



TESTIMONY FROM THE MARYLAND FORESTS ASSOCIATION AND THE  
ASSOCIATION OF FOREST INDUSTRIES IN OPPOSITION

HOUSE BILL 581

Employment Standards During an Emergency

February 3, 2021

THE HONORABLE DERECK E. DAVIS, CHAIR  
& DISTINGUISHED COMMITTEE MEMBERS

On behalf of Maryland's forest community – as represented by the Maryland Forests Association and the Association of Forest Industries – we are jointly voicing concerns about the implications that the passage of this legislation would have on the entire supply chain of forest products in the state of Maryland.

This bill would be disastrous for the relatively small forest products industry in Maryland. Even though we are small, we still employ 8,355 employees directly in logging, transportation, and wood product manufacturing in Maryland. We produce lumber and structural timbers, wood pellets and chips for energy production, chips for paper and wood shavings for animal bedding, critical support for Maryland's poultry industry. Recognizing our industry's vital role, Governor Hogan rightly categorized our industry as "essential" last March at the beginning of this pandemic.

While the legislation does not name "forestry" as an industry affected by it, this is no comfort. Other provisions of the bill clearly include us, i.e., those deemed "essential" and ordered to stay open last March, those producing paper, and those involved in the generation of energy. All apply to the forest products industry, and we must conclude this legislation would severely penalize us.

Over the past year, our industry has been heavily involved in crafting a comprehensive "Economic Adjustment Strategy" designed to identify and overcome barriers to increased investments in our state's forest products sector. This legislation's impacts would be devastating, representing a significant economic impact on the individual companies that make up our industry. Extrapolating the costs over the 8,355 employees over the past 44 months would result in a cost of \$4.4 million in unanticipated payroll costs. For a firm employing 20 people, the cost would be \$105,600.

Frankly, these impacts are not bearable. They would lead to bankruptcies and business closures. Ironically, it would result in potentially fatal impacts to an industry that was deemed to be "essential" less than a year ago. In essence, this bill would punish the very firms we have relied upon over the past 11 months to keep the Maryland economy afloat and our citizens fed, warm and well-housed.

For these reasons that we respectfully request your NO vote on House Bill 581.  
Respectfully submitted,

Beth Hill, Executive Director  
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