

Congress of the United States

Washington, DC 20515

March 21, 2024

Ms. Alejandra Y. Castilla
Assistant Secretary of Commerce for Economic Development
U.S. Economic Development Administration
U.S. Department of Commerce
1401 Constitution Ave., N.W., Suite 71014
Fourteenth Street and Constitution Ave., N.W.
Washington, D.C. 20230-0001

Dear Secretary Castilla:

We write to express our strong support for Maine's application for a Phase 2 Implementation Grant from the Economic Development Administration (EDA), Tech Hubs program. Having received Tech Hub designation with *Maine's Forest Bioproducts Advanced Manufacturing Technology Hub*, the State seeks Phase 2 funds to grow wood-derived product companies in Maine and become the nation's premier destination for this work.

Maine is a national leader in the forest products sector and home to vast forest natural resources and a skilled workforce that has harvested, hauled, and processed wood for generations. Our forest economy has been a bedrock for this region's rural economy and is predominantly privately owned, certified sustainable, and has provided good quality jobs within every corner of this state. Maine is the most forested state in the U.S. and investments in the long-term success of the forest economy will ensure sustainable, working forests and enable increased carbon sequestration critical to the future of our climate.

Unfortunately, due largely to dramatic changes in the pulp and paper markets, the transition to e-commerce, and international competition for commodity products, what was once a prosperous and robust industrial sector that provided a strong economic backbone in many rural areas faced a serious downturn and rapid decline because of the 2008 recession. The recent pandemic further exacerbated these challenges facing the forest products sector, resulting in market uncertainty, broken supply chains, and long-term workforce shortages.

In 2016, in response to these market changes, the closure of five pulp and paper mills, the loss of over 3,000 jobs, and subsequent devastating impacts on rural communities throughout the region, the U.S. Department of Commerce assembled a multiagency Economic Development Assessment Team (EDAT) in Maine to provide technical assistance, identify federal resources and strategies, and coordinate federal support to strengthen the state's forest product industry. As a result of the EDAT, the private sector led Forest Opportunity Roadmap/ Maine (FOR/MAINE) collaboration was formed and with support from investments from the EDA, Maine and the Northern forest economy is now in a position to lead the U.S. in post-pandemic recovery through

developing biomaterial technologies that are more environmentally sustainable and can be an alternative to fossil fuel-based materials and plastic packaging.

Maine is uniquely positioned to attract firms developing these cutting-edge products derived from forests due to our abundant natural resources, generations of talent and experience, an R1 research university world-renowned for innovation, and the availability of existing infrastructure to connect resources, manufacturers, and world markets.

The companies involved in creating these sustainable, wood-derived products are making building products, paper products, alternatives to PFAS coatings, and replacements for plastics. Phase 2 funding would allow Maine to invest in technology and workforce development, entrepreneurship, advanced manufacturing, and market development projects to help these companies and our economy grow.

Phase 2 funds would allow state government, higher education, industry, economic development, and labor and workforce training partners to invest in five projects that form a regional ecosystem of commercialization-enabling resources. Their efforts would include expanding technological maturation capabilities available to launch the nation's most comprehensive forest bioproducts entrepreneurship program and establishing a first-in-kind Industry 5.0 Center of Excellence for forest bioproducts manufacturing. Additionally, investments would be made to connect these newly developed products with commercialization resources and partnerships to bring them to market at a globally competitive scale.

The Phase 2 federal investment would also allow partners to leverage private investment and policy commitments valued at nearly \$630 million in support of this effort, ensuring long-term stability of the hub beyond the grant period. Maine anticipates that over 10 years, the Tech Hub will bring to commercial production 20+ forest bioproduct lines, add 4,000 new high wage jobs, and achieve \$10 billion in net new firm revenues from forest bioproducts.

We appreciate your careful consideration of Maine's application for EDA Tech Hubs Phase 2 funding, consistent with applicable laws, rules, and regulations. Please notify Deidre Grant (Collins) at (207) 945-0417, Adam Lachman (King) at (202) 224-5344, Corrinne Latti (Pingree) at (207) 774-5019, and Barbara Hayslett (Golden) at (207) 492-6009 when a decision has been made.

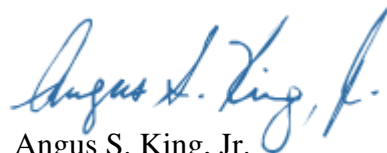
Sincerely,




Susan M. Collins
United States Senator



Chellie Pingree
Member of Congress



Angus S. King, Jr.
United States Senator



Jared F. Golden
Member of Congress