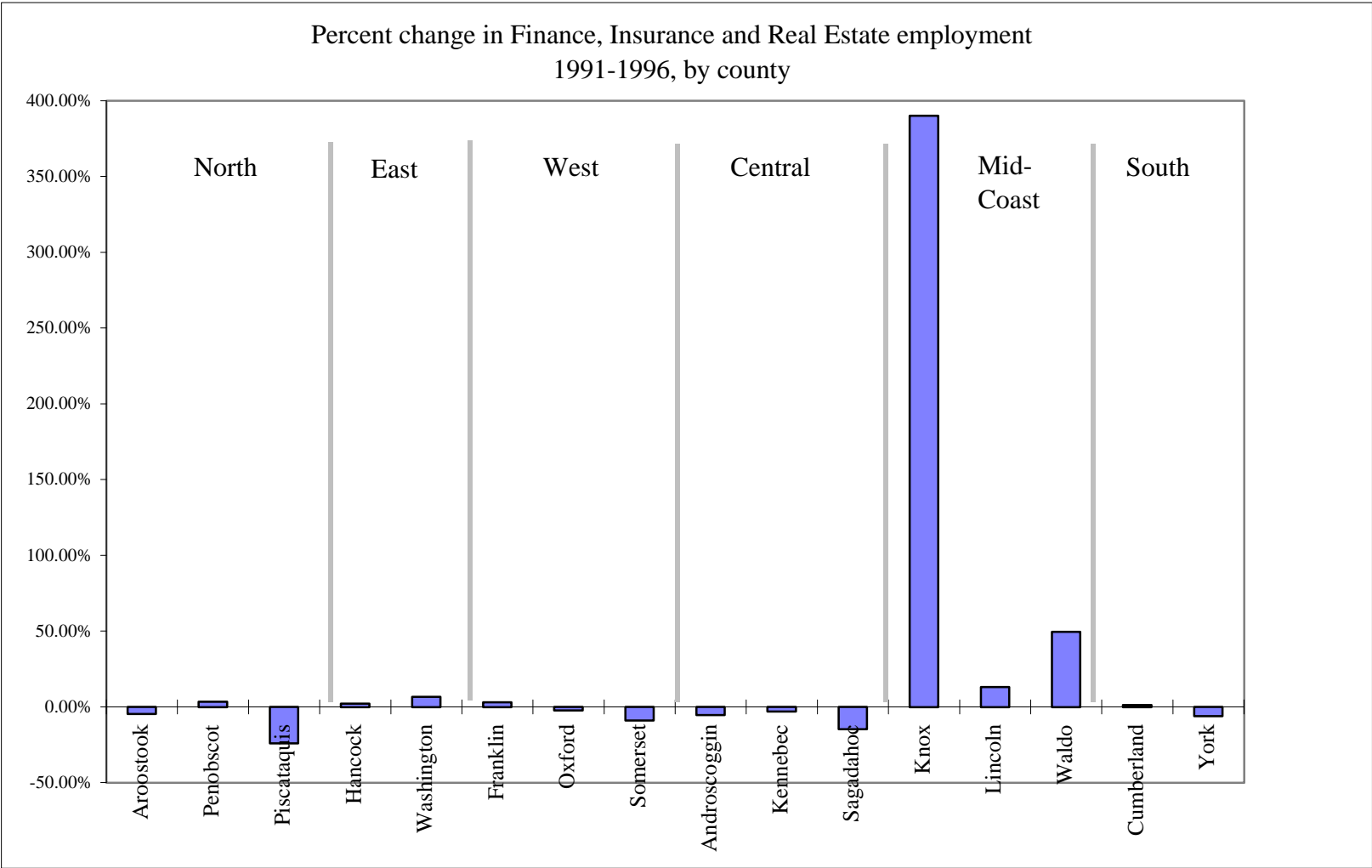
Source: Employment numbers from Maine Department of Labor, Employment Statistical Handbook, 1991 and 1996  
 Prepared by the Office of Policy and Legal Analysis, November 1997



Source: Employment numbers from Maine Department of Labor, Employment Statistical Handbook, 1991 and 1996  
 Prepared by the Office of Policy and Legal Analysis, November 1997

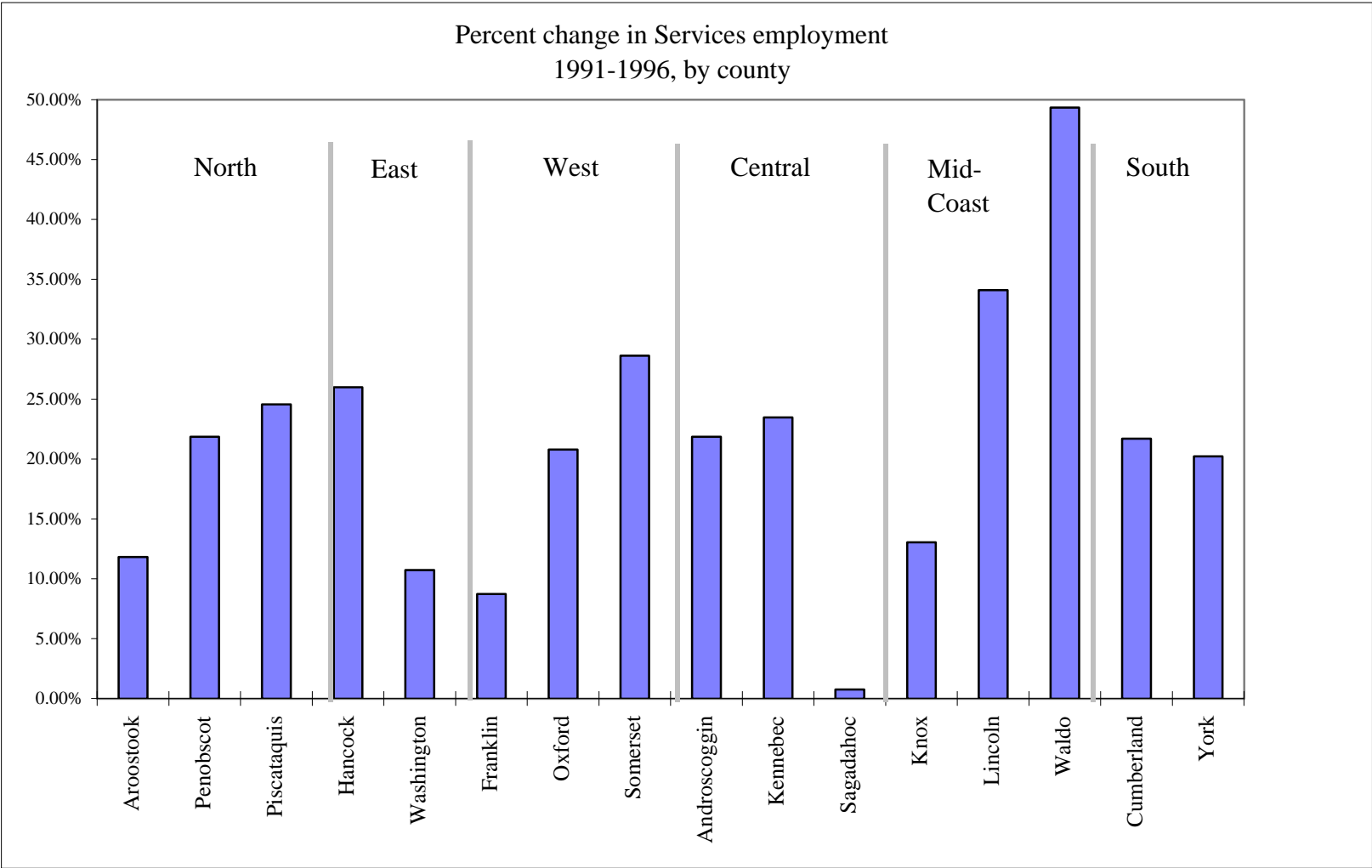


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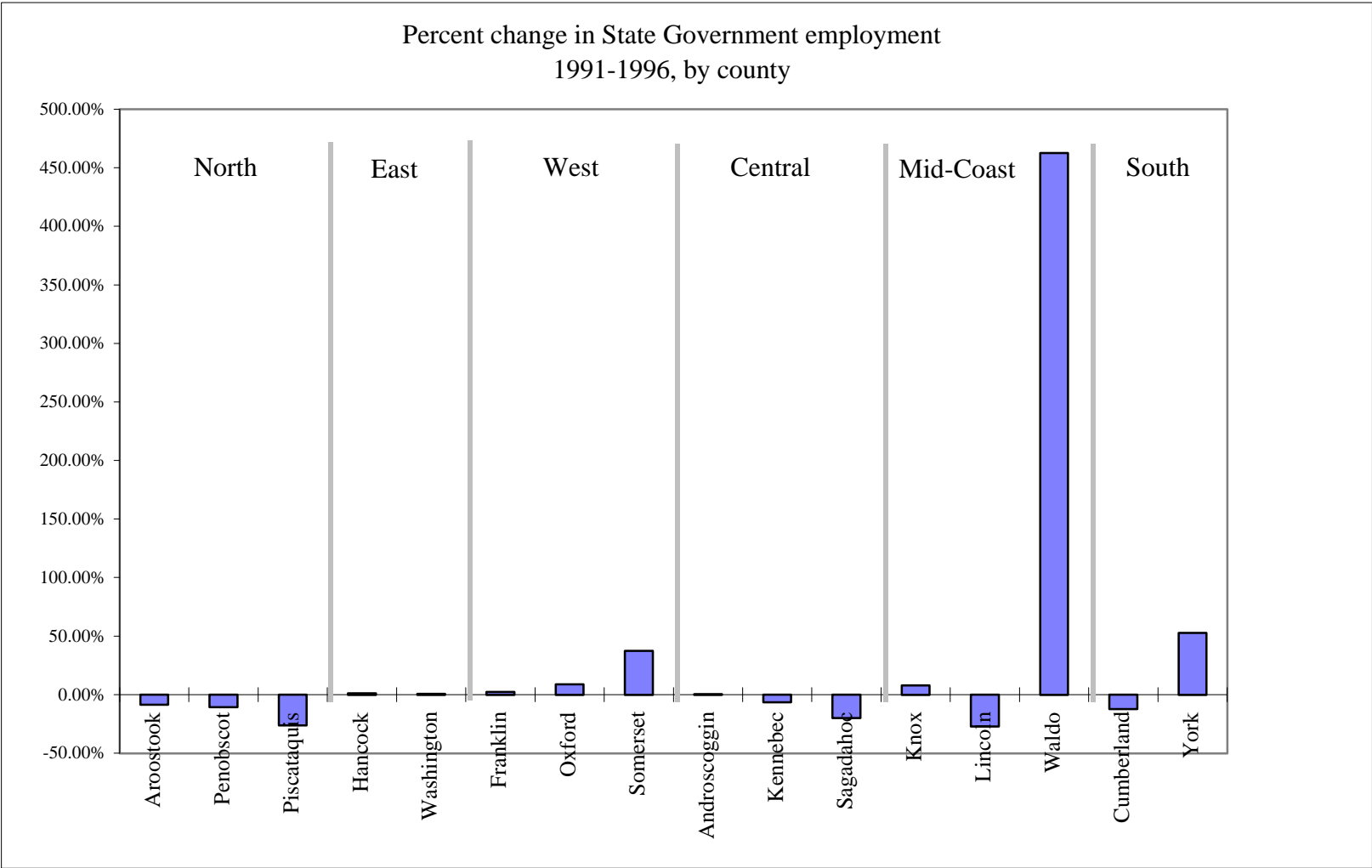


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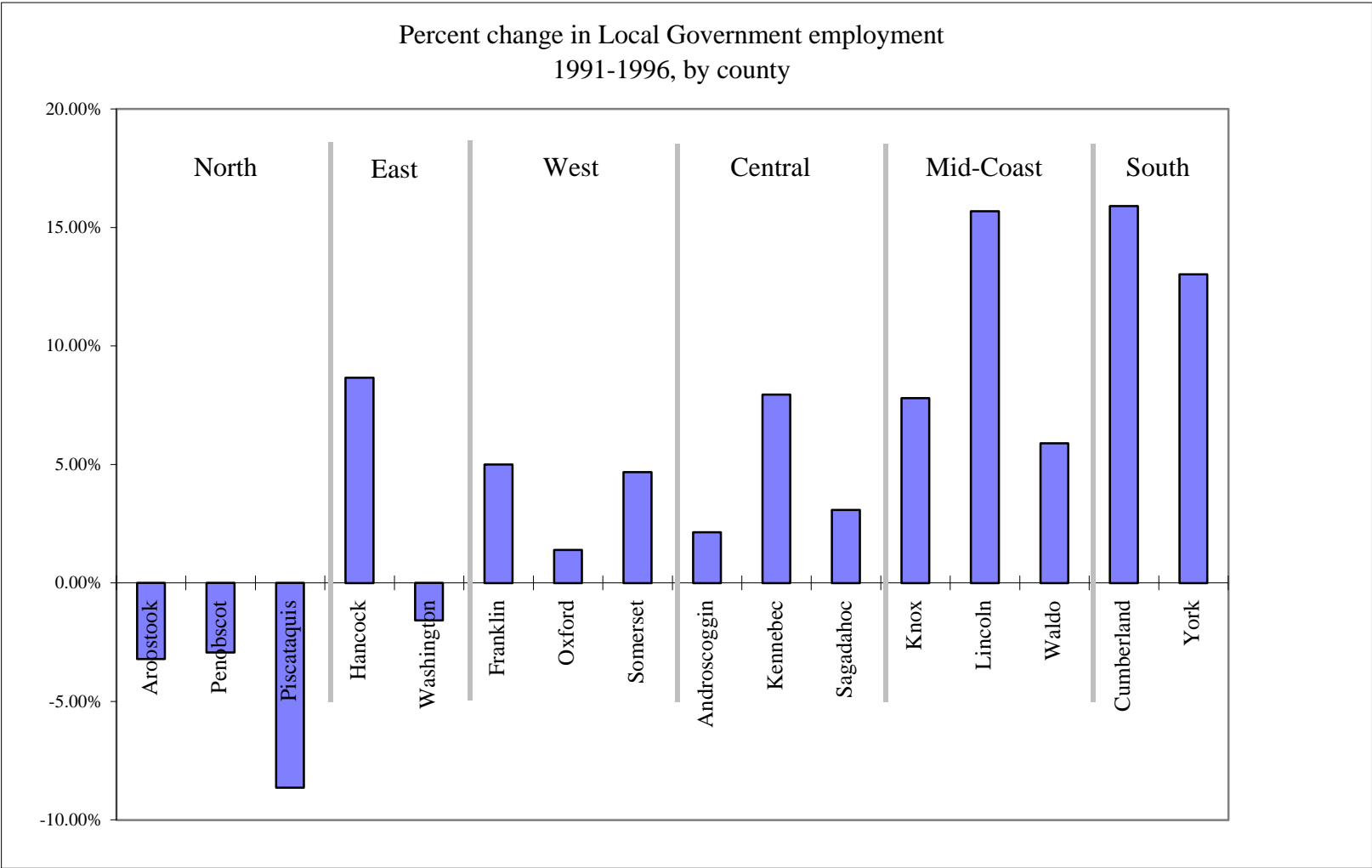




Source: Employment numbers from Maine Department of Labor, Employment Statistical Handbook, 1991 and 1996  
 Prepared by the Office of Policy and Legal Analysis, November 1997



Source: Employment numbers from Maine Department of Labor, Employment Statistical Handbook, 1991 and 1996  
 Prepared by the Office of Policy and Legal Analysis, November 1997



Source: Employment numbers from Maine Department of Labor, Employment Statistical Handbook, 1991 and 1996  
 Prepared by the Office of Policy and Legal Analysis, November 1997













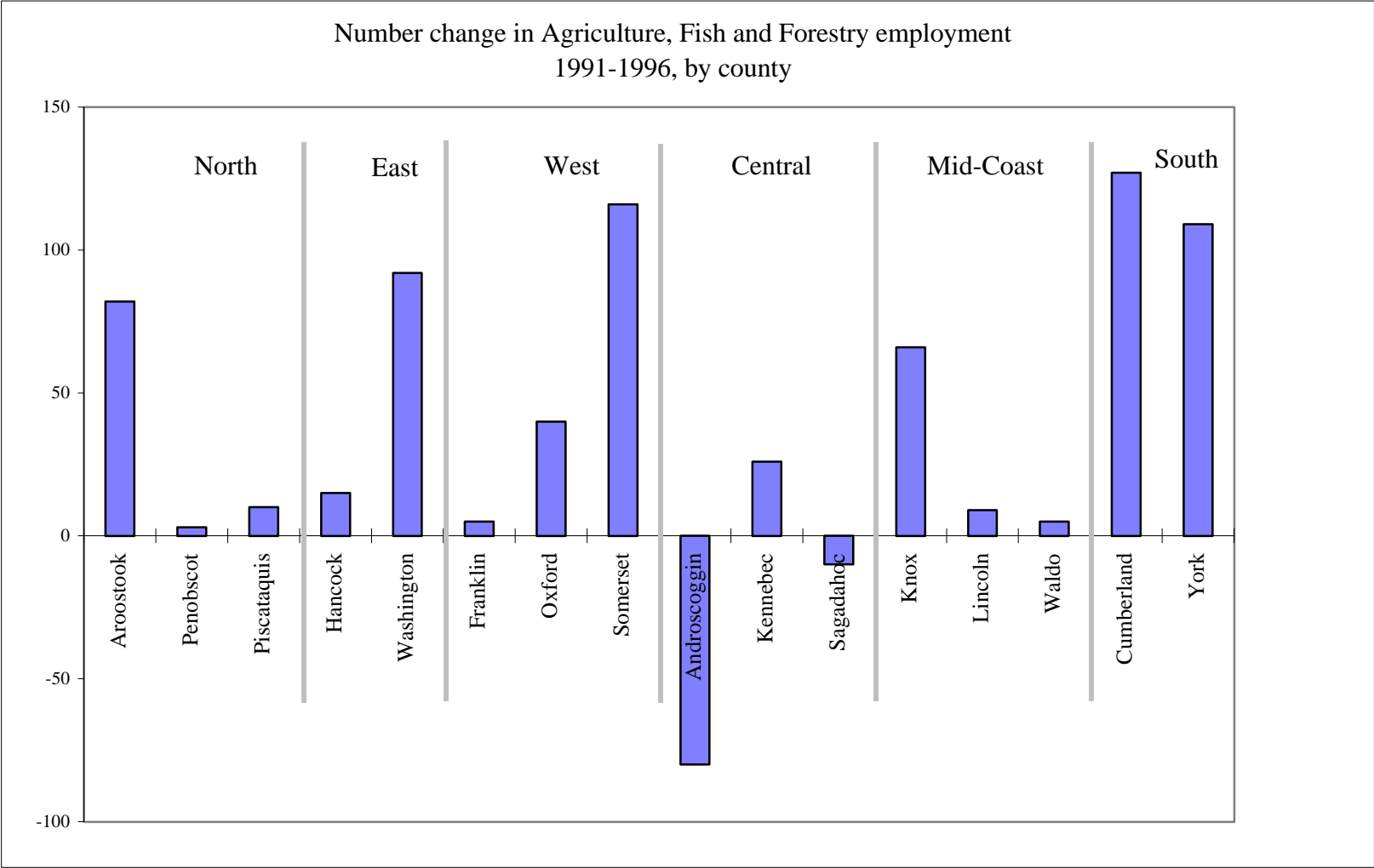




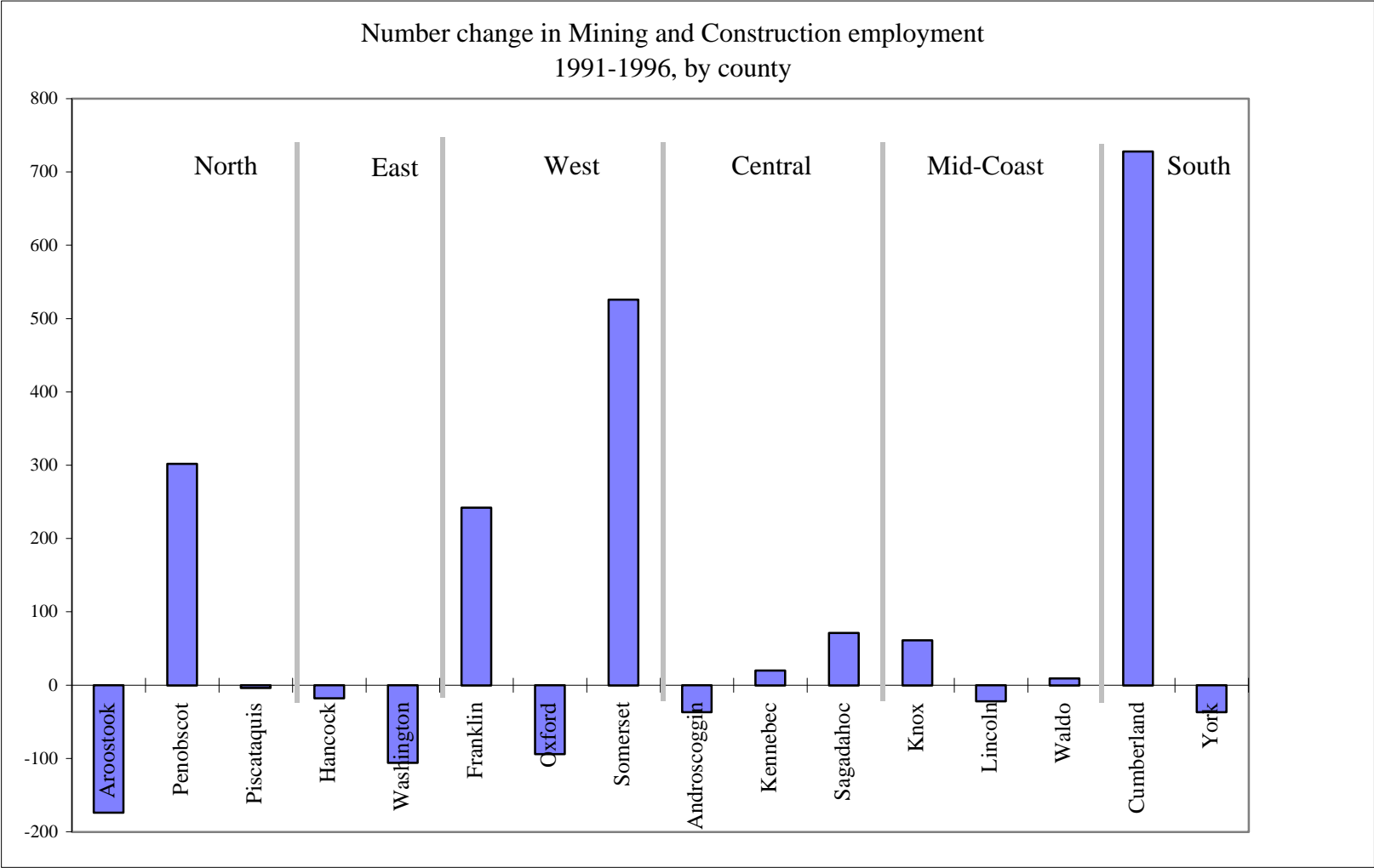




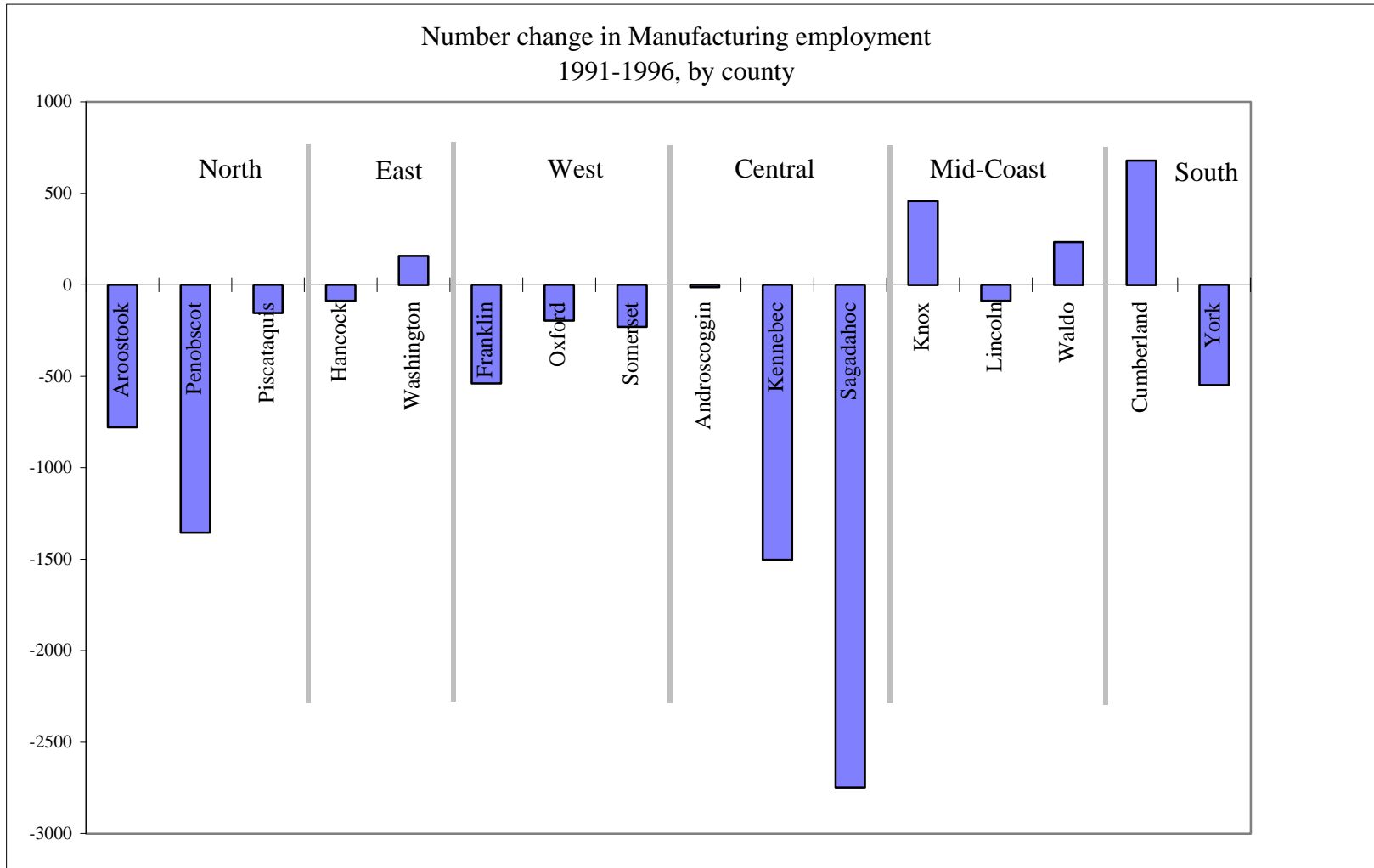




Source: Employment numbers from Maine Department of Labor, Employment Statistical Handbook, 1991 and 1996  
 Prepared by the Office of Policy and Legal Analysis, November 1997

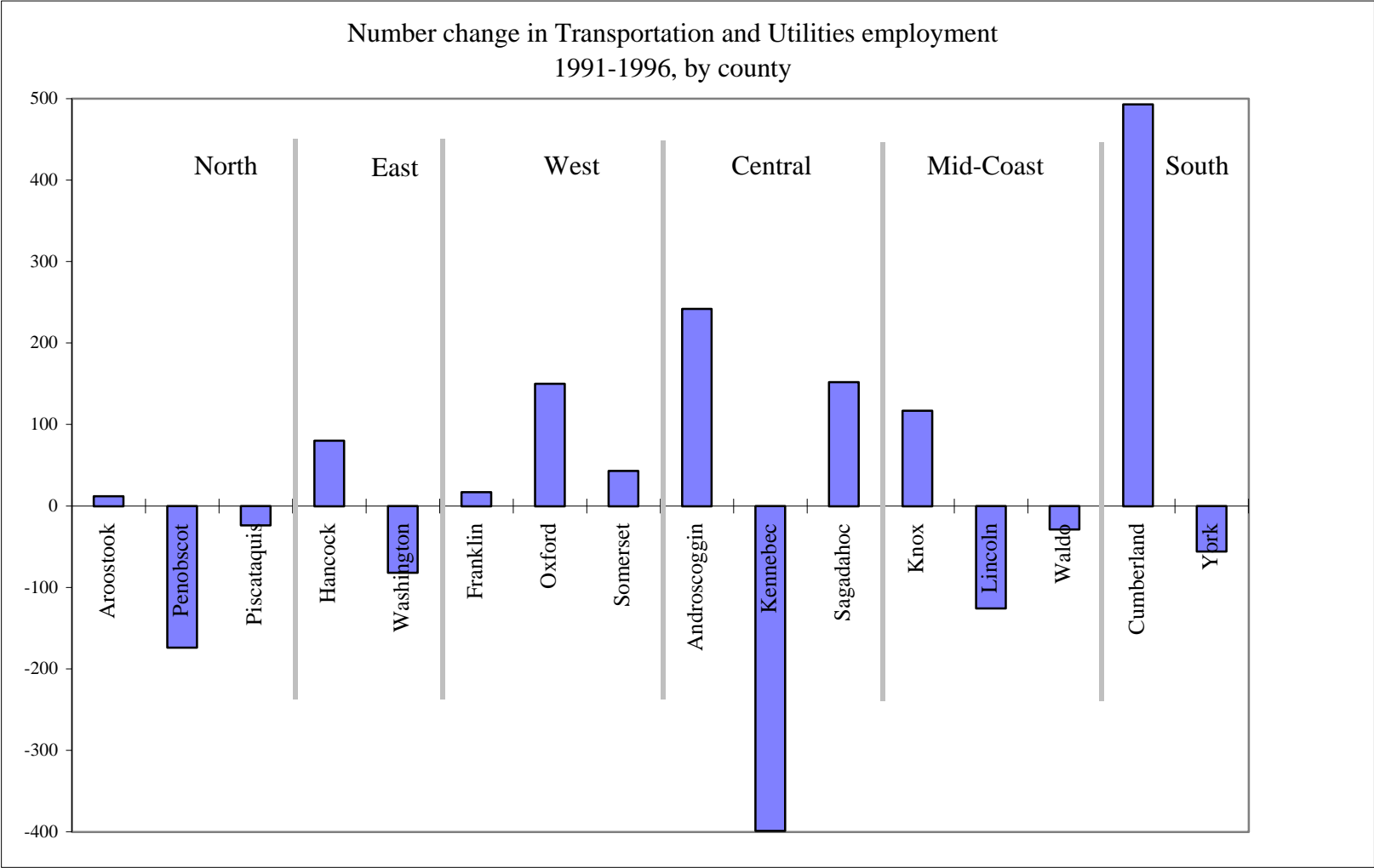


Source: Employment numbers from Maine Department of Labor, Employment Statistical Handbook, 1991 and 1996  
 Prepared by the Office of Policy and Legal Analysis, November 1997

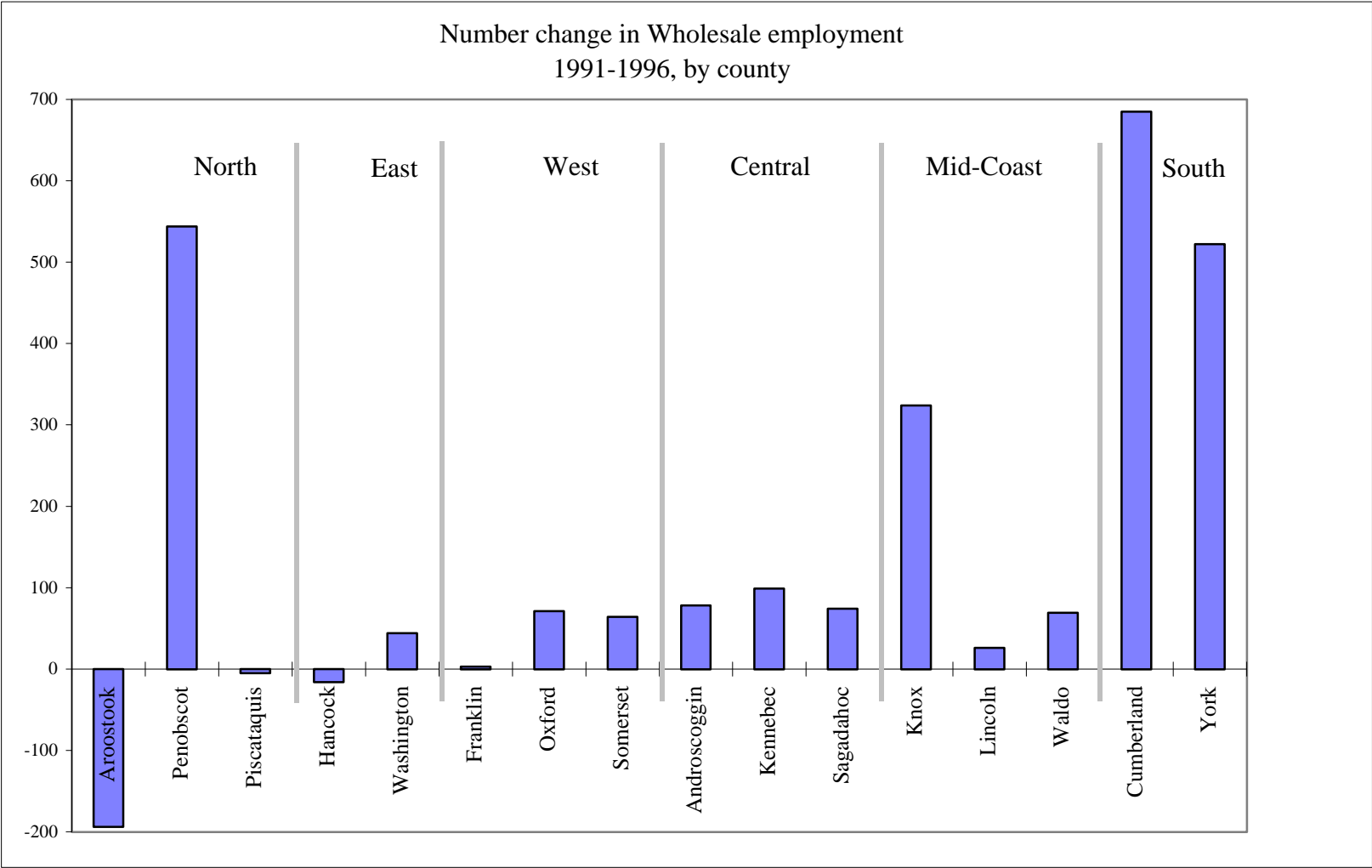


Source: Employment numbers from Maine Department of Labor, Employment Statistical Handbook, 1991 and 1996  
 Prepared by the Office of Policy and Legal Analysis, November 1997

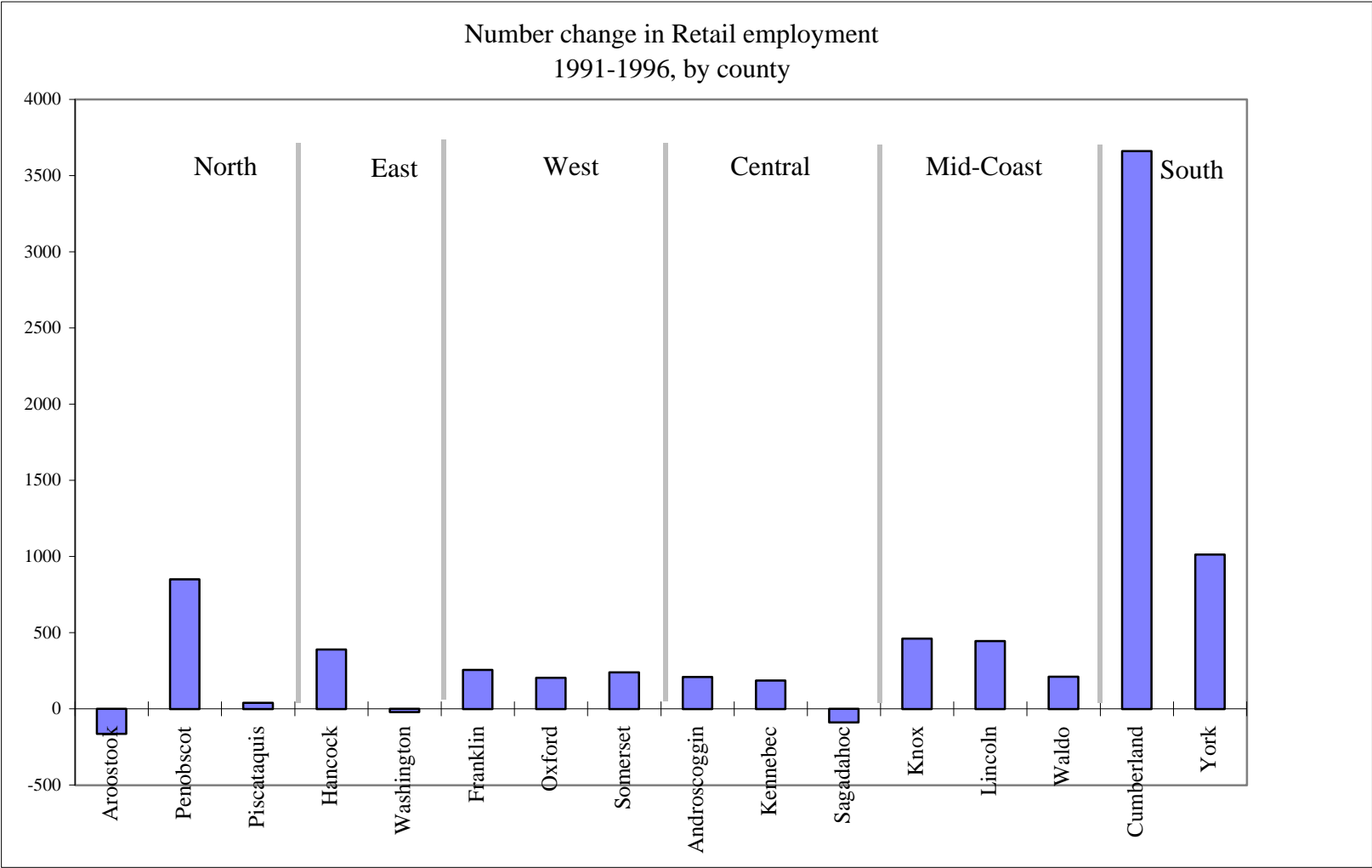




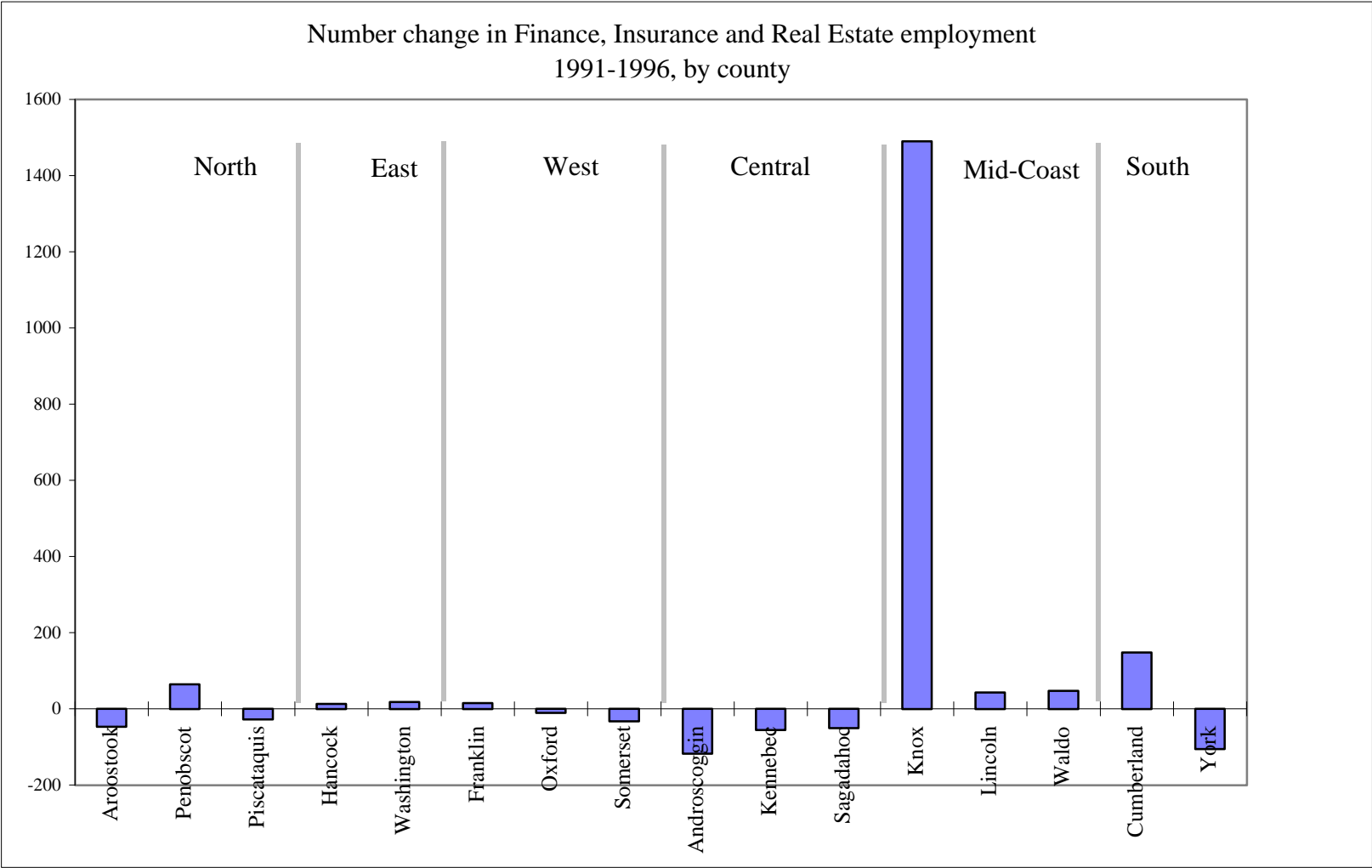
Source: Employment numbers from Maine Department of Labor, Employment Statistical Handbook, 1991 and 1996  
 Prepared by the Office of Policy and Legal Analysis, November 1997



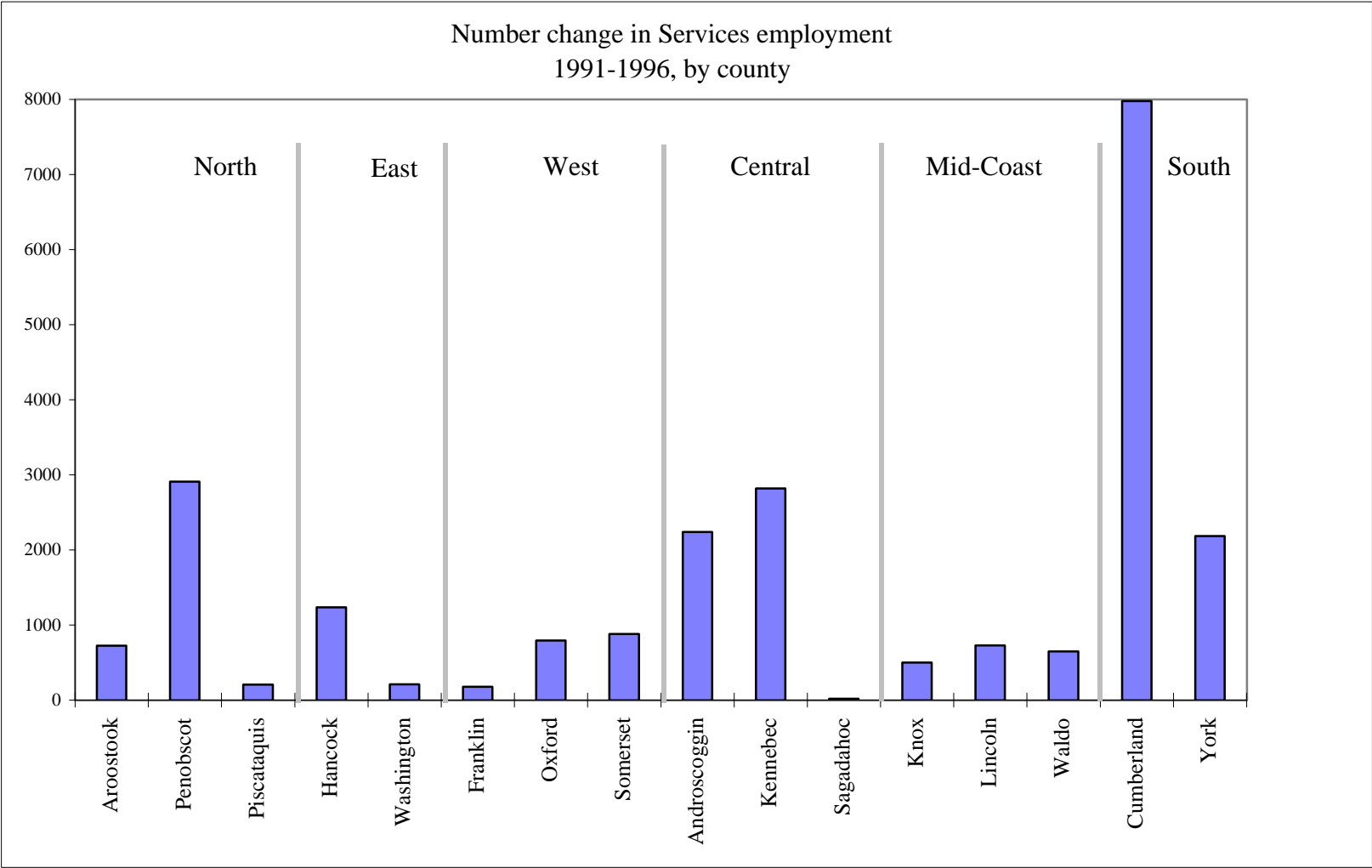
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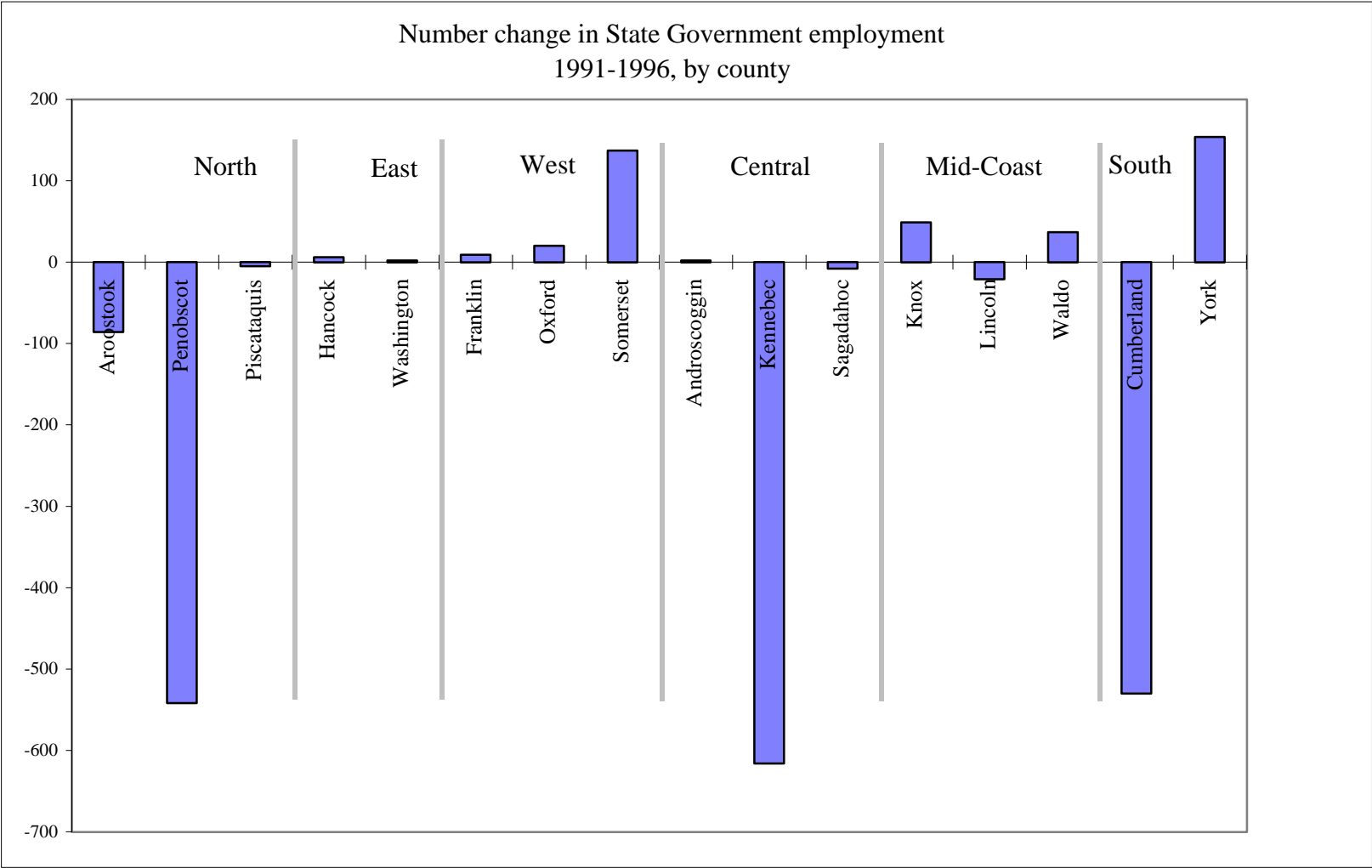
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 Prepared by the Office of Policy and Legal Analysis, November 1997



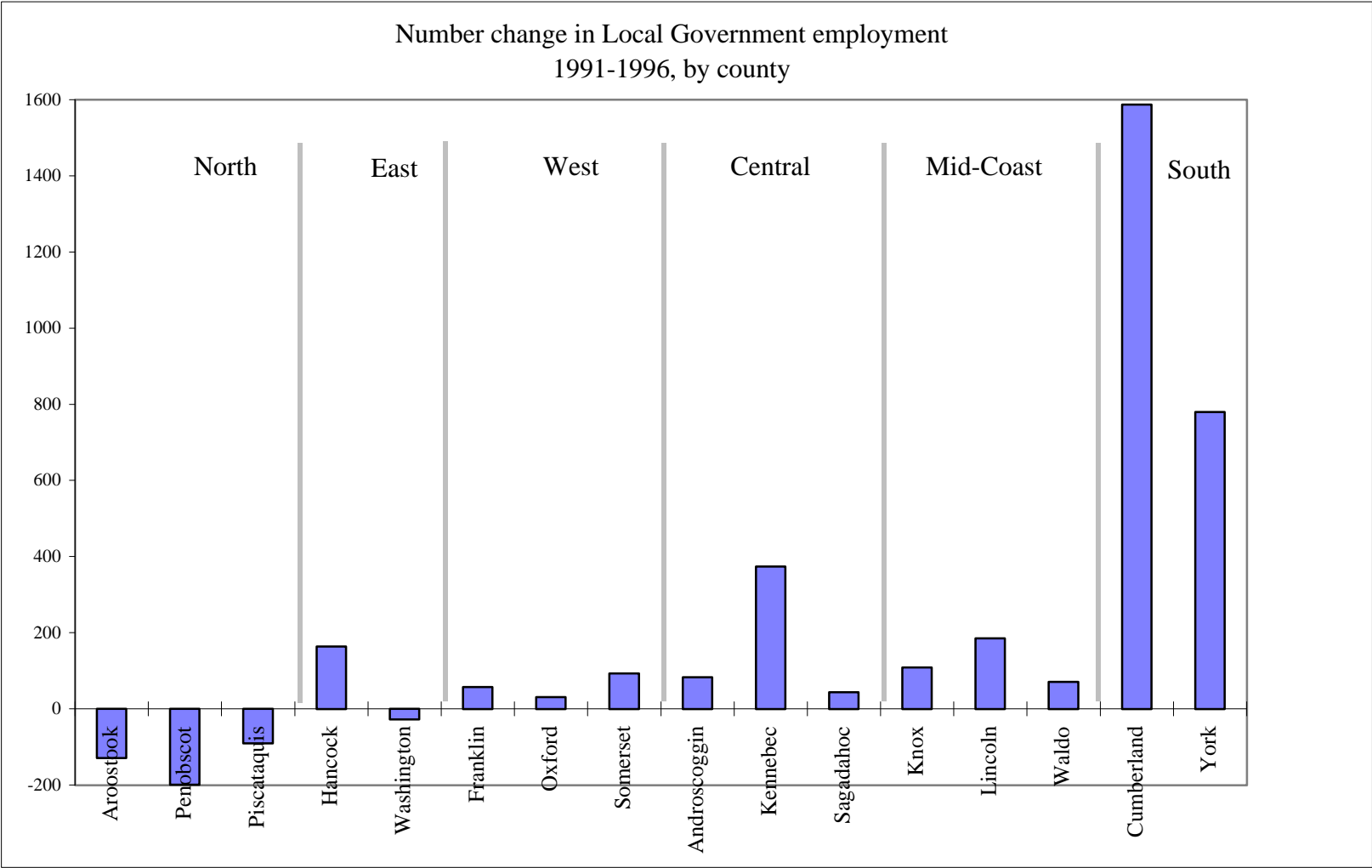
Source: Employment numbers from Maine Department of Labor, Employment Statistical Handbook, 1991 and 1996  
 Prepared by the Office of Policy and Legal Analysis, November 1997



Source: Employment numbers from Maine Department of Labor, Employment Statistical Handbook, 1991 and 1996  
 Prepared by the Office of Policy and Legal Analysis, November 1997

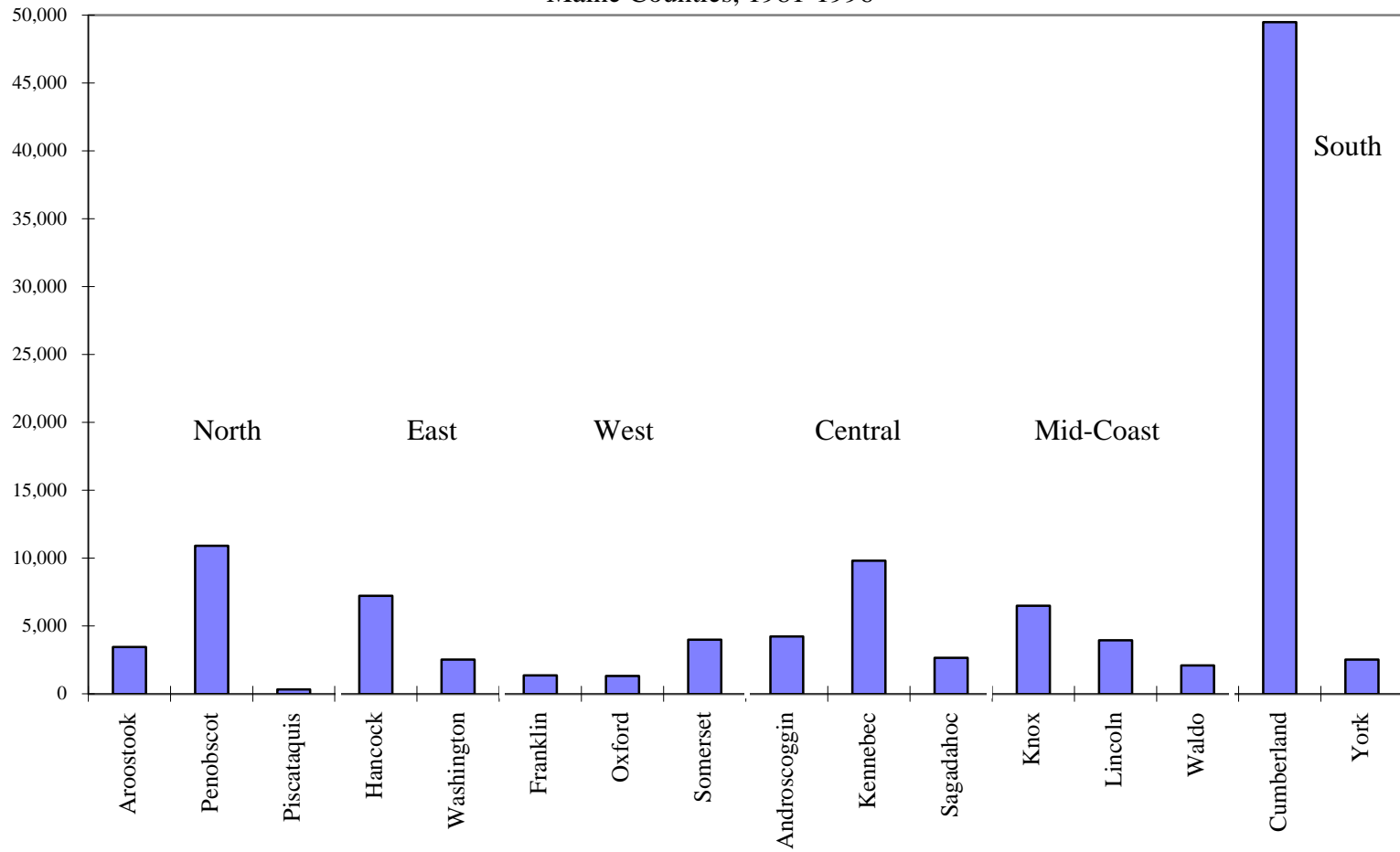


Source: Employment numbers from Maine Department of Labor, Employment Statistical Handbook, 1991 and 1996  
 Prepared by the Office of Policy and Legal Analysis, November 1997



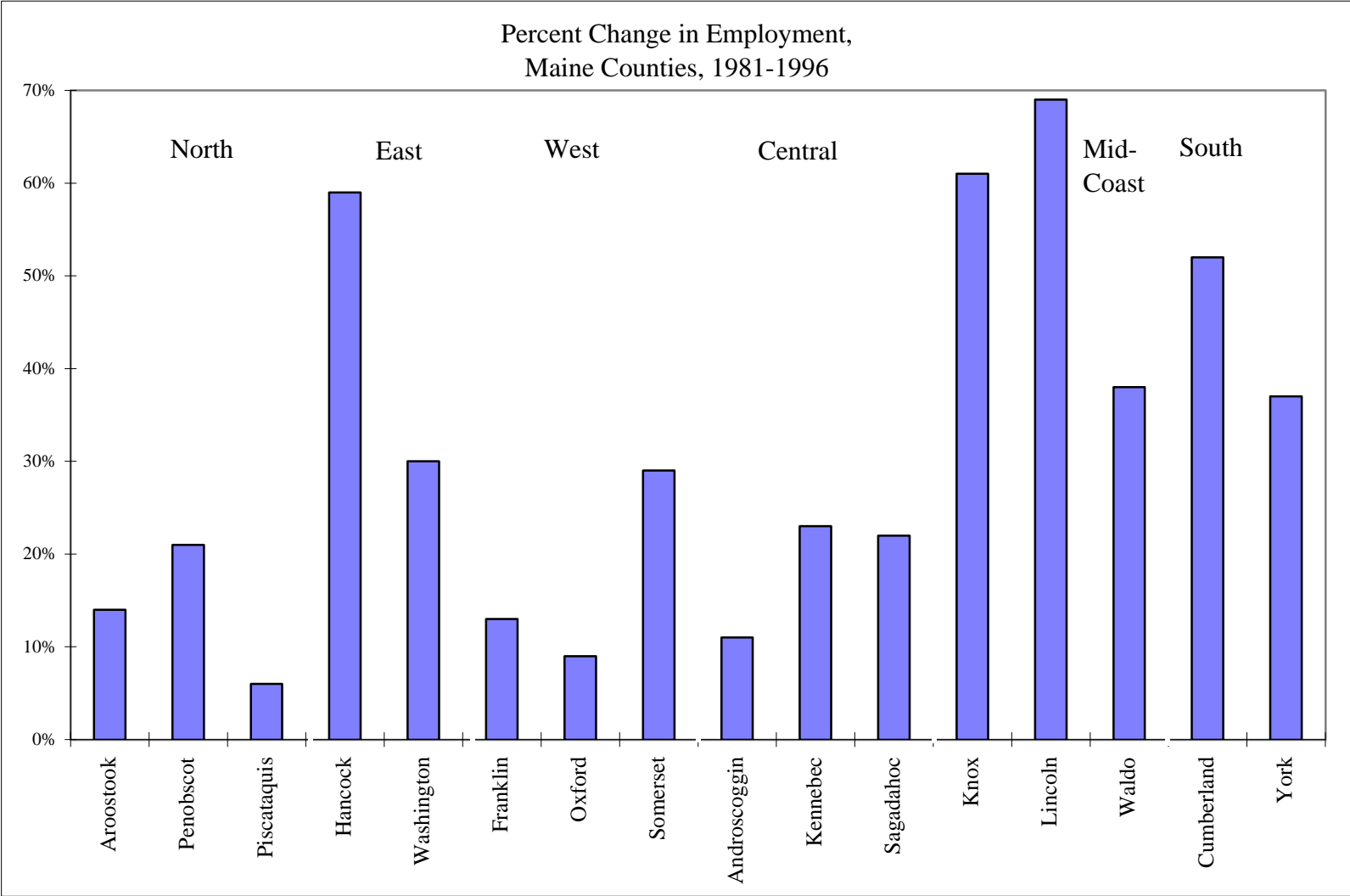
Source: Employment numbers from Maine Department of Labor, Employment Statistical Handbook, 1991 and 1996  
 Prepared by the Office of Policy and Legal Analysis, November 1997

Number Change in Employment,  
Maine Counties, 1981-1996



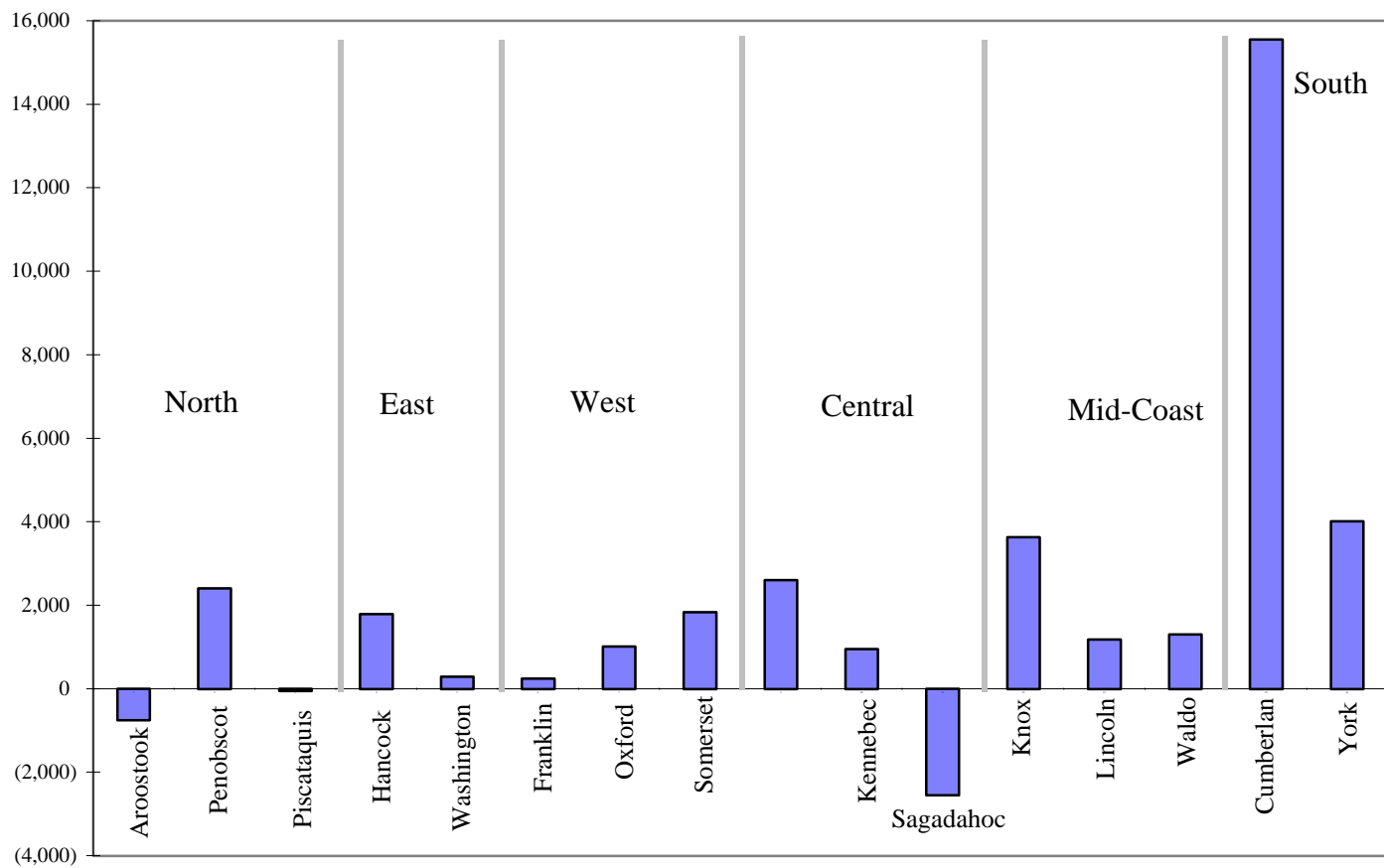
Source: Employment numbers from Maine Department of Labor, Employment Statistical Handbook, 1981 and 1996  
Prepared by the Office of Policy and Legal Analysis, November 1997





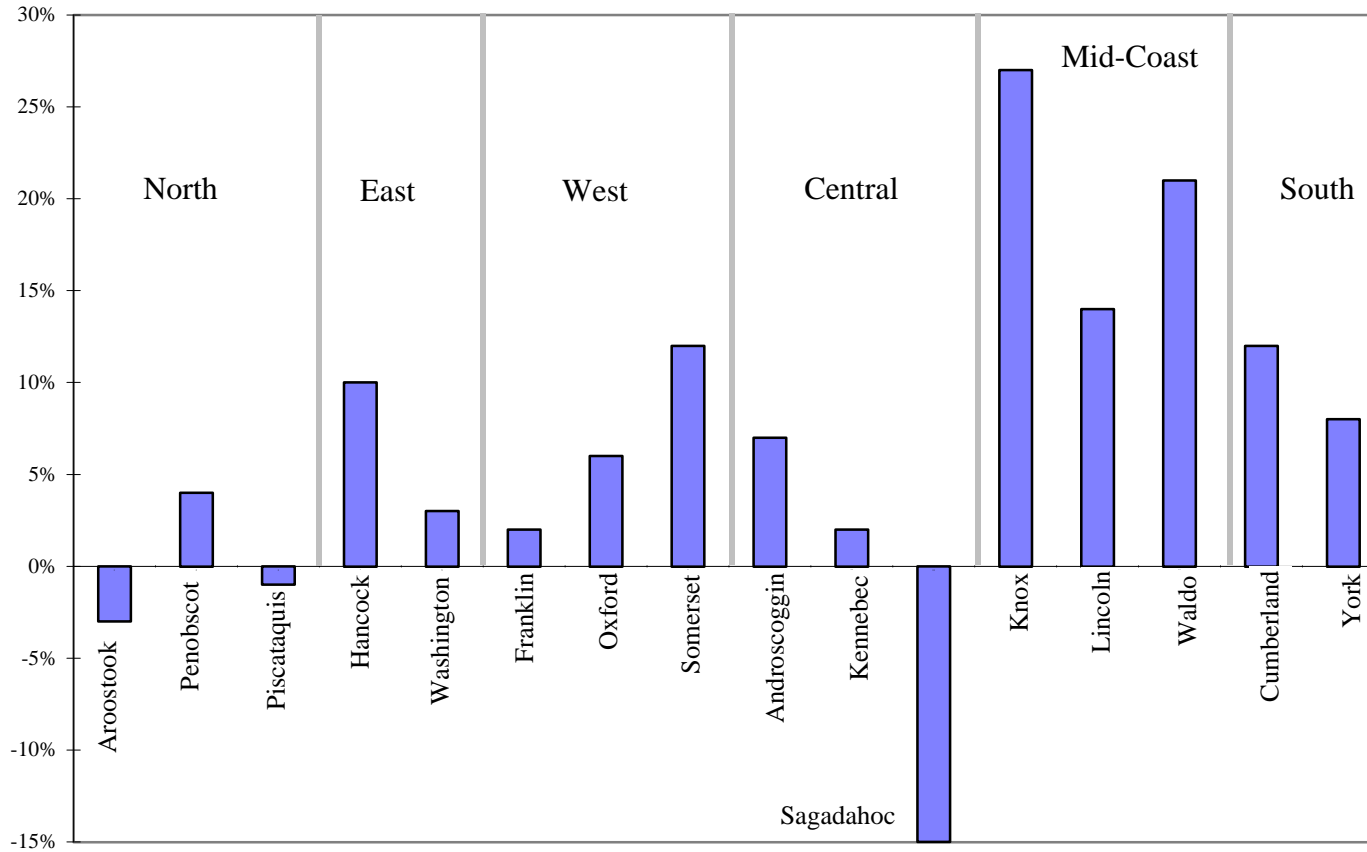
Source: Employment numbers from Maine Department of Labor, Employment Statistical Handbook, 1981 and 1996  
 Prepared by the Office of Policy and Legal Analysis, November 1997

Number Change in Employment,  
Maine Counties, 1991-1996



Source: Employment numbers from Maine Department of Labor, Employment Statistical Handbook, 1991 and 1996  
Prepared by the Office of Policy and Legal Analysis, November 1997

Percent Change in Employment,  
Maine Counties, 1991-1996



Source: Employment numbers from Maine Department of Labor, Employment Statistical Handbook, 1991 and 1996  
Prepared by the Office of Policy and Legal Analysis, November 1997