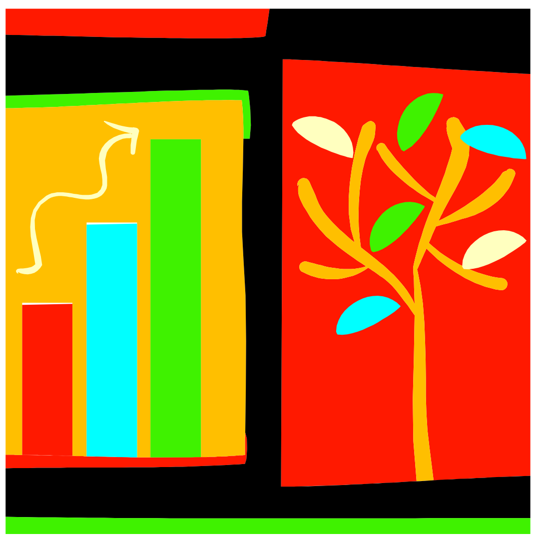
CREST REGIONAL NARRATIVES

AN UPDATE TO THE AROOSTOOK COUNTY EMPOWERMENT ZONE STRATEGIC PLAN AND THE COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY



MARCH 2007

Northern Maine Economic Development District

Economic Development Districts (EDDs), commonly referred to as Regional Development Organizations (RDOs), were formed in the 1960s with the 701 planning program under the Department of Housing and Urban Development and were designed to encourage comprehensive planning in metropolitan areas. The biggest movement for rural regionalism came in 1965 with the creation of Economic Development Districts by the Department of Commerce's Economic Development Administration (EDA).

Each Economic Development District (EDD) in Maine is governed by a policy board that includes elected officials, business leaders and citizen representatives. These locally elected officials determine which programs best serve the needs of the communities in their respective regions. Not all EDDs provide the same programs and services because local needs determine which programs and services fit the member communities of that region.

NMDC represents all municipalities and unorganized territories in Aroostook County, the Town of Danforth in Washington County and several unorganized territories and the Towns of Mount Chase, Patten, and Stacyville in Penobscot County. NMDC is one of five economic development districts in Maine, and one of 320 nationwide. These districts play a significant role in making their rural economies more diversified and vibrant, and therefore are important for the nation's economic well being. The Development Commission is affiliated with the Small Business Administration, the Aroostook Partnership for Progress, the Maine Department of Economic and Community Development and Aroostook County Tourism; and holds designations as a Maine Small Business Center, Regional Planning Commission and U.S. Census Data Center.

The Three Sub Regions of Aroostook County

Northern Aroostook (St. John Valley)

The northern region consists of three main towns, Madawaska (pop. 4,534), Fort Kent (pop. 4,233), and Van Buren (pop.3,005), which supplies the bulk of resources and income for the area population. The largest Aroostook County employer, Fraser Papers, Inc., is located in Madawaska, with a companion facility in Edmundston, New Brunswick just across the border, and employs approximately 1,000 area people. Fraser also manages roughly two million acres of forest and in 2000, celebrated its 75th anniversary of operation. Fort Kent is home to the newly established Maine Winter Sports Center which has boosted the area economy with events such as the 2004 World Cup Biathlon and the 2004 US Junior National Biathlon. In addition, The Northern Maine Medical Center and The University of Maine at Fort Kent combine to provide good jobs, health care, and higher education that continues to offer the surrounding communities a quality standard of living. Van Buren continues to thrive with the opening of a Family Dollar Store, a new Rite Aid and the Borderview Holdings Corp. nursing home which employs approximately 200 people.

Central Aroostook

Central Aroostook's largest communities are Presque Isle (pop.9,511), Caribou (pop. 8,312), Fort Fairfield (3,579), and Limestone (pop. 2,361). The closing of Loring Air

Force Base in 1994 quickly altered the economy and population of central Aroostook, but new development and determination continues to rebuild and strengthen the area once again. Employers such as McCain's in Easton (approx. 600 emp.), DFAS in Limestone (approx. 400 emp.), J. Paul Levesque & Sons sawmill in Ashland (approx. 300 emp.), ATX II, LLC in Caribou (approx. 300 emp.) and Burrelle's/Luce in Presque Isle (approx. 400 emp.) are some of the top employers for this area. Burrelle's has just completed a merger with one of its competitors, Luce, to form an international information provider who is striving as one of the leading information technology businesses for this area. Cary Medical Center in Caribou and The Aroostook Medical Center in Presque Isle continue to grow and offer more medical services for people closer to home such as kidney dialysis, chemotherapy, radiation, cardiac services and imaging services, which includes sophisticated CT scan and MRI equipment. Central Aroostook also hosts the University of Maine at Presque Isle, Northern Maine Community College and Husson College who are all working together to provide specific programs and higher education to train people for quality jobs here in the County. The western area of central Aroostook contains the northernmost section (and termination) of the Allagash Wilderness Waterway, the only New England river included in the National Wild and Scenic River System.

Southern Aroostook

As the county seat of Aroostook, Houlton (pop. 6,476), is located at the terminus of Interstate 95; the primary entrance into northern Maine from the south. Surrounding communities such as New Limerick (pop. 523) hosts Louisiana-Pacific Corp. (approx. 150 emp.) which manufactures oriented strand board and in Island Falls (pop. 897) there is National Starch Co. (approx. 75 emp.) which manufactures specialty starches. In Houlton, Smith & Wesson (approx. 100 emp.) is the country's oldest gun maker and is a world supplier of small arms, handcuffs and protective accessories for government and law enforcement entities. Katahdin Trust Company, a regional bank, has its operations center in the "shire" town, and the Houlton Regional Hospital (approx. 400 emp.) and Maple Grove Nursing Home (approx. 150 emp.) provide state of the art healthcare for over 20,000 people.

Population Trends

Aroostook County's population was 73,938 in 2000, down 15 percent from 86,936 in 1990 due in large part to the closing of Loring AFB, and a 19 percent decrease from 91,331 in 1980. During the same time frame, Maine's population has increased 11.8 percent since 1980 indicating people are moving into southern Maine areas from out of state. Population projections from the Maine State Planning Office show that the population in the County will fall to 73,303 in 2005 and begin increasing to 73,333 by 2010 and 75,225 in 2015. In addition, the median age in Aroostook County has risen from 27.9 in 1980 to 40.7 in 2000, an increase of 31.4 percent. Maine's median age was 30.4 in 1980 increasing to 38.6 in 2000, a 21.2 percent increase.

Since 1980, the number of children aged 17 and under has decreased 42 percent going from 28,860 to 16,720 and also, the number of people age 18-34 has decreased 47.4 percent going from 26,455 to 13,913. These numbers demonstrate the growing concern of out-migration of youth away from Aroostook County and have encouraged regional partnerships and efforts to focus on promoting economic growth which will in turn provide quality jobs that are worth staying and coming back for. Also, local colleges and universities have implemented programs geared towards manufacturing and information technologies to provide training which will ensure good quality employees for Aroostook's key industries.

The Northern Maine Economic Development District's population, which includes Aroostook County, Danforth, Mt.Chase, Patten, and Stacyville was 76,330 in 2000, down 17 percent from 89,621 in 1990, and a 24 percent decrease from 94,312 in 1980.

Aroostook County						
	1980	1990	2000	2005	2010	2015
Population	91,331	86,936	73,938	73,303	73,333	75,225
Under 18	28,860	22,350	16,720	14,144	13,015	13,047
18-64	52,937	53,469	44,667	44,204	44,439	44,164
65+	9,534	11,117	12,551	12,661	13,611	15,682
Male	45,666	43,924	36,095			
Female	45,665	43,012	37,843			
Median Age	27.9	33.3	40.7			

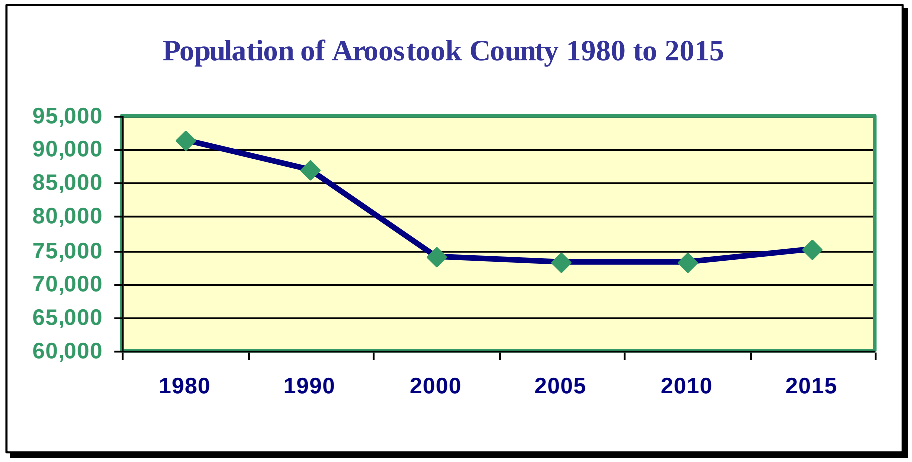
Source: US Census Bureau, Maine State Planning Office

Northern Maine Economic Development District			
	1980	1990	2000
Population	94,312	89,621	76,330
Under 18	29,811		17,253
18-64	54,575		46,065
65+	9,926		13,012
Median Age	30.4		43.2

Source: US Census Bureau

Maine			
	1980	1990	2000
Population	1,124,660	1,227,928	1,274,923
Under 18	321,387	219,003	301,238
18-64	662,355	755,553	790,283
65+	140,918	253,372	183,402
Median Age	30.4	33.9	38.6

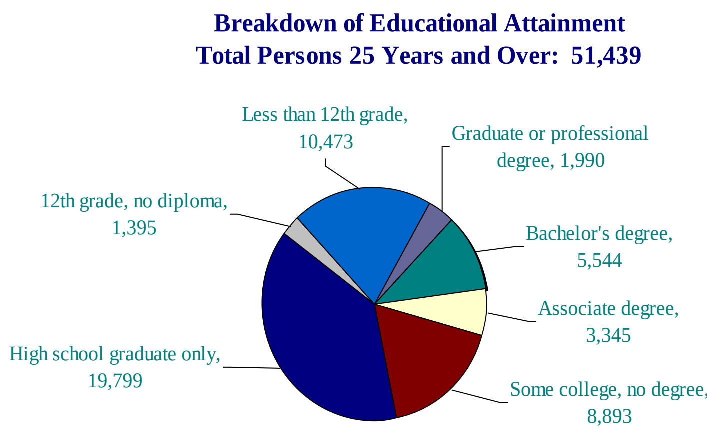
Source: US Census Bureau



Source: US Census Bureau

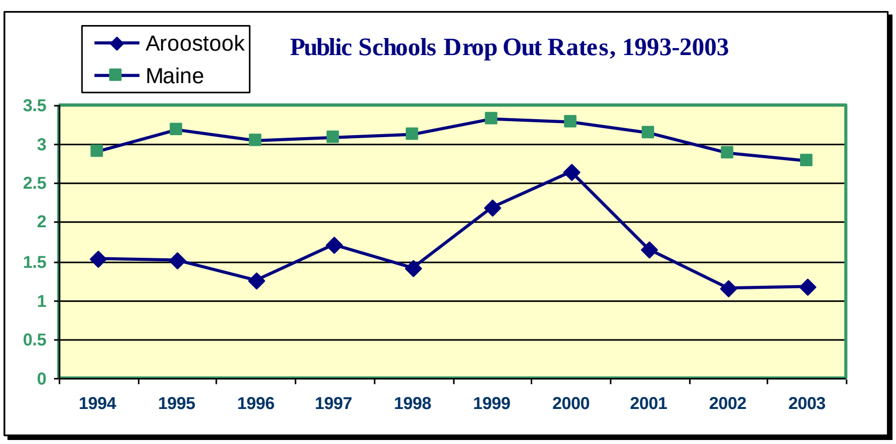
Educational Attainment

According to the 2000 Census, 76.9 percent of Aroostook County's population that is 25 years and older has a high school diploma or higher compared to 85.4 percent in the state of Maine. In addition, the percentage of the region with a Bachelor's Degree or higher was 14.6 percent compared to 22.9 percent in the state. Since 1980, there has been a 39 percent increase in the number of females with a Bachelor's degree going from 1,843 to 3,026 and a 25 percent increase of males with a Bachelor's degree going from 1,877 to 2,518.



Source: US Census 2000

The dropout rate for Aroostook County's secondary schools are at a low point with 1.18 percent in 2003 compared to a high of 2.65 percent in 2000 and continue to be the lowest in the state. Maine's 2.79 percent is also at its lowest point since 1990.



Source: State of Maine Department of Education

Unemployment Trends

The unemployment rate in Aroostook County in July of 2004 was 4.8 percent which is higher than the state's average of 3.5 percent.

	JULY					
Aroostook	1999	2000	2001	2002	2003	2004
Labor Force	38,065	38,590	37,780	37,530	37,840	38,715
Employed	36,187	37,390	36,400	36,040	35,970	36,873
Unemployed	1,878	1,200	1,370	1,490	1,870	1,842
Rate	4.90%	3.10%	3.60%	4%	4.90%	4.80%

	JULY					
Maine	1999	2000	2001	2002	2003	2004
Labor Force	687,636	706,193	699,791	701,021	714,218	718,045
Employed	664,756	687,727	676,076	675,304	682,668	693,024
Unemployed	22,880	18,466	23,715	25,717	31,550	25,021
Rate	3.30%	2.60%	3.40%	3.70%	4.40%	3.50%

Source: Maine Department of Labor, Division of Labor Market Information Services

Employment By Industry

Since 2000, the number of manufacturing employers has gone down 60 percent with a loss of 1,234 jobs. Also, retail and wholesale trade along with transportation and utilities has lost 1,886 jobs since 2000. Agriculture and Forestry employers have increased by 24 percent with 521 new jobs.

Employees at Year End						
	1997	1998	1999	2000	2001	2002
Total	27,843	28,586	29,044	29,497	29,137	29,036
Agriculture, Forestry, and Fishing	892	857	831	775	723	1,296
Mining and Construction	723	772	902	863	795	768
Manufacturing	4,887	5,063	5,034	5,128	4,848	3,894
Transportation and Public Utilities	1,638	1,629	1,628	1,545	1,498	1,190
Wholesale Trade	830	851	783	764	733	644
Retail Trade	5,747	5,708	5,580	5,600	5,705	4,189
Finance, Insurance, and Real Estate	900	970	1,090	1,225	1,207	1,268
Services	7,525	7,984	8,391	8,649	8,456	8,952
State Government	904	931	978	1,067	1,138	1,144

Local Government	3,799	3,821	3,828	3,881	4,033	4,050

Source: Maine Department of Labor

Employers at Year End						
	1997	1998	1999	2000	2001	2002
Total	2,561	2,525	2,517	2,541	2,540	2,436
Agriculture, Forestry, and Fishing	105	100	94	96	98	216
Mining and Construction	229	216	218	219	208	195
Manufacturing	233	236	245	258	261	103
Transportation and Public Utilities	287	285	291	293	298	241
Wholesale Trade	118	117	108	112	106	81
Retail Trade	552	523	507	503	513	376
Finance, Insurance, and Real Estate	141	138	140	147	140	147
Services	639	651	665	657	658	735
State Government	26	26	24	32	32	32
Local Government	231	232	224	224	226	224

Source: Maine Department of Labor

Poverty

Poverty statistics for Aroostook County in 2003 show

14.3 percent of the population is living below the poverty level, compared to 10.9 percent in the State of Maine.

Recipients of the Temporary Assistance for Needy Families (TANF)/Food Stamps program is 12.8 percent (9,425 people) in Aroostook, compared to 8.5 percent in Maine. Also, 18.6 percent (5,630) of the region's households receive LIHEAP (Low Income Home Energy Assistance Program) benefits, compared to 9.1 percent of Maine households.

Poverty Guidelines 2004	
Size of Family Unit	USA
1	9,310
2	12,490
3	15,670
4	18,850
5	22,030
6	25,210
7	28,390
8	31,570

Population Poverty Status, by Age - 2003				
	Below Poverty		Above Poverty	
	Aroostook	Maine	Aroostook	Maine
Number	10,313	135,501	61,680	1,105,392
Age (percent)				
Under 18	26.9%	29.6%	21.9%	23.0%

18-64	54.8%	57.2%	62.0%	62.8%
65 and over	18.3%	13.2%	16.1%	14.2%

Source: Margaret Chase Smith Center for Public Policy 2003

Population Poverty Status, by Age - 2003 (NMEDD Area Counties)				
	Below Poverty		Above Poverty	
	Penobscot	Washington	Penobscot	Washington
Number	18,956	6,272	119,649	26,713
Age (percent)				
Under 18	27.10%	27.90%	22.40%	21.90%
18-64	62.40%	55.00%	64.20%	62.80%
65 and over	10.50%	17.20%	13.40%	17.00%

Source: Margaret Chase Smith Center for Public Policy 2003

TANF/Food Stamps and LIHEAP Benefits - 2003				
	Aroostook		Maine	
TANF/Food Stamps	Number	Percent	Number	Percent
Cases	5,238	17.3%	55,445	10.7%
Recipients	9,425	12.8%	108,767	8.5%
LIHEAP				
Households	5,630	18.6%	46,994	9.1%
Recipients	11,309	15.3%	98,825	7.8%
Households Age 65+	2,415	27.5%	16,937	13.2%
* Percentage is based on total households in Aroostook and Maine's population				

Source: Margaret Chase Smith Center for Public Policy 2003

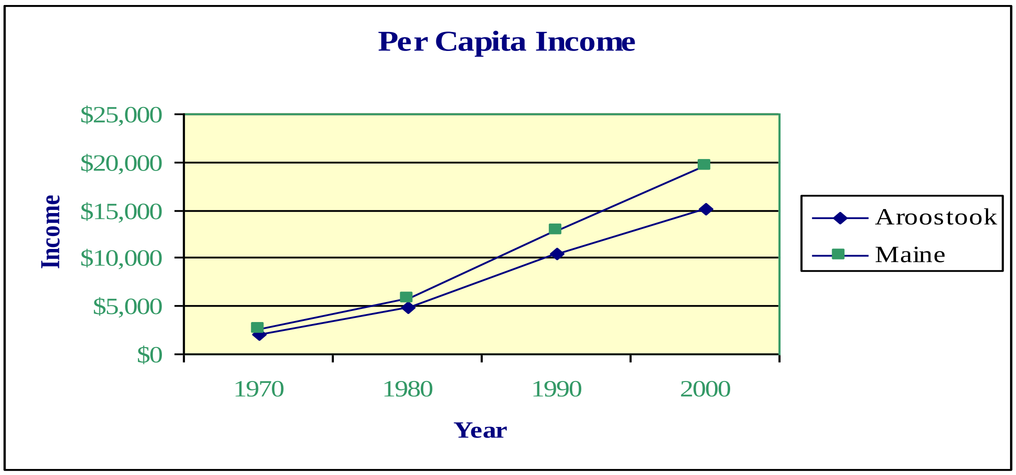
Income

Since 1970, the median family income and per capita income has steadily increased for both Aroostook County and Maine. In 1970, Aroostook's per capita income was 80.4 percent of Maine's, but the gap has become greater with Aroostook's per capita income being 76.9 percent of Maine's in 2000.

Aroostook	1970	1980	1990	2000
Median Family Income	$6,929	$13,924	$26,353	$36,044
Per Capita Income	$2,052	$4,826	$10,449	$15,033

Maine	1970	1980	1990	2000
Median Family Income	$8,205	$16,167	$32,422	$45,179
Per Capita Income	$2,550	$5,768	$12,957	$19,533

Source: US Census Bureau



Source: US Census Bureau

Wages

Average Weekly Wages – Aroostook County

	1997	1998	1999	2000	2001	2002
Total	$395	$406	$416	$433	$450	$469
Agriculture, Forestry, and Fishing	$306	$337	$321	$329	$340	$425
Mining and Construction	$401	$412	$463	$466	$490	$481
Manufacturing	$576	$578	$584	$614	$632	$690
Transportation and Public Utilities	$470	$476	$494	$502	$509	$750
Wholesale Trade	$491	$504	$524	$549	$565	$609
Retail Trade	$235	$246	$252	$258	$270	$322
Finance, Insurance, and Real Estate	$407	$435	$461	$501	$532	$608
Services	$348	$357	$366	$386	$413	$441
State Government	$535	$541	$548	$579	$596	$634
Local Government	$428	$439	$450	$458	$471	$480

Source: Maine Department of

Labor

Top 25 Employers

Aroostook County, Maine			
Employee Range	Employer	Location	Description
801-1000	Fraser Papers Inc.	Madawaska	Newsprint mills
501-600	McCain Foods Inc.	Easton	Frozen fruit & veg. manuf.
501-600	Aroostook Medical Center, The	Presque Isle	General medical & surgical hospital
401-500	Northern Maine Medical Center	Fort Kent	General medical & surgical hospital
301-400	City of Caribou	Caribou	General medical & surgical hospital
301-400	Houlton Regional Hospital	Houlton	General medical & surgical hospital
301-400	MSAD 01	Presque Isle	Elementary & secondary schools
301-400	Burrelle's/Luce	Presque Isle	All other information services
301-400	Wal Mart Associates Inc.	Presque Isle	Warehouse clubs & supercenters
301-400	Department of Defense	Limestone	National security
201-300	Levesque & Sons Inc., J Paul	Ashland	Sawmills
201-300	SAD 29	Houlton	Elementary & secondary schools
201-300	University of Maine Presque Isle	Presque Isle	Colleges & universities
201-300	ATX II LLC	Caribou	Software publishers
201-300	Maine Military Authority	Limestone	General automotive repair
201-300	Sitel Corporation	Limestone	Telemarketing bureaus
201-300	MSAD No. 27	Fort Kent	Elementary & secondary schools
151-200	Columbia Forest Products Inc.	Presque Isle	Hardwood veneer and plywood mfg.
151-200	Aroostook Area Agency on Aging	Presque Isle	Services for elderly and disabled
151-200	Maine Community College System	Presque Isle	Junior colleges
151-200	Maine Dept. of Transportation	Presque Isle	Highway, street, and bridge const.
151-200	Aroostook Medical Center, The	Fort Fairfield	Residential mental retardation facilities
151-200	Madawaska School Department	Madawaska	Elementary & secondary schools
151-200	Wal Mart Associates Inc.	Houlton	Discount department stores
151-200	Borderview Holdings Corp.	Van Buren	Nursing care facilities

Source: Maine Department of Labor, Labor Market Information Services, December 2003

Property Taxes/Mil Rates

Since 2000, the state valuation of Aroostook County has increased 8.8 percent going from approximately $2.6 billion to $2.8 billion dollars.

Property taxes for individuals are based on the assessed value of a property and the mil rate established by the local unit of government. The mil rates vary throughout the region with Bancroft having the highest rate of 26.77 and Garfield Plantation the lowest in the entire state at 1.73. Garfield Plantation owns 13,000 acres of timberland and harvests it annually which produces enough income to run the town with a population of 86.

The Maine Homestead Tax Exemption is a program that will eliminate taxes on the first $7,000 of property owned. Property owners who have owned their property for at least one year, are a legal resident of Maine, and the property is the owners permanent place of residence are eligible to apply for the exemption. This must be filed by April 1 of any given year to the individual's municipal office.

Aroostook County

State Value	2000	2001	2002	2003	2004
	$2,652,350,000	$2,696,800,000	$2,730,750,000	$2,795,850,000	$2,886,950,000

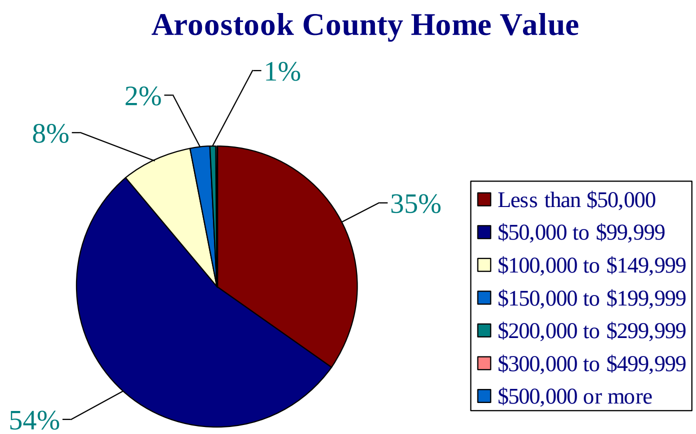
Housing

Aroostook County's median housing value has risen 23 percent going from $46,100 in 1990 to $60,200 in 2000. Homes that were valued in the range of $100,000 to $149,999 have gone from 392 in 1990 to 1,216 in 2000 signifying a 68 percent increase. The number of housing units has raised only a fraction since 1990 with an increase of 298 units. This is a result of more homeowners upgrading the condition of their current housing and also the number of newly built units balancing out units that are no longer suitable for occupancy. The combination of a loss of 1,143 households and a gain of 298 housing units signifies that there are plenty of vacant units available in Aroostook County at an affordable price.

Aroostook	1990	2000
Median Value	46,100	60,200
Housing Units	38,421	38,719
Median Year Built	1957	1959
Median Monthly Mortgage	486	661
Median Monthly Rent	332	364
Number of Households	31,499	30,356

Maine	1990	2000
Median Value	87,400	98,700
Housing Units	587,045	651,901
Median Year Built	1960	1966
Median Monthly Mortgage	664	923
Median Monthly Rent	419	497
Number of Households	465,729	518,200

Source: US Census Bureau



Aroostook County

Value of Home	1990	2000
Less than $50,000	8,212	5,227
$50,000 to $99,999	5,805	8,169
$100,000 to $149,999	392	1,216
$150,000 to $199,999	47	312
$200,000 to $299,999	6	109
$300,000 to $499,999	0	15
$500,000 or more	0	5

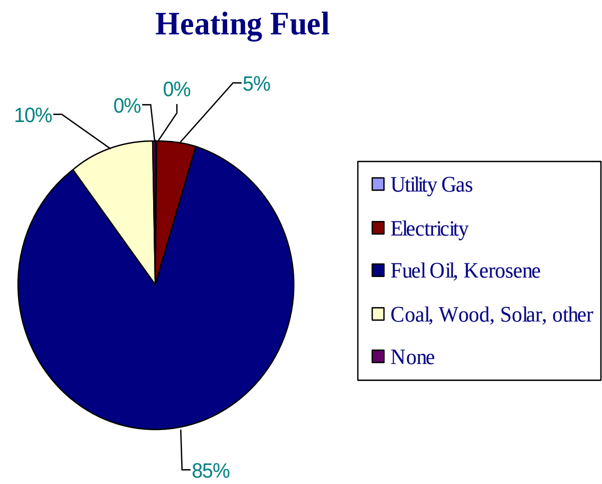
Source: US Census Bureau

Heating Fuel

From 1990 to 2000, Aroostook has seen changes in how people are heating their homes. There has been a decrease of 509 homes that rely on electric heat and a decrease of 3,050 homes who depend on coal, wood or solar heat. Homes using fuel oil or kerosene have increased 2,626 with an increase of 39 homes using utility gas. Since the 2000 Census, oil prices have hit record highs and continue to increase. In October of 2004, crude oil prices topped at $54.00 a barrel because of recent hurricane activity in the Gulf of Mexico and worries of diminished supply from Nigeria and Russia. As a result, Aroostook residents will pay a record high of $2.00 or more per gallon of fuel oil and kerosene. This has homeowners seeking alternative heating methods and returning to wood and coal as their main source of heat.

Aroostook County

Heating Fuel	1990	2000
Utility Gas	10	49
Electricity	1,896	1,387
Fuel Oil, Kerosene	23,010	25,636
Coal, Wood, Solar, other	6,023	2,973
None	106	93



Source: US Census Bureau

Agriculture

From 1992 to 2002, there has been an increase of 200 farms and 57,635 acres of land being farmed in spite of the loss of 166 people with farming as their primary occupation. Sophisticated farming equipment, quality farmland, and dedicated people make northern Maine a highly desirable place for a multitude of crops. It has been determined that Aroostook County's soil is prime farmland which is best suited for producing food, feed, forage, fiber and oilseed crops which encourages local farmers to experiment with other crops such as canola, sunflowers and broccoli. Potatoes remains as the top crop with almost 60,000 acres planted in 2002 while forage, barley, and oats combine with a respectable 81,803 acres planted. In 2002, Aroostook County was the leader in the state for agriculture sales grossing $121.2 million dollars.

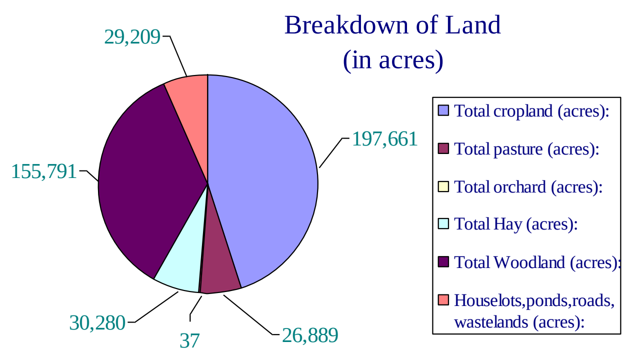
Aroostook County	1992	1997	2002
Number of Farms:	884	889	1,084
Land in Farms:	334,040	324,887	391,675
Average Size of Farm (acres):	378	365	361
Market Value of Production:	$122,767	$109,819,000	$121,158,000
Number of Farmers as Primary Occupation	647	530	481
Total cropland (acres):	189,850	187,599	197,661
Total pasture (acres):	30,400	26,798	26,889
Total orchard (acres):	55	62	37

Total Hay (acres):	16,302	21,795	30,280
Total Woodland (acres):	114,744	108,490	155,791
Houselots,ponds,roads,wastelands (acres):	22,793	23,386	29,209

2002 Top Crop Items:	Acres
Potatoes	59,418
Forage	33,073
Barley	24,587
Oats	24,143

2002 Top Livestock Items:	Number
Cattle and calves	8,569
Deer	1,820
Broilers and other meat chickens	1,517
Layers (+20 weeks old)	1,494
Horses and Ponies	935

Source: 2002 Census of Agriculture, United States Department of Agriculture, New England Agriculture Statistics Service



Forestry

Maine's north woods include over 10.5 million acres of forest land in unorganized townships and are the largest undeveloped block of forest land east of the Mississippi. According to the 2002 Report on Maine's Forests, the largest species group in northern Maine is Balsam Fir with an estimated 332 million live trees. Spruce, Sugar Maple, Red Maple, Beech, Yellow Birch, Eastern White Pine, Northern White Cedar, Hemlock, and other miscellaneous species complete the breakdown of northern Maine's forest.

A number of insects are found in northern Maine that cause considerable damage to a multitude of tree species. The Birch Leafminer causes damage to the foliage of white, gray, and yellow birch trees resulting in browning and decay of the leaves. The Fall Webworm makes their web on hardwoods such as apple, ash, beech, birch, cherry, elm and oak. Their silky nests can be seen after July and can be easily removed and destroyed. The White Pine Weevil kills the top of conifers of Colorado blue spruce, Norway spruce, Jack pine, Scotch pine, Mugo pine, and native spruces. At low infestation levels, the branches can be clipped to avoid spreading of the weevil into next spring.

Groups such as the Maine Forest Service, Natural Resources Council of Maine, and the Northern Forest Alliance are working together to protect the ecological system, wildness, timber, and undeveloped character of the northern Maine woods. These efforts highly contribute to the sustainability of northern Maine’s forest land and allow the population to continue to enjoy the recreation and beauty northern Maine has to offer.

Number of Live Trees on Timberland (In millions of trees)

Northern Region of Maine, 2002

Species Group	1.0"-1.9" DBH	2.0"-2.9" DBH	3.0"-3.9"DBH	4.0"-4.9"DBH	Species Group Total
Balsam Fir	2,855	858	326	175	4,214
Spruces	614	217	134	97	1,062
Eastern White Pine	31	14	9	5	5,276
Northern White Cedar	179	63	39	32	313
Hemlock	28	13	7	4	52
Other Misc.Softwoods	9	7	8	9	365
Sub-Total All Softwoods	3,717	1,172	523	322	5,734
Red Maple	585	224	89	58	956
Sugar Maple/Beech/Yellow Birch	628	252	131	78	1,089
Intolerant Hardwoods	572	209	98	49	2,045
Other Misc. Comm. Hardwoods	111	38	21	14	184
All Noncommercial Hardwoods	674	201	59	25	959
Sub-Total All Hardwoods	2,569	924	398	223	4,114
All Unknown Species	3	-	-	-	3
Grand Total-All Species	6,289	2,096	921	545	9,848

Source: USDA Forest Service, Maine Forest Service, Department of Conservation

Tourism

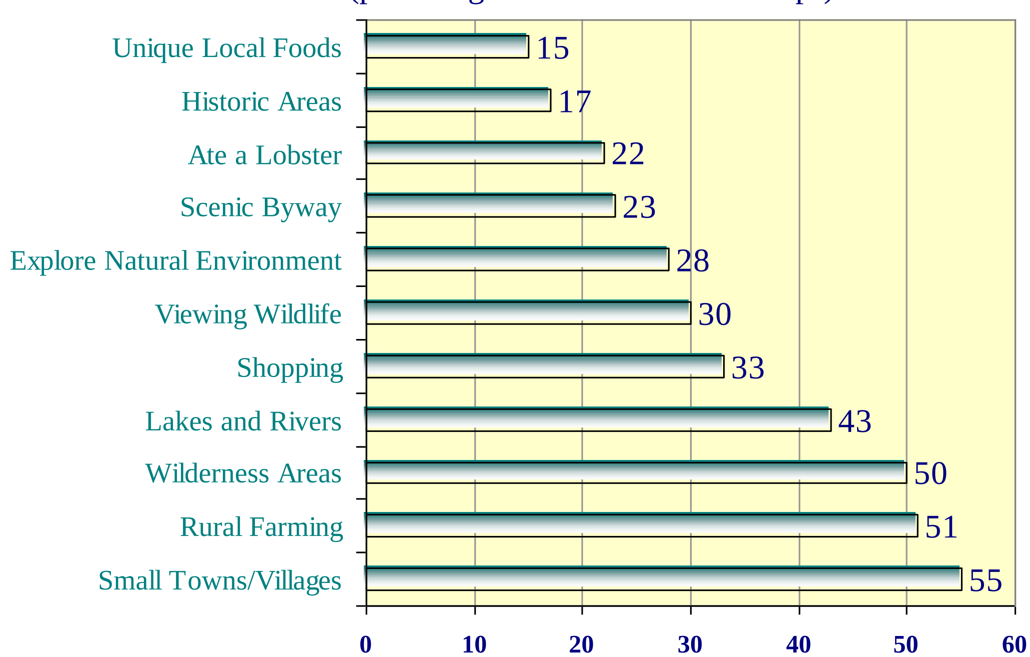
Tourism is the largest industry in Maine in terms of employment and over-all sales and Aroostook County is making extraordinary efforts to encourage people to visit and make the most of its natural beauty and outdoor recreation activities. Marketable day trips to Aroostook are most often outdoor trips to experience the natural environment and engage in outdoor activities such as camping, hunting, fishing, hiking, or rafting. Thirty-eight percent of overnight visitors spend their time doing activities in the outdoor while 24 percent attend special events, 17 percent visit for business or pleasure, and 7 percent spend their time touring. Overall, visitors to the County leave with a favorable impression and found it to be exciting, yet worry free.

Trips to Aroostook County in 2003	In Millions
Pass through	.11
Stayed Overnight	.46
Day Trip	1.8
Total Trips	2.37

Season of Trip in 2003	Aroostook	Maine
January-March	18 %	13 %
April-June	24 %	21 %
July-September	38 %	48 %
October-December	20 %	18 %

What Did People Do in Aroostook County in 2003?

(percentage out of 2.37 million trips)



Source: Longwoods International

CREST Regional Goals

The four goals that follow are part of both the existing Aroostook County Empowerment Zone Strategic Plan and the EDA Comprehensive Economic Development Strategies (CEDS). These goals will guide programs/projects that would be supported by the Northern Maine Empowerment Council (NMEC) in the region. Strategies under each goal focus on more specific activities that projects or programs should address.

Goal I **Foster economic growth by creating a commercial/industrial environment that supports the success of both new and existing businesses.**

Strategy 1 – Upgrade the condition and capacity of the region's public infrastructure to support business success, such as transportation systems, telecommunication systems, and public facilities and services.

Strategy 2 – Minimize barriers and support employers and employees through educational programs, financial assistance, and legislative efforts.

Strategy 3 – Continue to build on and integrate existing regional marketing programs for business and tourism development through efforts such as; targeting industries best suited for Aroostook's natural and human resources, developing tourism-related infrastructure, and capitalizing on the proximity with Canada.

Strategy 4 – Expand natural resource-based businesses through the continued development of forest products industries, agriculture, and aquaculture.

Goal II **Develop a well-educated and well-trained work force through educational and training opportunities.**

Strategy 1 – Expand and improve pre-K through high school education.

Strategy 2 – Expand and improve post-secondary, training, and retraining opportunities.

Strategy 3 – Make more efficient use of educational resources.

Strategy 4 – Create and build on partnerships between business and education.

Goal III **Improve health and social services by providing comprehensive programs for the enrichment of all residents.**

Strategy 1 – Create a healthier community.

Strategy 2 – Provide quality health care and social services through all stages of life.

Strategy 3 – Enhance family support.

Strategy 4 – Provide affordable, quality housing for residents.

Strategy 5 – Upgrade community services.

Goal IV Steward Aroostook's natural resources and way of life by balancing development with the need to protect valuable natural resources and the rural character of its communities.

Strategy 1 – Steward Aroostook's pristine natural resources.

Strategy 2 – Conserve Aroostook's quality of lifestyle.

Sector Narratives

Sector: Economic Development

Subsector: N/A

Economic Development – Aroostook Partnership for Progress

Aroostook Partnership for Progress (APP) is a non-profit, public – private partnership dedicated to aggressive and effective results-oriented economic development actions that leverage the financial commitments and talents of the private sector in close partnership with the public sector.

The unique characteristics of Northern Maine create both challenges and opportunities to redefine the purpose and the approach taken toward the practice of economic development.

AROOSTOOK PARTNERSHIP FOR PROGRESS - MISSION STATEMENTS

1. **Enhance Aroostook County's Economy.**
2. **Market the Region to the U.S., Canada, and Europe.**
3. **Develop our downtowns into attractive and vibrant business centers.**
4. **Facilitate an effective economic development dialogue for the Region.**

MISSION 1 - ENHANCE AROOSTOOK COUNTY'S ECONOMY

GOAL 1

Facilitate the creation of 1,500 net new jobs and attract at least $50 million in new capital investments by 2007.

STRATEGY 1

- Develop and "sell" financially engineered transactions to interested companies.
- Assist communities in formulating incentives for local properties.
- Work with State and Federal governments to incorporate incentives into specific transactions.
- Identify other incentives that businesses, educational institutions, and utilities could provide.

STRATEGY 2

- Target businesses to attract to The County, focusing on:
    - Aircraft Maintenance Facilities, Postal/Freight Shipment Industries, Technical Customer Support Facilities, Claims Adjudication, Federal Contractors, and industries that provide services to the Department of Defense, Homeland Security, and NASA.
- Conduct reverse investment/prospecting trips to northern Europe and Quebec.

- Analyze the feasibility of having "virtual" APP offices in Northern Europe and Montreal
- Utilize County contacts to generate business opportunities in Sweden.
- Host an APP Reception during the Quebec Winter Carnival.
- Identify geographical areas where northern Maine has a distinct business advantage.
- Conduct a cost of doing business comparison analysis between Northern Maine and other targeted regions.

STRATEGY 3

- Organize meetings between APP investors and the U. S. Congressional, State Legislative delegation throughout the year to discuss development issues important to The County.
- Identify Homeland Security and Defense projects that could be developed in Aroostook County, utilizing the resources of the Manufacturing Extension Partnership and the Maine International Trade Center.

STRATEGY 4

- Identify opportunities to purchase businesses and relocate them to Aroostook County.
- Meet with investment bankers and business brokers to inform them of our interest in purchasing businesses.

STRATEGY 5

- Initiate County-Wide Business Retention Program.
- Call on Presidents/CEOs of existing Commercial/Industrial Businesses routinely to assess their needs.
- Identify and promote resources available to businesses.

GOAL 2

Establish The County as a film production location by 2007.

STRATEGY 1

- Identify film production resources within the region.
- Develop web-site identifying information about properties and resources available to assist with the production of a major film.
- Identify and meet with film production site locators to promote Aroostook County.
- Discuss with the Maine Film Office our interest in attracting a film production company to The County

GOAL 3

Attract a resort development to The County.

STRATEGY

- Meet with resort developers to discuss potential opportunities in The County.
- Develop site plans and marketing materials to promote specific sites for development.
- Market site plans to potential developers of resort properties.

MISSION 2 - MARKET THE REGION TO U.S., CANADA AND EUROPE

GOAL 1

Increase the awareness of Aroostook County among decision-makers involved with business expansion, relocation, and investment.

STRATEGY 1

- Develop marketing theme and campaign with required collateral materials.
- Develop APP web page.
- Create County Profile data sheets.
- Develop film promotion video.

STRATEGY 2

- Reinforce the Aroostook County "brand" by using a strategic marketing campaign to relocation prospects in targeted markets and industries using the following tactic: Feature articles in targeted journals, newspapers, & magazines.
- Promote Aroostook County on Public Radio & Public TV.
- Conduct "familiarization" tours to showcase Aroostook County to media, editors, site location consultants, and business prospects.

STRATEGY 3

- Utilize strategic alliances and other personal contacts to network and effectively communicate the Aroostook County "brand" to the following:
  - Site location consultants.
  - Prospects and other direct contacts.
  - Federal and State commerce departments.
  - Congressional and Aroostook County delegations.
  - International Trade Offices.

MISSION 3- DEVELOP OUR DOWNTOWNS INTO ATTRACTIVE AND VIBRANT BUSINESS CENTERS

GOAL 1

Increase activity and private investment in select Aroostook County Downtowns.

STRATEGY 1

- Access the resources of the State and Federal grant programs to provide initial funding for the Aroostook Renaissance Group.
- Fund three downtown revitalization projects by 2007, focusing on attracting additional private investment.
- Possible projects include a cultural and arts center, unique restaurants, housing, retail shops, and “back-office” businesses.

MISSION 4 - FACILITATE AN EFFECTIVE ECONOMIC DEVELOPMENT DIALOGUE FOR THE REGION

GOAL 1

Serve as the Region’s research clearinghouse and recognized source of economic development information.

STRATEGY 1

- Utilize the internal resources of NMDC, MPS, and other investors to continue building the Partnership’s internal capability for research and database management.

STRATEGY 2

- Promote the web site to internal investors and external audiences as core components of the Partnership’s research capability.

GOAL 2

Facilitate forums for in-depth dialogue on key development issues in the region.

STRATEGY 1

- Convene an annual meeting that addresses critical economic development issues.

STRATEGY 2

- Pursue partnerships with National and local media to create a forum with the editorial boards for economic development dialogue throughout the year

STRATEGY 3

- Aggressively promote the Partnership web site and create an e-mail newsletter to promote economic development dialogue.

GOAL 3

Maintain excellent working relationships with Chambers of Commerce, Aroostook County Delegation, and other key State-level constituents.

STRATEGY 1

- Function as a resource for on-going assessment of economic development infrastructure within communities and develop a broad understanding of the Region.

GOAL 4

Formulate and implement a fundraising strategy to encourage companies throughout the County to invest in the Aroostook Partnership for Progress economic development initiative.

STRATEGY 1

- Identify and pursue contributions from prospective investor companies with assistance of current investors

STRATEGY 2

- Contact investors individually and encourage their participation in APP

STRATEGY 3

- Establish a process for renewing or increasing pledges at least one year prior to the end of their commitment period.

STRATEGY 4

- Create an on-going assessment of APP benefits with investors to positively impact fundraising efforts.

SUMMARY OF GOALS

1. **Facilitate the creation of 1,500 net new jobs and attract at least $50 million in new capital investments by 2007.**
2. **Establish The County as a film production location by 2007.**
3. **Attract a Resort Development to The County**
4. **Increase the awareness of Aroostook County among decision-makers involved with business expansion, relocation, and investment.**
5. **Increase activity and private investment in select Aroostook County Downtowns**
6. **Serve as the Region's research clearinghouse and recognized source of economic development information**
7. **Maintain excellent working relationships with Chambers of Commerce, Aroostook County Delegation, and other key State-level constituents**
8. **Formulate and implement a fundraising strategy to encourage companies throughout The County to invest in the Aroostook Partnership for Progress economic development initiative.**

Sector: Economic Development

Sub-sector: Creative Economy

> "The creative are attracted to a place not because of its tax rate, but because of quality of life...Therefore, a place's economic prosperity now depends more on diversity, healthy arts and culture scenes, great universities, outdoor recreation and tolerance"
>
> Richard Florida, author of *"The Rise of the Creative Class"* and professor at Carnegie Mellon University

The Creative Economy (CE) is a recent concept as it is applied to the Maine economy, but Governor Baldacci has made it a cornerstone of his vision for economic growth in the state. A very successful conference, "Maine's Creative Economy", was held in Lewiston, ME in April of 2004 to point out the impact of the CE on Maine's economy, and to point out the possibilities and implications for the Creative Economy in Maine's future CE. As a direct result of this conference, the Governor, in April of 2005, formed a Maine Creative Economy Council with the goal of supporting CE initiatives throughout the state. In late July 2005, the first Maine Creative Economy Council outreach meeting was held in Madawaska and sponsored by the Town of Madawaska and the Northern Maine Development Commission. Sheila Jans of the Quebec-Labrador Foundation, member of the Creative Council and resident of Madawaska, provided much of the time and effort to bring this meeting together.

Many who hear the words "creative" and "economy" together immediately assume that they apply to artists and crafts-people, but this is not how the term is being currently used or defined. Richard Florida, whose book "The Rise of the Creative Class" has become the touchstone for the Creative Economy movement, describes the members of the Creative Economy(CE) as those that; 1) create meaningful new forms, and 2) that are required to think on their own.

Using this description of CE workers, we can broaden the types of work to areas that would not normally be associated with the "creative" framework. The following is a small example of what professions would now be included:

Super Creative Core

- Computer and Mathematical occupation
- Architecture and engineering occupation
- Life, physical and social science occupations
- Education, training and library occupations
- Arts, design, entertainment, sports, and media occupations

Creative Professionals

- Management Occupations
- Business and financial occupations
- Healthcare practitioners and technical occupations
- High-end sales and sales management

The balance of the traditional work force can be described in the following manner:

Working Class

- Construction and extraction
- Installation maintenance, and repair
- Production occupation
- Transportation and material moving

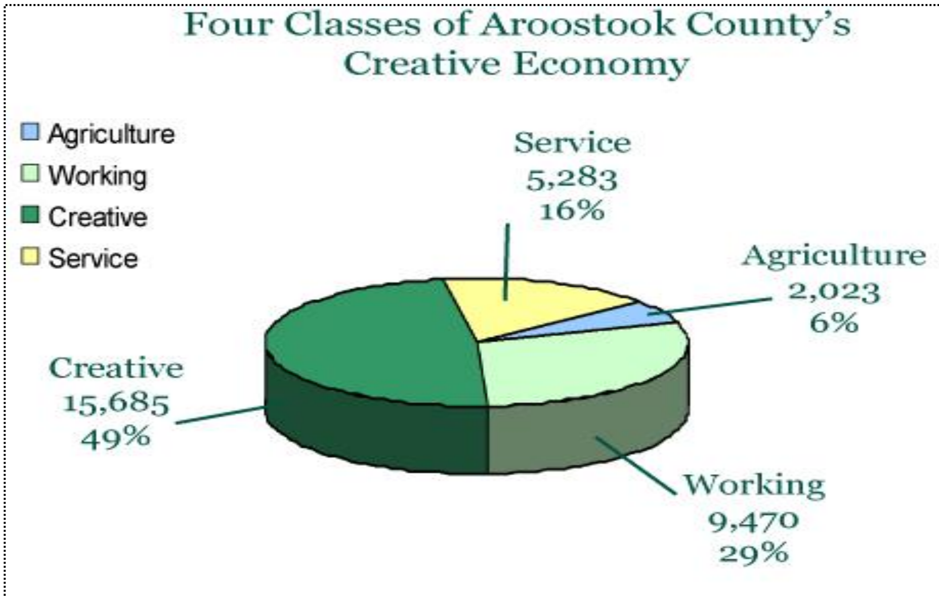
Agriculture

- Farming, fishing, and forestry occupations

Service Class

- Health care support occupation
- Food Preparation
- Building maintenance
- Personal care occupations
- Low-end sales
- Office administration
- Community and social services occupations
- Protective service occupations

Using these descriptions, we find that our regional economy workforce looks like this:



It is from this idea, that 49% of our workers can be considered to be part of the Creative Economy, that we approached gathering information about what that looks like in our region and what groups are doing to support the CE effort.

Southern Aroostook

One of the more visible artistic organizations in southern Aroostook is the Southern Aroostook Cultural Arts Project (SACAP) which received a grant in 1999 that enabled them to produce a directory of artists in the region. In the past several years, the artists that are involved with SACAP have sponsored several events such as "Paint Houlton's Heritage", which is held in July and "Arts Around the Square", which occurs in August. The artist community in and around Houlton seems very energized and proactive, as evidenced by the opening of their art shop, Visions, in downtown Houlton. The shop provides a place for regional artists to showcase their art and receive compensation for their efforts. In addition, the rear of the shop space has been converted into the "Blue Moon Gallery", which will have special art exhibits throughout the year. Despite these triumphs, SACAP, which received non-profit status in 2004, is limited by its reliance on volunteers to provide the human resources to keep their activities in motion. The most critical need is for funding that will provide for a paid full-time Executive Director and much of their energy is being spent to accomplish this. It should be noted that the Houlton downtown area is perceived to have enormous potential for renewal due to the unique, historic building infrastructure that is present.

Central Aroostook

The Aroostook River watershed roughly defines the central Aroostook area, with the cities of Presque Isle and Caribou providing the central focus for social and economic activity. Interestingly, even with the University of Maine at Presque Isle and the Northern Maine Community College as educational anchors and the Council for the Arts as a fledgling organization, there is no strong "arts" identity in the region. An inventory of regional artists was done in the late 90's, but another one needs to be completed in order to better understand what is available to build on. A stronger connection between the University and the surrounding communities should be developed to better support the cultural programs that UMPI offers. The historical barriers of competition between some of the central Aroostook Communities – especially Caribou and Presque Isle, need to be modified to allow physical resources, like the Performing Arts Center in Caribou, to be better utilized. A step toward this would be to bring together some artists, educators, municipal and business people to talk about how this might happen.

St. John Valley (Northern Aroostook)

There are many artists, musicians and craftspeople in the St. John Valley, but the common thread and overriding theme is that most of these activities are driven by a deep sense of cultural connection – specifically Acadian cultural connection. Museums, music, food, arts and crafts all reflect the strong connection to this heritage felt in the area. It seems natural, then, that cultural tourism will be a main component of the Creative Economy here. In July of 2005, the first regional outreach meeting of the Maine Creative Economy Council took place in Madawaska, with over 80 participants in attendance. As in central Aroostook, there is a need to catalogue the artistic resources in the region. By knowing who, what and where, indicators may emerge of what kinds of initiatives make the most sense. One of the areas that will need to be explored is the underlying tension between tourism and culture; and how we keep authenticity in what is developed.

Priority Strategic Initiatives:

- Convene discussions of diverse stakeholders about how the Creative Economy in the region should be developed.
- Perform a regional inventory of artists and crafters.

Lead Organizations:

Southern Aroostook Cultural Arts Project, NMDC, Quebec-Labrador Foundation, Council for the Performing Arts

Sector: **Economic Development**

Sub-sector: **Tourism**

Like the state of Maine, the tourism industry in northern Maine is at a crossroad. In general, tourism growth for the entire state has been somewhat stagnant. The current trends show fewer visitors, but higher overall spending. This translates into less people visiting, but more money being spent/charged for lodging and/or meals. Obviously, this is not a positive trend for the state or the region.

For a number of years, Aroostook County Tourism (ACT) and Northern Maine Development Commission (NMDC) have tried to market the region as a whole with numerous targets and with representation of activities in all four seasons. As a result, the effectiveness of tourism marketing has been unclear. The current 5-year tourism business plan will help give the regional tourism industry direction and practical recommendations for future growth. Tourism businesses in Aroostook County must partner better in order to market with one voice; which will increase the effectiveness of future marketing campaigns. In order for this to happen, there needs to be more and better collaboration between industry partners/stakeholders, their local Chambers of Commerce and Aroostook County Tourism.

Staff at Northern Maine Development Commission are currently working on various tourism projects for Aroostook County. The Maine Tourism Marketing Partnership Program continues to be the major financing source for tourism marketing efforts in the region. For the 2005/06 fiscal year, Aroostook County was awarded a grant for $75,000 for tourism promotional efforts. These funds are earmarked for various projects, including but not limited to: representation at regional tourism trade shows; print advertising in the Maine Invites You, The Adventure Cyclist, and Group Tour Magazine; participation in the St. John Valley International Cultural Route project; and, an update of our regional tourism guide.

The regional guide will be the primary tourism project for Aroostook County Tourism in 2006 and we anticipate producing 30-35,000 copies of the guide. In addition, we will “digitize” the guide in the form of mini-discs which will reduce shipping and handling cost and allow for better distribution and storage of the publication. ACT is also supporting the St. John Valley Cultural Route project, an international trail project being developed by the Quebec Labrador Foundation. When completed, there will be an interpretive cassette tape or compact disc that will be used as a guide throughout this international route.

Tourism staff is also working with a consulting firm to develop a 5-year regional tourism plan. The goal of this project is to give Aroostook County Tourism a clear plan and strategy to grow the tourism industry going forward. As part of the project, the consulting team will analyze other similar tourism regions around the country and Canada and this information will be compiled and used as a “best practices” guide for Aroostook County.

Finally, through the Aroostook Partnership for Progress and Northern Maine Development Commission, a resort development feasibility study is being undertaken. The purpose of the study is to explore our ability and potential to recruit and foster resort development. The feasibility study is a multi-faceted approach that involves site visits and assessments, surveying potential visitors and/or owners, and site review and selection for possible future developments. From this study, the region will have an unbiased opinion of resort development along with a well thought-out plan to approach developers about resort projects in Northern Maine. Resort development possibilities include but are not limited to hotels, spas, vacation homes, condominium development, timeshares, and fractional ownership.

Suggested Strategic Initiatives:

For obvious reasons, the primary initiative for the tourism sector for the immediate future is the 5-year strategic tourism business plan. As stated previously, one of the challenges facing the tourism movement in northern Maine is a lack of a directed strategy. Upon completion of the plan, implementation of the plan will require collaboration from all of the lead organizations listed below, with NMDC coordinating most of those efforts.

The regional guide project is an immediate and integral part of regional tourism marketing efforts. In order to attract new and repeat visitors to the region, northern Maine must have an attractive regional guide. This publication will continue to be used in fulfillment packages and at regional trade shows. The lead organization for this project continues to be NMDC/ACT.

The resort development project is by far the largest tourism project currently being undertaken, but it is dependent upon the results of the current feasibility study. Upon completion and receipt of the feasibility study, this project may or may not jump in order of importance. The lead organization for this project is the Aroostook Partnership for Progress with staff support from NMDC.

The online reservation/central point of contact project is of equal importance to the future growth of the tourism industry in northern Maine. As such, the staff of NMDC is continuing to explore funding sources to put this project in motion.

Lead Organization(s):

> **Northern Maine Development Commission, the Aroostook Partnership for Progress and Aroostook County Tourism would be the lead organizations to see these initiatives through to completion.**

Sector: Education
Subsector: Employment and Training

Local Workforce Investment Board (LWIB)

In 1998 federal legislation was passed to replace the Job Training Partnership Act that had been originally enacted in 1978 with the Workforce Investment Act of 1998. The changes behind the WIA were practical as well as philosophical; and have created a significantly different mind set for and delivery of work force training programs.

Workforce Investment Act Paradigm Shift

Social service shifts to economic development focus: While JTPA was a part of the "second chance" system for workers in need of assistance, WIA is intended to develop a strong regional economy and regional industries. The legislation explicitly mentions coordination with states' economic development programs.

Serving individuals shift to serving businesses and individuals: WIA talks about 2 customers: employers and job seekers. State plans in several states, including Ohio, Michigan, and Louisiana state the intent of the program is to serve employers, without even mentioning workers.

Federal control shifts to state and local control: The law and regulations provide guidelines that allow states and local areas great latitude in what services will be provided and who will be targeted. US Department of Labor (USDOL) has also shown that it will not offer additional restrictions. Governors can offer criteria and guidance, but many are allowing local areas wide latitude as well, creating not just differences state to state, but local area to local area.

"Silo"-ed funds intended to shift to coordinated funds: A key purpose in the new law has been to coordinate the many federal employment and training programs. So far, there is more coordination of service delivery than combining of funds in any "block grant" kind of way.

There is greater coordination across USDOL funds and across employment and training funds than with economic development funds. In general, coordination is increasing, often through more informal agreements that are hard to identify. We can expect that this will be a big issue in reauthorization of the legislation.

Categorical services (serving specific categories of people) shift to universal service (serving everyone): In order to make this system the fundamental labor exchange system in the country, it has to serve everyone. While one thought was that a "second chance" system would never be as good as a system for everyone, it also means that resources are taken away from those most in need to serve others.

Boards run services shifted to Boards prohibited from running services without special authorization: Boards have been shifted to be more arm's length from direct service delivery. These boards are more citizen policy boards' and less day-to-day boards of Career Center operations. This means that WIA boards have potentially more authority, but less day-to-day information.

Permanent law now has a sunset provision and state and local plans with time horizons: Unlike JTPA, which continued until changed, change is built into WIA. It has a 5 year sunset provision that requires reauthorization. State and local plans are also turning out to be living documents that require ongoing modifications.

WIA Services

Level I: Core Services must be provided at all One-Stops, in Maine called Career Centers, and cover a range of services such as:

- intake and orientation to One-Stop
- eligibility determination
- initial assessment of skill and abilities
- access to job vacancy listings
- job search and placement assistance
- access to information on job skills requirements
- information on providers of vocational rehabilitation activities
- access to list of eligible training providers
- UI filing information
- information on availability of supportive services

Level II: Intensive Services are available to adults and dislocated workers who have completed one Core Service and are still unable to gain employment OR who are employed and have been determined in need of services to get a better job in order to gain self-sufficiency. Intensive Services include individual career planning, resume preparation, job clubs, career counseling, internships, and comprehensive assessments. Basic education, ESL, and basic computer literacy are also sometimes considered Intensive Services.

Level III: Training Services are available to employed and unemployed adults and dislocated workers who have completed one Intensive Service and still can not obtain employment leading to self-sufficiency. To access training, someone must demonstrate he or she possesses the necessary skills to complete a training program, select a training program that is linked to job vacancies in the area, demonstrate an inability to get Federal Pell Grants or any other financial assistance, and meet the state and local priority system requirements.

Additional Possible Offerings through One-Stops:

On-the-Job-Training (OJT) is a wage subsidy to employers that is fundable under WIA. Training is provided by an employer who then receives up to 50% of the trainee's wage rate in return for offering training. The goal is for employers to ultimately hire their trainees into self-sufficient jobs.

Customized Training is an activity fundable under WIA. This training is provided by WIA for employers with the agreement that they employ or continue to employ the trainees. The employer pays at least 50% of training.

Support Services. Include transportation, childcare and other services that are necessary for an individual to access WIA programs. Services are available to One-Stop customers who can not get similar support elsewhere.

Needs-Related Payments. Like Support Services, Needs-Related Payments are available to individuals who would be unable to participate in WIA programs without them. These payments can be made to adults and dislocated workers who don't qualify for Unemployment Insurance (UI) or whose UI has ended.

Funds for the LWIB are appropriated to the U.S. Department of Labor and come to the Maine Department of Labor; which then distributes to the four Workforce Investment Boards in the state. Aroostook and Washington counties form the Region 1 LWIB which is administered by the County of Aroostook. The Region 1 LWIB contracts for workforce training services in the Aroostook region from the Aroostook County Action Program (ACAP).

ACAP Employment and Training

Employment and Training provides quality workforce development services for all job seekers and employers in Aroostook (and in some cases, Washington County) with Career Center partners in Houlton, Presque Isle, and Madawaska.

Career Center Information Centers offer seamless universal services to everyone and ideally are the first contact for customers seeking assistance, where initial assessments are completed and customers are introduced to the many options available for reaching their individual employment goals. Eligible customers who require additional services are offered the opportunity to participate in intensive training services. Career Center conference rooms are available for employer trainings and community organization meetings.

Workforce Investment Act (WIA) Provides employment and re-employment services to eligible adults and individualized services to eligible youth, including tutoring, alternative secondary school opportunities, preparation for occupational training or education, employment linked to learning, internships, mentoring, leadership development, guidance, counseling, and extensive follow-up. The Dislocated Worker Program offers training and re-employment services to workers who lose their jobs due to layoffs or plant closings. Rapid Employment and Training Initiative (RETI) provides continuing workforce development services within Aroostook and Washington Counties to those individuals who have been affected by plant closures or significant layoffs.

Business Assistance provides both Aroostook and Washington County residents with job fairs held at the Presque Isle Career Center, bringing together job seekers and employers. This year McCain Foods Inc., J. M. Huber Corporation, M*aurices*, and Lowe's were assisted at the Career Center in Presque Isle by providing a variety of services and the use of facilities to recruit, interview, and train employees. The Career Center in Madawaska provided similar resources to Marden's, and at the Houlton Career Center for Louisiana Pacific and Smith and Wesson.

Governor's Training Initiative funding of $108,150 was applied to help defray training costs for Aroostook County employers. Over the past 7 years more than $2 million in GTI funds has been invested in Aroostook County.

Senior Community Service Employment Program provides individuals, with limited financial resources who are age 55 or older, with job training and placement.

Dispute Resolution Center, through an agreement with Penquis Community Action Program, assists Aroostook teens who are either homeless or are at risk of homelessness, and their parents with conflict coaching, mediation, and/or conflict and communication training or workshops, and referrals to other services.

Workforce Development provided:

- Over 3,500 job seekers with services, including 378 who received training, education and other educational resources that totaled $173,423.
- Rapid Employment and Training Initiative served:
- 554 Individuals who lost their employment through 14 layoff situations or business closures, including employees of MBNA in Presque Isle and Fort Kent.

Senior Community Service Employment Program served:

- 15 Individuals.

In your opinion, what are the most important issues that will affect your work in the near future (1-3 years)?

1. Federal & State Dept of Labor Funding
2. Local Labor Market Trends
3. Availability of Training (University, Community College, Adult & Community Education Programs)

What resources (both internal as well as external?) are needed to deal with these issues?

1. Support from local, state and national representatives and policy makers
2. Current Resources and Publications
3. Support for "alternative" training sites (internet based, itinerant sites, etc.)

What regional initiatives or activities should be undertaken to address these issues?

1. Collaboration on all levels
2. Sector Analysis
3. Skill Specific Training

What group or organization do you think should be taking the lead on these initiatives or activities?

1. Policy Makers/Legislators/MDOL Bureau of Employment Services
2. MDOL Division of Labor Market Information
3. UMPI, UMFK, NMCC, Aroostook Adult Ed Programs
4. ACAP Employment & Training
5. All other Community Partners interested in Employment & Training

Sector: Emergency Services Sector

Sub-sector: Law Enforcement

Many of the challenges facing law enforcement in the region are familiar ones - increase in drug-related crimes, domestic violence, motor-vehicle accidents related to alcohol and drug abuse and lack of adequate funding for necessary manpower and equipment. Other issues are more unique, such as how to adequately patrol such a large geographic area, a shortage of candidates for police work, the cost of training to state-mandated requirements, and increased border surveillance.

The Aroostook County Sheriff's Department and Maine State Police are responsible for patrolling much of the region and serve as the de facto police departments for many smaller communities and the unorganized territories. Recently, the Town of Limestone entered into a contract with Aroostook County Government – Sheriff's Department to handle specific patrol and policing in their community. Other small communities that have a standalone police department may find themselves facing the problems of higher personnel, equipment and training costs and reduced ability to generate local tax dollars to pay for them. While no longer as prevalent, in recent history some of these smaller communities were having significant problems retaining officers after they had received training at the State Police Academy because they were being hired away to larger towns in southern Maine.

Funding that would supplement the local tax dollars dedicated to police departments is perceived to be the most pressing need. Local police departments have been quite successful in obtaining grant monies for many equipment needs, but these programs will not pay for manpower costs. It seems that police protection must become ever more efficient in their delivery of services, but that even gains made in that area will probably not offset the looming problems of higher personnel and equipment costs.

To further complicate matters, the Maine Drug Enforcement Agency faces possible elimination due to federal funding cutbacks at a time when the illegal drug problems seem to be on the rise. Additionally, there is no liquor enforcement agency anymore which means that local police departments must assume that responsibility. What makes this duty especially difficult is that most officers are well known in the communities making it difficult to effectively monitor stores and bars for underage sales.

Priority Strategic Initiatives:

- **Convene a meeting of the Aroostook Chief's of Police Association, Aroostook Emergency Management and the Aroostook County Sheriff's Department and County/local officials to identify opportunities for further cooperation in delivery of services and joint grant activities.**

Sector: Health Care

Sub-sector: N/A

Primary Health Care

The region is served by four hospitals; Houlton Regional Hospital in Houlton, The Aroostook Medical Center (TAMC) in Presque Isle, Cary Hospital in Caribou, and the Northern Maine Medical Center (NMMC) in Fort Kent. While the administrators from these facilities meet on a regular basis, and while there have been efforts to try and collaborate in some areas, there is not real, significant cooperation between the hospitals at this time.

There are certainly common themes voiced by the administrators of all four facilities. The difficulty in recruiting physicians, registered nurses, physical therapists and radiological technicians, to name a few, is a constant challenge for all of the hospitals. The long lag between the delivery of a service and reimbursement from the Medicare/Medicaid system creates a long-standing chronic cash flow problem. Finally, the constant need to upgrade technology to accomplish federal reporting requirements and information sharing is an increasing cost center for their operations. From the discussions that were held with these administrators, they are pointing at state bureaucracy and state and federal regulation as prime inhibitors in having their facilities run as well as they might.

Non-primary Care Delivery:

It was suggested that a stronger link between health care staffing needs and the high schools and colleges in the region could lead to more young people moving into the health care arena. This would also have a positive impact on the out-migration problem.

Support was offered for some kind of health care forum that would bring together the CEOs of the hospitals, home healthcare agencies, nursing home providers. Such a meeting might create momentum to promote better alliances and develop some common regional healthcare initiatives.

Mental Health Services

The Aroostook Mental Health Center (AMHC) is the primary provider for mental health services in the region and offers broad geographic program coverage. Programs the AMHC operates fall into five general categories; mental health, substance abuse, community support, emergency services and speech and language services.

Recent initiatives have focused on lowering wait times for AMHC substance abuse services and increased integration of behavioral and physical health service delivery through collaboration with several area hospitals. An Opiate Replacement Therapy clinic opened in July of 2006, the first of its kind in Aroostook County and in the state of Maine. The Maine Office of Substance Abuse has funded the CO-SII project which will enhance AMHC's efforts to deliver and sustain effective services to people with co-occurring substance abuse and psychiatric disorders. Changes to Maine's MaineCare regulations governing the provision of children's behavioral health services has evidenced a significant increase in paperwork as well as changes in how these services are delivered.

Continued integration of physical/mental health services will be the challenge for both mental health providers and primary care providers. This will drive the need for more and better communication between hospitals/rural health centers and AMHC in order that the service delivery can become as seamless as possible.

Geriatric services will have an increased focus, especially in Aroostook county, as older individuals become a higher percentage of the health care population. The need for geriatric care specialists who are more familiar with mental and physical disease progression in the aging will become urgent;

especially in more rural areas. Again, the delivery of services, particularly residential in-home services, will create a challenge that will require consultation and partnering between those agencies delivering physical health and mental health services.

Other forces that will drive both the scope and direction of mental health service delivery have to do with the funding mechanism and administration of that delivery. Federal reductions in mental health service funding continue to shift the burden to individual states; which will be hard pressed to find the financial resources to replace the lost funding. The move to managed care models will be pervasive as costs become the primary motivator for state regulators. However, recent experience with managed care has evidenced several detrimental aspects to providing high-quality service delivery as the additional level of bureaucracy creates more complexity and less access.

Finally, the need for threshold level credentialing of mental health providers is becoming critical. While the college and university system are responsive to the training needs, the state licensure system has not been as willing to take action.

Home Health Care

The delivery of health care services to individuals in their home continues to be a growing industry in the state and in the region. Health insurance and state health reimbursement exert considerable pressure on hospitals to release patients as soon as possible to reduce their costs. State elder policy for the last decade has been promoting programs that direct elder care more to home-based models, rather than institution-based ones, for the same financial reasons. These situations create an ever-increasing demand on the home-based care system. The 2000 census gives us the following numbers:

Nursing Homes in Aroostook

- 12 providers
  - 8 for-profit
  - 4 non-profit
- 641 nursing home beds

Home Health Care

- 13 businesses
- 594 employees

The challenges for the home health care businesses in Aroostook revolve around three familiar issues; the shortage of therapists and nurses, the level of State and Federal reimbursement and rising employee benefit costs. Developing local training programs for therapists would help area recruitment efforts and creating enticement programs for nurses and therapists to come to the area are needed. Regulatory relief on reporting and record-keeping would help to bring health care delivery costs more in line with reimbursement levels.

Priority Strategic Initiatives:

Convene a meeting of the healthcare providers to discuss regional healthcare issues and to seek some consensus on future actions.

Sector: Housing

Sub-sector: N/A

Housing in the region varies widely depending on the sub-region in which it exists. Population centers in southern Aroostook, central Aroostook and northern Aroostook generally have housing that is in better condition with accompanying higher valuation. Rental housing is more plentiful in these population centers and, again, is in generally better condition; although there has been no significant new construction of rental housing in the region in the past twenty years. The rate of new construction, both of single family housing and rental housing, is a reflection of the general out-migration from the region which puts a downward pressure on general housing need. It should be noted that housing information for the region is not readily available as there is no entity that currently collects and maintains this information.

Single Family Housing

Single family housing sales and construction in the Presque Isle market has increased significantly in the past year; especially in the bedroom communities of Mapleton and Castle Hill. The Houlton market is also doing well with increasing sales and prices. The St. John Valley follows this trend with slightly more sales in the Fort Kent area than in the Madawaska region; although the Van Buren housing market is the exception, with several houses for sale at below traditional market values.

A comparison of the yearly housing sales between 2004 and 2005 indicates a significant increase in housing sales from 164 units in 2004 to 304 units in 2005; with the median selling price increasing from $59,450 to $73,700 over the same time period. The following table which indicates sales, both by county and state, yields some interesting information. Single family homes in Aroostook are the least expensive in the state and the number of sales increased over 85% from the previous year, more than double the rate of increase in any other county; while, at the same time, statewide sales decreased by almost 9%. And while home prices are still the lowest in the state, the median sales price increased by 24% in 2005, second only to Piscataquis County at 42%. It should be noted that these numbers are reflective of sales information collected through the Maine Realtors Association (MRA) multiple listing service and are probably not as accurate for Aroostook as in other parts of the state. This is due to the fact that most realtors in our region do not subscribe to the multiple listing service as a way to sell their properties, with the result that those sales will not be reflected in the MRA data and analysis.

JULY STATEWIDE CHART

From July 1-31, 2005 to July 1-31, 2006

County	# Units Sold 2005	# Units Sold 2006	% Change	MSP 2005	MSP 2006	% Change
STATEWIDE	**1427**	**1196**	**-16.19%**	**$195,100**	**$190,000**	**-2.61%**

ROLLING QUARTER CHART

From May 1 - July 31, 2005 to May 1 - July 31, 2006

County	# Units Sold 2005	# Units Sold 2006	% Change	MSP 2005	MSP 2006	% Change
STATEWIDE	**4308**	**4135**	**-4.02%**	**$194,000**	**$195,000**	**0.52%**
Androscoggin	351	313	-10.83%	$149,900	$168,400	12.34%
Aroostook	89	113	26.97%	$75,000	$85,000	13.33%
Cumberland	1089	976	-10.38%	$253,000	$255,000	0.79%
Franklin	95	100	5.26%	$147,000	$135,000	-8.16%
Hancock	158	179	13.29%	$205,000	$187,000	-8.78%
Kennebec	413	397	-3.87%	$140,000	$155,500	11.07%
Knox	142	151	6.34%	$199,000	$215,000	8.04%
Lincoln	126	120	-4.76%	$230,000	$235,250	2.28%
Oxford	211	177	-16.11%	$142,000	$143,000	0.70%
Penobscot	484	489	1.03%	$142,000	$148,000	4.23%
Piscataquis	44	66	50.00%	$129,000	$97,486	-24.43%
Sagadahoc	120	137	14.17%	$219,950	$210,000	-4.52%
Somerset	130	131	0.77%	$101,500	$112,000	10.34%
Waldo	117	112	-4.27%	$169,000	$152,500	-9.76%
Washington	10	12	20.00%	$81,000	$100,000	23.46%
York	729	662	-9.19%	$245,000	$240,000	-2.04%

Rental Housing

Obtaining good information on the rental housing market in Aroostook is a challenge because there is no organized effort to collect and maintain information on such things as average rents, vacancy rates and condition of units. According to the 2000 Census, 78% of all housing in Aroostook was built prior to 1980 and of the total housing universe of 38,719 structures, 7,066 have more than one unit per structure (i.e., inferred rental structure). It is also likely that more than 78% of all rental structures were built prior to 1980 as there has been very little multi-unit construction over the past 25 years. Using local papers and canvassing several landlords, the rent levels seem to be very consistent throughout the region. The average two-bedroom apartment will rent in a range of $550 to $625 per month, utilities included, in southern, central and northern Aroostook. Vacancy rates seem to be higher in the central Aroostook area (8-10%) than in the northern or southern regions (5-6%) with the notable exception of the Van Buren area which has a rate of 20% or more.

Although in some ways a subset of the rental housing market, special needs housing is of special concern due to the existing aging population and projected increase in the percentage of older persons in the next decade. Special needs housing consists of a range of housing that would include units modified for physical accessibility, but more prevalently, units that have some level of services attached to them. Service-connected units fall in a range from congregate housing at the lower level of services, through assisted living and nursing home care on the higher service levels. Modifying existing housing and developing new housing that provides for these needed services will be a challenge as construction costs increase and the availability of affordable service provision shrinks.

Housing Units Comparison, 1980-2000

	1980	1990	2000	Percent Change 1980-90	Percent Change 1990-00	Percent Change 1980-00
Aroostook County	35,920	38,421	38,719	7.0	0.7	7.8
State of Maine	501,093	587,045	651,901	17.2	11.0	30.1

Source: 1980-2000 US Census.

<u>Priority Strategic Initiatives:</u>

Initiative 1 - Convene a housing focus group to discuss regional housing needs including both the rental and single family markets.

Initiative 2 - Perform a regional housing assessment to identify areas of most need; especially in the areas of rehabilitation, supply/demand and affordability.

Lead Agencies/Organizations:

ACAP, NMDC, area realtors.

Sector: Natural Resources

Sub-sector: Agriculture – Beef Industry

To a great extent the regional beef industry is not highly visible, even though it represents half of the state-wide beef industry production. The regional industry is quite healthy and has been expanding over the past several years.

Feed Lot Operations:

The regional feed lot component of beef production has approximately 5,000 to 7,000 head and about 10 farmers who run the feed lots. In this operation cattle are purchased when they weigh around 500 lbs. and are then raised until they reach 1,200/1,300 lbs; at which point they go to slaughter. Northern and Southern Aroostook County have larger feed lot activity than does the Central Aroostook area, although with the recent addition of Pineland Farms in Fort Fairfield, that situation could change significantly. Pineland Farms has publicly announced their intention to grow the fledgling operation, currently at about 700 head, to 5,000 head over the next few years.

Cow/Calf Operations:

The cow/calf component of beef production is much less concentrated; in that the approximate 5,000 head of cattle are being raised by 100 to 125 operators, with the vast majority of them raising cattle as a supplement to other employment. In this operation, brood cows birth calves that are then raised and sold to the feed lot operators. Interestingly, there is enough cow/calf resource in the state to provide all the needs of the feed lot operators, but there are connection and quality issues that come into play. Out of state cow/calf sources have more variety in the types of breeds raised and often more uniformity in those breeds; which can make their stock more attractive to feed lot operators.

Coop Sales:

Actual sale of cow/calf stock to the feed lots currently takes place in Richmond, Maine and a number of cow/calf farms in Aroostook participate despite the travel time and expense. Recently the Aroostook Beef Producers (ABP), a 45-member non-profit organization, obtained a grant that enabled them to purchase a load-out facility in the region that will be renovated during the winter of 2006/2007. It is anticipated that this facility will be ready for cow/calf – feed lot sales events in 2007.

Beef Markets:

The primary purchaser of regional beef producers is Wolf's Neck Natural Beef which has established a growing east coast niche market for their organic meat products. Demand has historically exceeded supply and it was this demand that provided the impetus for the southern Aroostook beef producers to begin, or expand, their operations. Our region, and Maine beef producers in general, are historically matched to natural beef production because the relatively small scale of operations in the state meant that the use of feed-grade antibiotics or growth implants, customary in larger feed-lots in the Mid-West and West, did not become common practice here.

Slaughter Plants:

Slaughter plants have been a continuing concern for beef producers in the region because there is not good geographic availability in the state. Currently there are 5 or 6 USDA certified plants in Maine, with the Dover-Foxcroft plant being the closest to the Aroostook region. There are Maine-certified plants that meet different, but credible, requirements; however, this certification does not provide access to many markets. Our region still has significant private sale of beef. The requirements are that an individual purchase the animal while it is still alive and arrange for it to be slaughtered and cut. It should be noted that there are a diminishing number of butchers who still perform this service.

Advantages to Beef Production in Aroostook:

There are many positive aspects to raising beef in the region. Land is relatively inexpensive and cattle are part of the farming tradition, so they don't create negative public opinion. Enough land is available that beef operations are not normally in close proximity to residential developments which has caused public outcry in other parts of the state. The horse population in Aroostook has been steadily increasing over the past twenty years and since cattle and horses have a common infrastructure; materials and services (like veterinarians) are readily available. Finally, feed is plentiful due to the strong presence of the potato industry. Potato manufacturing by-products can sometimes be used, barley and oats (rotation crops for potatoes) are prime cattle feed and natural forage in pasturelands is excellent.

Lead Organization(s):

Aroostook Beef Producers

Priority Strategic Initiatives:

- **Develop the load-out facility for better regional resources and sales**
- **Continue discussions with the potato industry on possible additional synergies with cattle operations**

Sector: Natural Resources

Sub-sector: Agriculture – Organic Farming

Primary challenges to the organic farming movement in the region revolve around marketing and distribution of the products; and while the Maine Organic Farmers and Gardeners Association (MOFGA) is very supportive in the way of technical assistance and connectivity (grower to grower), it does not provide any significant resource in the marketing/distribution arena. In other parts of the state and region, farm stands can be a real source of income for the organic farmer, whereas, in our part of the state, the population is too small to support them. This means that exporting the product is the only viable means of supporting the farming operation.

For many organic growers, the choice is to identify and exploit a niche market – often a single source – and cater to the special needs of that supplier. Often this means developing infrastructure, product and identity simultaneously which can present special challenges for very small businesses. If niche markets are not identifiable or available, then growers must produce several different crops to make the enterprise viable. This is directly related to creating more value-added production in the region as outlets for these growers.

The resources that need to be marshaled to address the issues outlined above include the involvement and identification of existing internal assets and more community involvement/resources. For example, not having universal broadband coverage throughout the region limits the ability for small enterprises to access markets by the internet which can be very cost-effective. In some instances the lack of three-phase power in certain locations can be a limiting factor to value-added initiatives. Emphasis should be placed on bringing resources to the consumer (i.e., the grower) as much as possible to create a more nurturing support system.

The reality seems to be that there is the land base to grow the products and that there are markets out there that are receptive, but they need to be identified and accessed.

Lead Organization(s):

Northern Maine Development Commission and Cooperative Extension Service

Priority Strategic Initiatives:

- **Develop an economic development strategy focused on diversified farming that include value-added steps**
- **Investigate non-traditional support mechanisms; such as the incubator without walls model**

Natural Resources Sector

Sub-sector: Agriculture - Potatoes

The potato industry, like forestry, has been a longtime economic force in the region. Having the Maine Potato Board offices in Presque Isle creates a strong regional presence and focused advocate that continues to provide effective, timely information for the industry. The following two profiles of the potato industry were produced by the Maine Potato Board. The Industry Study provides an overview of the current makeup of Maine potato production, marketing, sales and processing and the place of the Maine potato industry in national and world context. The Industry Report and Summary serves to follow up on the recommendations of the Industry Study and establishes very specific goals and recommendations that will guide the initiatives undertaken to keep the potato industry relevant and growing into the future.

Potato Industry Study – 2003 (Excerpted)

Potatoes in Maine, and especially in Aroostook, continue to play a major role in the economic health of the region. In 2003, the Maine Potato Board conducted a study to take a fresh look at the industry and with an eye toward focusing resources on reasonable steps that will improve the potato industry and maintain its vitality into the future. The purpose of the study was to answer four questions.

> **What is the Maine potato industry? What activities are involved? How many jobs does it provide and how much income does it generate?**
>
> **What is the full impact of Maine's potato industry on the State of Maine? Beyond those directly involved, how many related businesses depend for a portion of their sales on the potato industry? What is the fiscal impact of the industry on Maine's state and local governments?**
>
> **What is the relative significance of Maine's potato industry within the industry's broader national and international market?**
>
> **What are the keys to the future health of the industry? What can growers, processors, related industries and state policy makers do to enhance the vitality of the industry and thus secure its future as a continuing pillar of Maine's economy?**

1. What is the Maine Potato Industry?

The Maine potato industry is a cluster of businesses involved in growing, processing, marketing, and transporting potatoes. It encompasses over 500 businesses generating nearly $300 million in annual sales, employing over 2,600 people, and providing over $112 million in income to Maine residents.

2. What is the Impact of the Potato Industry on the Maine Economy?

The Maine potato industry creates an impact that spreads throughout the State. The industry's direct sales of $293 million create an indirect impact back through its chain of suppliers amounting to another $179 million in sales and an additional 2,400 jobs. These impacts, in turn, create income for Maine consumers who spend throughout the economy. These induced effects add another $68 million in sales and 1,100 jobs to the State's economy.

In short, the total impact of the potato industry on Maine's economy is $540 million in sales, 6,100 jobs, over $230 million in personal income, and over $32 million in state and local taxes.

3. What is the Relative Significance of the Maine Potato Industry?

Maine's potato industry has declined in relative size as areas in the western U.S. and maritime Canada have increased production. However, Maine's acreage has stabilized in recent years and tremendous investment has been made in irrigation, storage, and processing. Maine continues to play an important role in the nation's potato industry.

4. What are the Keys to the Future Health of Maine's Potato Industry?

Over the past generation, Maine's potato industry has moved from dependence upon a single, basic commodity to a wider variety of specialized products. The future vitality of the industry depends on recognizing the nature of this change and capturing the opportunities it presents.

These changes have meant the departure of hundreds of growers from the business, and the withdrawal of thousands of acres from potato cultivation. It has not, however, been a death knell for the industry. To the contrary, the removal of marginal land from cultivation provides those growers who remain with an unprecedented opportunity to build a solid foundation for the future. If the approximately four hundred growers now cultivating approximately 64,000 acres make a commitment to increasing their yields on that land and growing the product their customers want, the industry can maintain its cluster of support businesses and look forward to a bright future. The key factors that will determine this future are:

- Increasing yields through investment in water sources, irrigation equipment, potato storage facilities, and rotation crops;
- Improving product selection and presentation through closer relationships with customers;
- Improving financial health through continuous improvement in business management practices; and
- Strengthening and diversifying the processing sector.

Potato Industry Report and Summit – 2004 (Excerpted)

The potato industry in Maine, and throughout the world, continues to change. Each season growers are faced with new challenges. Some of these changes and challenges affect just a few growers, or a sector of the industry, while many will affect the whole industry. Recognizing these facts, the Maine Potato Board decided that the best way for the industry to be proactive and move forward was the have growers and industry leaders work together to identify challenges and develop solutions. To accomplish this, the Board organized a "Potato Summit" held on July 27, 2004 at the University of Maine Presque Isle.

The summit was a full day session involving growers and industry leaders working to define issues and concerns facing the industry and to develop both short and long-term strategies to address them. Its goal was to produce an industry-developed agenda and a consensus for action steps.

Central Themes and Next Steps

While each segment of the industry met separately to discuss its own strengths and weaknesses and to propose action plans for the future, five common themes emerged in each of the groups.

1. Improve the Marketing of Maine Potatoes;
2. Improve the Business Practices of Maine Potato Growers;
3. Improve the Focus and Distribution of Research on the Maine Potato Industry;
4. Improve the Infrastructure Serving the Potato Industry as a Whole; and
5. Strengthen the Industry's Voice on the Key Political Issues It Faces.

Maine Potato Industry - Potato Summit - Goals & Recommendations

Industry Goals

1. Development of alternative value-added markets for off-grade potatoes.

   a. Resources: MPB, MDOA, USDA, Cattle farmers, Potatoes New Brunswick, NMDC, FSA, NRCS, Bio-fuel – MPG
   b. Obstacles to goal achievement:

i. Interest rates
ii. Lack of off-grades (consistency of varieties)
iii. Funding for the development of a feasibility study
iv. Capital for investment

c. Solutions to overcome obstacles:
    i. Add value to increase price received for finished product
    ii. Funding for the development of a feasibility study to be used to create opportunities for off-grade potatoes
    iii. Investment and business plan that can be used to establish new operation to utilize and add value to off-grade potatoes in Maine
d. Action Plan:
    i. Secure funding for a feasibility study and development of an investment and business plan. Responsibility – MPB; June, 2005
    ii. Determine the feasibility and options for the development of a facility to handle off-grade potatoes. Opportunities to explore: Compost, Starch, Alcohol, Feed, and Fuel. Responsibility – MPB, ABC, and NMDC; January, 2006
    iii. Once the feasibility and options for off-grade potatoes have been determined, identify paternal companies to target for development. Responsibility – MPB, ABC, and NMDC; January, 2006

2. **Use the Potato Marketing Improvement Fund (PMIF) program as a development tool for the industry. Increase industry involvement in and oversight of the program.**
    a. Resources: MPB, ABC, NMDC, State Legislature, and FAME
    b. Obstacles to goal achievement:
        i. MDOA
        ii. Growers unwilling to think outside the box
        iii. Fear of changing the program from a storage/packing program
    c. Solutions to overcome obstacles:
        i. Educate all involved in the benefits of expanding the program to increase development opportunities for the industry.
        ii. Develop a grower/industry board of directors to guide the program into the future.
    d. Action Plan:
        i. Introduce legislation to make changes to the PMIF program allowing for increased activities to support development of the industry. Increase the oversight of the PMIF program from the MDOA to the MPB. Responsibility – MPB, Legislature; December, 2004
        ii. Establish a board of directors to provide input into the operations of the PMIF program and to make recommendations to the MPB. Responsibility – MPB; June, 2005
        iii. Revise existing PMIF rules to reflect new direction for the program. Responsibility – MPB, PMIF Board of Directors; December, 2005

3. **Continue support and funding for UMCE Integrated Pest Management (IPM) Program.**
    a. Resources: Congressional Delegation, USDA, and NPC
    b. Obstacles to goal achievement:
        i. Lack of federal funding
        ii. Program remains a special ear-mark within USDA IMP
    c. Solutions to overcome obstacles:
        i. Work with Congressional Delegation to make Maine's IMP funding a line item within the USDA budget, removing the issue of special earmark.
    d. Action Plan:
        i. Work with Congressional Delegation to move Maine's IPM funding to a line item in the USDA IMP budget. Responsibility – MPB; December, 2005
        ii. Support additional federal funding to USDA to support IMP activities. Responsibility – MPB; June, 2005

Processing Goals

1. **Increase processing presence by 15% (acreage) in Maine by 2007.**
    a. Resources: MPB, ABC, NMDC, PMIF, DEP, MDOA, Governor's Office, USDA and DECD.
    b. Obstacles to goal achievement:
        i. Lack of market growth in the processing sector
        ii. Transportation
            1. North South highway
            2. Weight limits
        iii. Tax burden
        iv. Limited existing processing capacity
        v. Water source – over regulated
        vi. Inconsistent crop – year to year
        vii. High energy costs
    c. Solutions to overcome obstacles:
        viii. Increase weight limits on Interstate
        ix. Continue to support development of Aroostook highway improvements
        x. Increase existing processing capacity
        xi. Attract new processors
    d. Action Plan:
        i. Continue work with existing processors to expand processing capacity and increase acreage of processing potatoes. Responsibility – MPB, ABC; Ongoing
        ii. Expand efforts to attract at least one new processor to Maine by 2007 by identifying potential processors and developing investment packages. Responsibility – MPB, ABC, NMDC and State; December, 2007
        iii. Work with Congressional Delegation to increase weight limits on Interstate highway system. Responsibility – MPB; December, 2006
        iv. Develop brochure on land available from CRP: when, where, how much, and how to bring it back into production. Responsibility – UMCE and FSA; June, 2005
        v. More promotion of planter and seed clinic, emphasize benefits of attending. Hold schools in three locations at different times. Responsibility – UMCE and local equipment dealers; March, 2005

2. **Ensure potato growers in Maine have access to adequate water for irrigation.**
    a. Resources: MPB, ABC, Governor's Office, MDOA, DEP, ACOE, State Legislators, Congressional Delegation, and NMDC
    b. Obstacles to goal achievement:
        i. Environmentalists
        ii. State low flow regulations
        iii. Permitting costs and requirements
        iv. Past noise issues – irrigation pumps
    c. Solutions to overcome obstacles:
        i. Educate environmentalists to Maine's need for water and irrigation
        ii. Work with legislators to phase in low flow regulations ensuring new sources to replace existing sources and secure cost share funding for source development
        iii. Have the State DEP develop the same agreement as in place with the ACOE for the cranberry industry
    d. Action Plan:
        i. Create a petition, to legislators regarding low flow limits and water source permitting regulations, the need for phased in implantation and cost share funding, stating the need to simplify and standardize. Have available for signing at potato schools in January 2005. Responsibility – MPB; January, 2005
        ii. Create talking points on water regulations and irrigation issues. Responsibility – MPB; Email to stakeholders by February, 2005.

iii. MPB to send personalized letters in April to, " champion", legislators asking their help in creating more interest with those who aren't on board yet. Responsibility – MPB; April, 2005
iv. MDOA and MDEP work together to develop a cooperative agreement between the ACOE and DEP to allow DEP to have complete permitting authority over irrigation pond construction in Maine. Responsibility – MDOA & MDEP; December, 2005.
v. Develop or update existing irrigation plan for the region to explain the needs for irrigation, investment required and how the industry is preparing to deal with the issue of water supply. Responsibility – MPB; December, 2005

Seed Goals

1. Make seed certification program viable and financially sound by June 2006.

a. Resources: MPB Staff, Seed Executive Council, MDOA Division of Plant Industry and Federal State Inspection, legislators, USDA/APHIS, Homeland Security, USDA/AMS
b. Obstacles to goal achievement:
    i. Labor Union
    ii. State Government
    iii. Inspectors
    iv. Farmers (growers)
    v. Not all growers have the same interests
    vi. Decreasing acreage
    vii. Decreasing revenues
    viii. State taking grower dollars to support general fund shortfalls
c. Solutions to overcome obstacles:
    i. Work with MDOA Division of Plant Industry and inspectors to better understand the problems and develop solutions
    ii. Increase communications with legislators to help them understand the problem and work together to increase state financial support.
    iii. Get inspectors more involved and part of solving the problem
    iv. Increase outreach to seed growers that are not directly involved in the workings of the MPB and MDOA
    v. Work with the industry to improve awareness of how important a quality seed program is for all growers. Have industry support for a strong seed certification program to ensure that non-seed growers have quality seed
    vi. Increase acreage of potatoes entered for certification by developing new markets for Maine seed potatoes
    vii. Increase fees charged to growers for field entry (increase by $6.00 per acre) and shipping point inspection. Ask the legislature to provide matching funds ($6.00 per acre) to support the program
    viii. Work with USDA/APHIS and Homeland Security to utilize inspectors to support other efforts and generate funds
    ix. Change inspector supervisor position to general fund
    x. Require that growers who enter any lot for seed certification have all lots on the farm checked for BRR
    xi. Ask that the MDOA put $150,000 in their next budget request
    xii. Work with USDA and/or Federal State Inspection to protect funds
d. Action Plan:
    i. Work with legislators to improve the understanding of the importance of the seed certification program and the impact of lost financial resources on the program. Responsibility – MPB & MDOA; March, 2005
    ii. Work with the MDOA to ensure that $150,000 is included in the next budget and that it is supported by the legislature. Responsibility – MPB & MDOA; June, 2005
    iii. Change the position of supervisor to general fund. Responsibility – MDOA; June, 2005

iv. Increase fees for acreage entered for certification by $6.00 per acre. Responsibility – MDOA; March, 2005
v. Get general fund support to match the per acre increase for seed certification. Responsibility – MPB & MDOA; January, 2006
vi. Develop new areas of work for inspectors by developing new cooperative agreements with USDA/APHIS and Homeland Security. Responsibility – MDOA & MPB; June, 2006
vii. Develop an agreement with APHIS (MOU) and/or Federal State Inspection to protect grower dollars paid into the certification program. Responsibility – MDOA; June, 2005

2. **Develop export markets and expand market share of existing markets for Maine seed potatoes by 2006, thereby stabilizing acreage at 13,000 acres.**
   a. Resources: Seed Executive Council, Dealers, Processors, PMIF, MDOA, NMDC, USPB and USDA
   b. Obstacles to goal achievement:
      i. Resistance by growers to change
      ii. Lack of export knowledge by growers and dealers
      iii. Shrinking of traditional markets for Maine seed
      iv. Funding for development of export markets
   c. Solutions to overcome obstacles:
      i. Education of growers and dealers to opportunities for development of export markets
      ii. More interaction between Maine growers and growers buying Maine seed, one-on-one meetings
      iii. Funding to expand export market development to ensure those entering the market have all the information necessary to succeed
   d. Action Plan:
      i. Make necessary changes to Maine's Seed Certification regulations to ensure they are as high or higher than our competition and in line with export standards. Responsibility – Seed Executive Council; December, 2006
      ii. Identify export markets for seed potatoes to include potential market share, varieties, current competition and infrastructure needs in Maine to meet demands of export market. – MPB, USPB, and consultants; December, 2006
      iii. Development of necessary infrastructure (if needed) to allow Maine to export seed potatoes. – MPB; December 2006
      iv. Increase market share in domestic markets (Florida, North Carolina, others as identified), by increasing marketing and educational efforts in those areas. – MPB, Seed Executive Council, and dealers; December, 2005

Tablestock Goals

1. **Elimination of Stock Brand Bags**
   a. Resources: Legislators, Tablestock Council, Dealers Council, Bag Companies, Maine Department of Agriculture, Maine Potato Board
   b. Obstacles to Goal Achievement:
      i. Bag Manufacturers unwillingness to adopt due to existing inventories.
      ii. Dealers, growers that only pack occasionally need a generic bag.
      iii. Local re-packers will be forced to do additional work.
   c. Solutions to Overcome Obstacles:
      i. Phase in over time, inventory buyout
      ii. Generic bag with place for label or stamp.
      iii. Communication, education, participation.
   d. Action Plan:
      i. Hold initial meeting with Tablestock Council, Dealer's Council, bag manufacturers, Maine Potato Board, Maine Department of Agriculture, to establish a working group and develop a plan of action to make the transition smooth. Maine Potato Board will organize the meeting for January, 2005.

ii. Work with delegation to draft legislation. Maine Potato Board will work with working group to draft legislation by April 2005.
iii. Work on passage of legislation through education of legislature and industry as a whole. Completed by November, 2006

2. Conduct Education Seminars for Store Produce Managers

a. Resources: Retailers, Dealers, Maine Potato Board, United States Potato Board, Marketing Advertising Planning, University of Maine Cooperative Extension Service, Presque Isle High School Ag. Program
b. Obstacles to Goal Achievement:
   i. Resistance from retailers because of time involved
c. Solutions to Overcome Obstacles:
   i. Education on the benefits of participation
d. Action Plan:
   i. Research for an education brochure on the proper display of fresh potatoes. University of Maine Cooperative Extension Service, Presque Isle High School Ag. Program. Responsibility – MPB; to be completed by January 1, 2005.
   ii. Create a brochure and a time-lapse video of greening of fresh potatoes due to light. Responsibility - Marketing Advertising and Planning, Maine Potato Board; to be completed by February 1, 2005.
   iii. Develop Presentation. Responsibility - MPB and Andy Yaeger; completed by February 1, 2005.
   iv. Contact chains to let them know of availability of program and schedule presentation. Responsibility - dealers, growers, Maine Potato Board; to be started January 1, 2005 and ongoing.

3. Establish a pilot program with tablestock growers/packers and dealers to improve the marketing system for fresh potatoes in Maine.

a. Resources: Tablestock Executive Council, Dealers Executive Council, Maine Potato Board, Dealers, Farm Service Agency, Farm Credit, Retail Chains
b. Obstacles to Goal Achievement:
   i. Resistance from growers, packers and dealers to change.
   ii. A general distrust between growers, packers, and dealers
c. Solutions to Overcome Obstacles:
   i. Select a small group of growers, packers and dealers who recognize that the industry has changed and work with them to develop the pilot.
   ii. Start small and try to work with those that currently have a relationship.
   iii. Identify a retailer or retailers that would be interested in working with the industry on a new marketing/packing program.
d. Action Plan:
   i. Select a small group of growers, packers and dealers that currently have some sort of relationship with one another, who will be responsible for developing a marketing plan that is different than what is currently being used in Maine. Responsible - MPB, growers, packers, dealers, United States Potato Board (USPB); March 2005.
   ii. Explore retailers' interest in being part of the program and explain the benefits to them. Responsible – MPB; June, 2005
   iii. Gather information on successful marketing systems that are currently being used in other areas. This may require traveling to other areas in the country to see, first hand, the systems used. Responsibility - MPB, Growers, Packers, Dealers, USPB; December, 2006.
   iv. Tailor a pilot program, to be implemented in Maine, using the information gathered. Responsibility - MPB, growers, packers, dealers, USPB; April, 2007.

Priority Strategic Initiatives:

Industry Goals

Goal 1 - Development of alternative value-added markets for off-grade potatoes.

Goal 3 - Continue support and funding for UMCE Integrated Pest Management (IPM) Program.

Processing Goals

Goal 1 - Increase processing presence by 15% (acreage) in Maine by 2007.

Goal 2 - Ensure potato growers in Maine have access to adequate water for irrigation.

Seed Goals

Goal 2 - Develop export markets and expand market share of existing markets for Maine seed potatoes by 2006, thereby stabilizing acreage at 13,000 acres.

Tablestock Goals

Goal 3 - Establish a pilot program with tablestock growers/packers and dealers to improve the marketing system for fresh potatoes in Maine.

Lead Organization(s):

Primarily the Maine Potato Board; however, each of these goals has an action plan that identifies the specific groups that should be involved in accomplishing them.

Natural Resources Sector

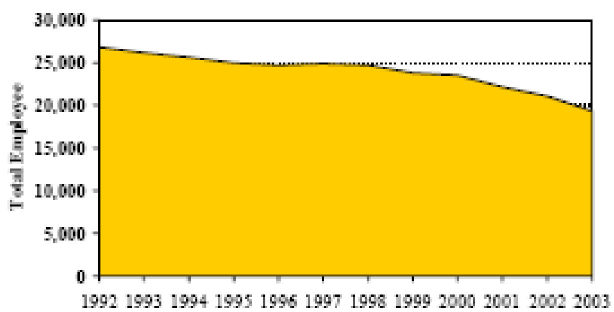
Sub-sector: Forestry

Throughout its history, Maine has enjoyed a strong and diverse forest industry, and has served as the anchor for the forest products industry throughout the Northeast. The industry has grown and changed over time, but a strong forest product manufacturing base has been a constant in Maine's economy. The forest products industry is recognized as a diverse and interdependent industry, and, as a mature industry, has historically provided a level of stability to Maine's economy.

Today, Maine forest industries face unprecedented challenges. The rapid growth of a global marketplace has provided increased trade opportunities for Maine forest products, while at the same time allowing new competitors into markets that Maine companies have long enjoyed.

Maine's forest economy is in the midst of significant changes, and some of these changes are painful to both the state and the industry. While Maine's forest industry does clearly face a series of challenges – and is in the midst of what will be continued and rapid evolution, the industry remains a pillar of Maine's rural economy, and is taking steps to retain or improve its competitive position. For example, paper and lumber production remain at or near record levels when measured by volume, though employment in both of these sectors has decreased.

Figure B. Maine Forest Industry Employment – Paper, Solid Wood and Forestry & Logging, 1992 - 2003[iv]

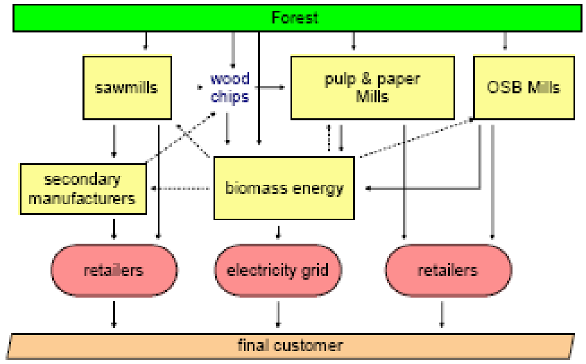


Maine's Forest Industry Cluster

Maine has a strong forest products cluster, with very strong relationships among segments of the diverse industry. "Clusters" are a location-based group of interconnected and interdependent industries that compete with one another *and* strengthen one another through interaction. Cluster members include not only the key manufacturers, but also the suppliers, academic and government institutions that support the industry, trade associations and firms that provide services to the industry. The existence of a robust and functioning cluster is critical to maintaining the competitive strength of Maine's forest products industry.

In Maine, the forest products cluster includes pulp and paper companies, sawmills, secondary wood product manufacturers, biomass energy firms, forest landowners and managers, loggers, equipment manufacturers and distributors, biomass power facilities, university programs, financial institutions, government agencies, trade associations, forest-based recreation businesses and transportation firms.

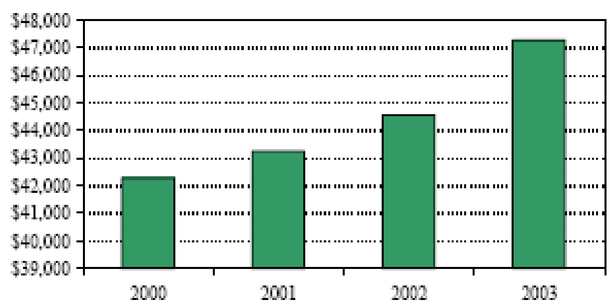
Figure A. Simplified Flow Chart of Maine Forest Products Industry Cluster



Maine's forest products manufacturing industry is critical to Maine's economic and environmental health. The industry provides not only manufacturing jobs and economic impact throughout the state, but is critical to the maintenance of undeveloped forestland and the many benefits it provides, helps support a traditional way of life in many Maine communities, and serves as an anchor for the state's resource-based economy.

The diversity and depth of Maine's forest products cluster is its strength, and this state anchors the Northeast's forest products economy. The existing forest products industry provides markets for all types of wood, from veneers and sawlogs to pulpwood and biomass. This diversity allows landowners and loggers markets for all of the products they grow and harvest, and allows land managers to practice sustainable forestry. Markets for low-grade wood, such as pulp mills and biomass electricity facilities, are particularly important in this regard. Additionally, what is waste material for one manufacturing process often serves as raw material for another sector of the forest product manufacturing industry.

Figure C. Average Wages, Maine Paper Mill and Sawmill Employees, 2000 - 2003[v]



As has been described in the previous paragraphs, the forestry industry in Maine is, along with fishing, one of the main commercial anchors of the state economy. For this reason, there continue to be substantial state resources and attention given to the many complex issues involved with sustainable forestry practices and wood processing. The forestry industry in our geographic region shares the same challenges as the rest of the state, and indeed, the whole Northeastern U.S. Two recent reports have been completed which are outlined in the following sections. We have used direct language from these reports to describe what agencies and groups were involved in formulating them and have included, in outline form, the actions called for.

Maine Future Forest Economy Project Report

Maintenance of a robust and diverse forest products industry has important environmental and social benefits, as well as economic importance to Maine. The *Maine Future Forest Economy Project* is an initiative of the Department of Conservation – Maine Forest Service, with additional funding from the Maine Technology Institute, to:

> "[Identify] what is needed to maintain Maine's existing wood using industries, to identify growth opportunities in existing and potential new wood using industries, and to identify what Maine State Government and the industry itself could do to improve the prospects for Maine's forest products industries."

This project is part of Maine state government's ongoing effort to better understand and support the state's forest products industry. The focus of the Maine Future Forest Economy Project is on the manufacturing firms that are part of the forest products industry in Maine.

Maine has the largest and most diverse forest products industry in New England. The state's forest products manufacturing industry is facing increasing challenges from across the globe, but is taking tangible steps to address these challenges. There is clear public support for both the forest products industry and possible action steps to support the industry; this opportunity must be seized. If Maine is to maintain the forest products industry as the strong and diverse cluster we see today, Maine needs to encourage new investments in the latest technologies and encourage innovation. To accomplish this objective, Maine should address challenges to its business climate and encourage diversification of forest products, particularly in those areas such as engineered wood products or bio-products where intellectual property protections may provide a significant competitive advantage.

Recommendations for Action

The following recommendations are designed to provide a roadmap for both state government and the forest industry going forward. By addressing these challenges and seizing these opportunities, each of which is based upon findings in this report, Maine will position itself as a place that welcomes forest industry, encourages innovation, and works collaboratively to address challenges as they arise.

Encourage Capital Investment

1. Improve Maine's investment climate through prospective elimination of the personal property tax on business equipment.
    - ♦ Leave Business Equipment Tax Refund (BETR) program in place for existing capital investments

Work Collaboratively to Create Predictability and Policy Stability

2. Improve the relationship between Maine's forest products industry and state government and other stakeholders, and work toward a common goal of a vibrant, sustainable forest industry in Maine.
3. Provide for a high-level state staff member who has credibility and relationships with all state agencies and is responsible for coordination of efforts to address issues within the forest products manufacturing industry. This position will:
    - ♦ Focus on areas where existing responsibilities of Department of Conservation and Department of Economic & Community Development overlap;

- ♦ Develop a point of contact and industry expert within state government, and provide coordinated outreach to forest products manufacturers.
- ♦ Stay abreast of current global, regional and local market conditions, and work with industry and appropriate state agencies to forecast factors in a timely manner that are known to influence the forest products industry.

4. Conduct a collaborative effort spearheaded by the forest products industry, state government and the University of Maine to help Maine citizens, legislators, opinion leaders and others understand the current state of the forest products industry, the challenges it faces, and the actions that might best improve the long-term prospects of the industry.
   - ♦ Initiate a program to provide positive and fact-based outreach on the state of the forest products industry;
   - ♦ Differentiate between the state of an entire industry and the economic health of single manufacturing facilities.
5. Create both the perception and reality of public policy consistency and predictability.
   - ♦ Work collaboratively to identify long-term roadmaps for issues of concern;
   - ♦ Encourage voluntary and non-regulatory action to address public policy issues where possible and appropriate.

Invest in Technology

6. Increase efforts to move work conducted at Maine's world-class research and development facilities to commercial application in Maine.
   - ♦ Provide economic incentives for individuals outside the University system to market new technologies to the private sector;
7. Promote research, development and commercialization of bio-based products, particularly those that are compatible with Maine's existing forest products manufacturing infrastructure.
   - ♦ Focus state financial support on areas most compatible with the existing forest products manufacturing infrastructure;
8. Expose Maine forest product manufacturers to the latest technologies
   - ♦ Encourage vendors to meet with larger groups of forest product manufacturers (see recommendation #11);
   - ♦ Provide information on new technology developments to Maine mills
9. *If* Maine pursues an aggressive renewable portfolio standard (RPS) to encourage development of renewable energy, biomass power that meets certain emissions standards should be included.
   - ♦ Given the fact that an aggressive RPS would raise electric rates for all customers, this is not a recommendation to establish an aggressive RPS;
   - ♦ If an RPS is established that is designed to provide meaningful incentives for renewable energy, models exist in New England (Connecticut and Massachusetts have robust Renewable Portfolio Standards) that encourage improved environmental performance at existing and new biomass energy facilities.

Develop Entrepreneurial Talent in the Industry

10. Form a public – private partnership to encourage shared training, creative thinking, business development and improved operations management for sawmills and wood product manufacturers.

- ♦ Develop a continuing education program that focuses on the business and mill management aspects of the solid wood industry.

11. Forest product manufacturers or industry sectors should work together to develop entrepreneurial networks, share information, and learn about emerging opportunities.
    - ♦ Highlight areas of non-policy common interest, encouraging entrepreneurial thinking and cluster networking;
    - ♦ Provide an opportunity to highlight successes and learning opportunities at a wide range of forest product manufacturers.
12. Develop a one-day annual meeting and trade show for micro-businesses engaged in forest product manufacturing.
    - ♦ Provide "one-stop" learning for individuals engaged in micro-businesses to learn about opportunities and share experiences, thus encouraging development of a stronger micro-business network in Maine.

Distinguish Maine Products in the Marketplace

13. Develop a marketing campaign that highlights the environmental and other benefits of Maine forest products, and use this to help distinguish Maine products in a global marketplace.
    - ♦ Build upon strength of existing *Maine Made* program for consumer products;
    - ♦ Explore working with neighboring states to create a regional brand, which has proven successful for other forest products.
    - ♦ Capitalize on Maine's unique position among U.S. paper manufacturers as having a strong spruce – fir resource.

Improve the Ability of Maine Forest Product Manufacturers to Compete

14. Improve the connections of existing state business assistance and business development programs to forest product manufacturers, and have the forest industry evaluate existing programs and offer suggestions on how existing programs might better meet the needs of forest product manufacturers.
    - ♦ Host "opportunity fairs" statewide that bring forest product manufacturers in contact with the large number of programs available to them;
    - ♦ Review existing programs for ability to meet the needs of forest products manufacturers.
15. Create a "Maine Manufacturing Competitiveness Fund", a revolving fund that provides manufacturers with capital to make capital investments in energy efficiency.
    - ♦ Provide very low-interest loans to encourage energy efficiency investments;
    - ♦ Tie payments to energy savings, allowing recipients to see no increase in overall costs.
16. Adopt a "Manufacturing Energy Policy"
    - ♦ Recognize the importance of energy costs to Maine manufacturers;
    - ♦ Encourage all regulatory decisions regarding energy to expressly consider the impact on Maine's manufacturing economy.
17. Continue to support the Maine Congressional Delegation's effort to obtain a Congressional federal weight limit exemption for Maine's currently non-exempt Interstate highways.
    - ♦ Work to get the weight limit on all of Maine's Interstate Highway System increased to 100,000 pounds.
18. Work with the Maine Department of Transportation to implement recommendations in their Integrated Freight Plan.

- Implement the recommendations on this comprehensive plan to encourage the safe and efficient transportation of freight, improve Maine's rail and port systems, and address inter-modal connection.

19. Continue state efforts to address challenges in Maine's business climate.
    - Examples are state efforts to address speed of environmental permitting and health care costs.

Governor's Council on the Sustainability of the Forest Products Industry Report – March 2005

In January, 2004, Governor John E. Baldacci created the Governor's Council on the Sustainability of the Forest Products Industry, bringing together leaders from the forest products industry, organized labor, landowners, state agencies and the legislature to address challenges facing the forest products industry. Following Governor Baldacci's Blaine House Conference on Maine's Natural Resource-based Industries in November of 2003, this Council was charged with providing concrete recommendations that can help make the state's forest products industry more competitive.

Maine's forest products industry has long been an anchor of Maine's economy, providing well-paid jobs, community stability and support for traditional land uses. Today, Maine forest product manufacturers face intense competition from around the globe. As part of a mature industry, Maine mills face growing competition at a time when overall market growth is modest. This Council was formed to develop knowledge and recommendations that can help place Maine forest product manufacturers in the best possible competitive position. These policy recommendations are the result of careful research and dialogue on the part of all Council members, and represent a collaborative approach to supporting and enhancing the long-term sustainability of the forest products industry in Maine.

Recommendations for Action

Based upon its research and meetings, the Governor's Council on Sustainability of the Forest Industry recommended that the following actions be taken in order to support the forest products industry in Maine. The Council recognized that the forest products industry operates in a highly competitive global climate, and the following actions are designed to support existing and new forest industries. This outline is significantly abbreviated, in that most of the narrative or more detailed descriptions of actions have been eliminated. This has been done so that the main themes and scope of actions can be presented without extremely increasing the length of this section. The full report can be found on the Maine Department of Economic and Community Development - http://www.econdevmaine.com/resources/default.asp.

1. Examine the state's tax policy and regulatory framework to identify factors that impede capital investment in new equipment and technology, including financing programs, environmental regulations and tax policies.

a. Repeal the personal property tax on business equipment.

b. Improve regulatory stability by enhancing communication and planning between industry and regulators.

c. Continually evaluate existing regulatory programs to assure that they meet the public health and safety need in the least burdensome manner practical.

d. The Department of Environmental Protection will continue efforts to work with industries on regulatory compliance *e. Improve the connections of existing state business assistance and business development programs to forest product manufacturers.*

2. Consider strategies to improve the quality, productivity and accessibility of Maine's timber supply, including the capacity to assess the character and extent of Maine's forest resources; efficient and cost effective transportation; and protection from new exotic pests.

a. Continue efforts to provide timely forest inventory and analysis information.

b. Increase truck weight limits on Maine highways

c. Inventory issues related to rail service and work collaboratively to address these issues.

d. Continue efforts aimed at insect and disease management through staff transition.

3. Identify the major vulnerabilities facing the industry, together with the obstacles to continued growth.

a. Enhance communication on crosscutting issues.

4. Examine opportunities to brand Maine's forest products through promotion of sustainable forest management, such as green certification. This effort should include recommendations to expand the market for Maine's certified forest products, nationally and internationally, in order to demonstrate Maine's leadership role in sustainable forest management.

a. The Maine Forest Certification Advisory Committee, described above, has spent a year and a half addressing issues related to certification of forestland, including a focus on using Maine's role as a leader in forest certification to favorably position "Maine made" products. The final report of this group can be viewed at http://www.state.me.us/doc/mfs/fpm/for_cert/certification_rpt_final.pdf.

5. Identify strategies to increase the use of research and technology, focusing on the competitive advantages of Maine tree species to expand the development of forest products, including: commercialization of new technologies like wood composites; increased development of value-added wood products; and investigating the use of new by-product technologies.

a. Increase knowledge, coordination and use of the Pulp and Paper Institute resources at the University of Maine.

1. Mill managers should arrange regular site visits to the institute and discuss the ways the institute can assist the industry.

2. Through the Maine Pulp & Paper Association, increase understanding of resources available to the industry – as a whole and for specific issues facing mills individually.

b. Promote the research, development and commercialization of bio-based products, particularly those that are compatible with Maine's existing forest products infrastructure.

1. Maine's existing research capability at the University of Maine, coupled with community-based economic development groups interested in bio-product development provide it a unique opportunity to become a leader in this emerging field. Maine should focus its limited funding on products that enhance or support the existing infrastructure, such as new products made at pulp & paper mills in conjunction with paper.

c. Focus Research & Development (R&D) expenditures in the natural resources sector on efforts to bring new products to commercialization.

6. Identify strategies to support the workforce infrastructure needed to maintain a vibrant forest products industry. This should include an examination of issues relating to the recruitment and retention of loggers, as well as other labor force needs.

a. Establish a logger loan program in coordination with existing programs provide a loan program structured to the specific needs of loggers and especially targeted to encourage long term contracts for wood.

1. The Small Business Administration, the Finance Authority of Maine and Rural Development should work together to set up partnerships and loan guarantees.

2. Educate financial institutions as to the specific challenges and needs of logging industry and forest products businesses – i.e. longer-term loans and commitment to independent operators, specific equipment needs.

3. Provide entry points for these programs through the Department of Conservation.

b. Establish a transition plan to Reduce, and potentially eliminate, the need for foreign H2B workers

c. Develop an apprenticeship program for loggers, encouraging on-the job training of new entrants to the field.

d. Support Northern Maine Community College's training program for "Mechanical Tree Length Forestry Operations."

7. Examine ways to develop creative partnerships between managed forests and outdoor recreation/tourism.

Recognizing the opportunity to build upon this natural resource infrastructure, the Department of Economic & Community Development is leading an effort to build upon existing nature-based tourism opportunities in Maine. This work, the Strategic Plan for Economic Development through Nature Tourism, is expected in 2005 and should provide a roadmap of how to develop this opportunity in conjunction with Maine's existing forest industry infrastructure.

8. Examine ways to reduce energy costs, including utilizing existing energy resources, and investigating options for self-generation of power.

a. Grow Maine's electricity market and diversify fuel sources available to Maine:

1. Support the construction of a second 345 kV transmission line to New Brunswick; and
2. Investigate a State role in financing and ownership of hydroelectric resources.

b. Adopt electricity and conservation delivery policies which promote manufacturing in Maine:

1. Adopt a Maine Manufacturing Energy Policy that acknowledges the importance of energy costs to the manufacturing sector;
2. Require that the Public Utilities Commission consider the effect of each electric rate or rate design decision on the health of the state's economy, with particular attention to the manufacturing sector;
3. Fund an intensive program of industrial energy conservation, through low-interest loans or grants, using bonded money to fund this effort.

Priority Strategic Initiatives:

1. **Work to improve regulatory and legislative stability by enhancing communication and planning between industry, regulators and legislators.**
2. **Continue to support the Maine Congressional Delegation's effort to obtain a Congressional federal weight limit exemption for Maine's currently non-exempt Interstate highways by working to get the weight limit on all of Maine's Interstate Highway System increased to 100,000 pounds.**
3. **Create a more skilled workforce resource to sustain forestry operations by supporting Northern Maine Community College's training program for "Mechanical Tree Length Forestry Operations."**

Lead Organization(s):

Maine Pulp and Paper Association, Forest Resources Association, Maine Forest Products Council.

Sector: Public Infrastructure

Sub-sector: Communication

Due to the fact that Aroostook County is largely rural, one would expect the County to be at a competitive disadvantage with regards to Information Technology (IT) infrastructure. In fact, the population centers of Aroostook County are well served by infrastructure that supports high-speed internet connectivity for both residences and businesses.

The state of Maine, including Aroostook County, has been at the forefront of telecommunications infrastructure. Maine was the first state to have a statewide ATM (Asynchronous Transfer Mode) fiber optic based network, allowing efficient digital transmission of voice, data and full-motion video. Additionally, Maine was the first state to link every school and library (nearly 1,200 sites) via Frame Relay Service, which allows internet access at every site and positions Maine to take advantage of new distance learning opportunities.

Maine was one of the first states in the United States to have 100% of its telecommunications network digitally switched. Digital networks support advanced, higher bandwidth technologies at higher speeds. Maine's telecommunications system is considered to be one of the most reliable in the country; based on FCC service quality data, Maine service reliability ratings are among the best in the country.

Another important advantage in regional telecommunications is that companies operating in Northern Maine have access to redundant suppliers of voice and data transmission services that are available with multiple entry points through Maine and New Brunswick, Canada. These redundant services include SONET OC48 Technology; a crucial resource for businesses that rely on information technology to conduct business.

The range of telecommunications services available in Aroostook County include: ISDN, Frame Relay, Dark Fiber, T1, T3, OC3, OC12, OC48, Fiber Optic, Asynchronous Transfer Mode (ATM), Digital Centrex, Switched 56 kb Service, Packet Switching Service, Superpath 1.5444 Mb Service, Voice Messaging, Class Services, Digital Subscriber Line (DSL), Cable Modem-Based High Speed Internet, Wireless Internet.

There are multiple options for Aroostook businesses in obtaining high speed internet access. Time Warner Cable provides high speed internet cable services to several population centers in the region and Presque Isle was one of the first areas in the Country to receive Roadrunner service - now available in many areas of Aroostook County. Verizon has deployed DSL (Digital Subscriber line) service in much of Aroostook County as well. Where available, DSL will provide another affordable high speed internet option to Aroostook businesses and households. Verizon also provides T1 (1.544 megabit service) and T3 (45 megabit service) lines to many businesses in the region for their high bandwidth needs. Aroostook Internet located in Houlton, Maine also provides T1 service in the region and St. John Valley Communications located in Fort Kent provides T1 lines as well as ISDN service.

Aroostook County is also well served by high-speed Internet wireless services. Wireless services within the County emerged out of business demand for high-speed connectivity prior to the ready availability of other options; and wireless continues to be the best option for several area businesses. Two local companies, Pioneer Wireless and MFX Wireless provide high speed wireless services to businesses within most all of the county's population centers, as well as many of the County's remote areas. Additionally, there is the availability of satellite high-speed internet service; although this alternative is more expensive than other wireless services.

For businesses and households not requiring high speed connectivity, there are several local ISP's within the region that provide low cost, dial-up services including Aroostook Internet and St. John Valley Communications; in addition to the ISP's that provide internet access statewide via toll free "800" service.

In the Aroostook Cluster Report prepared in 2003, interviews were conducted with businesses regarding their IT needs and none of the interviewees cited IT connectivity as an obstacle to business growth and development in the County. In fact, several indicated that the wide availability of connectivity options in the County provided their company with advantages over firms located elsewhere in Maine.

The broad array of internet connectivity options, combined with the infrastructure to support redundancy, positions Aroostook well for growth in the IT sector. Actually, compared to many areas of Maine and the rural and urban United States, Aroostook County may even have a competitive advantage with regard to IT infrastructure. Companies located in Aroostook County that are considered communications-dependent include: Sitel Corporation, Burrelle's Information Services, ATX Forms, Taxware, RS Information Systems, Defense Accounting & Finance Center, Maine Mutual Group, and Connect North America.

Suggested Strategies:

> **Perform an analysis of areas of coverage and types of coverage for the region in order to determine where the areas of need are.**

Lead Organizations:

> **Current service providers and NMDC.**

Sector: Public Infrastructure

Sub-sector: Power

Northern Maine receive its electrical energy only through a connection with Canada's New Brunswick Power electrical transmission network. No direct transmission ties exist between Northern Maine and the bulk electric transmission grid in the rest of the State of Maine and the rest of the United States. In 1999, the Maine Legislature enacted an act to establish the Northern Maine Transmission Corporation whose purpose was to examine the need for and viability of electric transmission lines necessary to connect electric utilities in the northern region of the State with the transmission grid of the United States. If deemed viable, the Corporation's mission also included the financing, permitting, constructing, owning and operation of these transmission lines. The goal was to allow customers serviced by those electric utilities to receive the benefits of service similar to all other electric customers in Maine.

In 2001, a feasibility study was conducted to explore interconnection between the northern region of Maine and the remainder of the New England electrical transmission grid. This feasibility study discussed how the issue of Northern Maine interconnection can be advanced in the context of the rapidly evolving electric industry restructuring taking place in New England and in the Maritime Provinces of Canada. The results of the feasibility study concluded that a new electrical interconnection between Northern Maine and the bulk transmission network in New England did not provide enough benefits to justify advancing a project forward on a "stand-alone" basis in the near term. While a new interconnection was determined to be technically and environmentally feasible, underlying market conditions and existing constraints on the transmission interface between New Brunswick and New England greatly limited the associated economic benefits.

Recently, the cost of power for Northern Maine consumers has come front and center as in 2007, the cost of power increased over forty percent (40%). The Residential and Small Non-Residential prices for Standard Offer Service for Maine Public Service Company, from 1999 to approved rates through 2009 are as below:

3/1/2000 - 2/28/2001	4.29 cents/kWh
3/1/2001 – 2/28/2002	5.58 cents/kWh
3/1/2002 – 2/28/2003	5.69 cents/kWh
3/1/2003 – 2/28/2004	5.80 cents/kWh
3/1/2004 – 12/31/2006	5.46 cents/kWh
1/1/2007 – 6/30/2007	7.89 cents/kWh
7/1/2007 – 2/29/2008	8.25 cents/kWh
3/1/2008 – 2/28/2009	8.25 cents/kWh

When the Maine Public Utilities Commission (MPUC) put out a request in December 2006 for a standard offer rate, there was only one bidder in the Northern Maine market. Standard offer service is the default supply for the vast majority of electrical customers. The PUC was concerned about a single bidder due to the fact that the goal of deregulation in the 1990's was to increase competition with the expected result of competitive lower pricing for consumers. And while in other parts of Maine there is competition, this is not the case in Northern Maine.

This dramatic increase in cost for consumers has caused an increasing interest in revisiting the issue explored in the 2001 feasibility study. According to a Bangor Daily News article published on March 2, 2007, the Maine Public Service Company (the provider of services for Northern Maine) and Central Maine Power Company (the provider of services for Central Maine) have signed a memorandum formalizing a four- to six-month study period to evaluate the proposed transmission line connecting the Aroostook County power grid to the rest of the state. A Maine PUC spokesperson stated that connecting Aroostook to the rest of the state could create a more competitive electricity market in Northern Maine, which in turn could lower prices.

Additionally, the PUC also sees an opportunity for electricity producers to directly profit from a new transmission line. Excess electricity generated in Aroostook County could be sent south on the transmission line and sold to southern New England states that do not produce enough power to keep up with local customer demand. Due to the current electrical transmission connection with Canada, Aroostook County power generation can only be sold to that market. New Brunswick, Canada also produces excess electricity and a new transmission line would allow New Brunswick to work collaboratively with Maine to sell electricity to other states and increase the exchange of energy between Maine and Canada.

Governor John Baldacci stated that a new transmission line would reinforce a memorandum of understanding signed February 9, 2007 between Maine and New Brunswick for greater cooperation on energy issues.

Again, due to the transmission connection, the new wind farm in Mars Hill, Maine that recently went into power production is selling electricity to New Brunswick. This wind farm was created by Evergreen Wind Power with a $55 million investment and construction commenced in mid-2006 with the turbines installed in December 2006 and January 2007. To date, this is New England's biggest wind-power development: a 42-megawatt project that will generate enough power to supply about 45,000 average Maine homes at full capacity. Additionally, the Linekin Bay Energy and Horizon Wind Energy group are exploring the possibility of developing further wind farms in the St. John Valley in Northern Maine. This project is under examination and, if proven feasible, would be developed on tillable acreage sometime in 2010.

There is also hope that Loring BioEnergy, LLC will bring to reality their proposed gas-fired co-generation power plant to be located at the Loring Commerce Center. When completed this plant would produce 55 megawatts of new electricity and be able to also provide 200,000 lbs/hr of steam which could be attractive to potential processing facilities. The project would also refurbish and convert the Loring-Searsport jet fuel pipeline to natural gas; providing the potential of an additional 5 million cubic feet of natural gas per day to area businesses. The project continues to move through the state and federal approval process.

Sector: **Public Infrastructure**

Sub-sector: **Transportation**

In 2005, a Regional Transportation Assessment (RTA) was completed for the Maine Department of Transportation. This document updated the Regional Advisory Report submitted by the Regional Transportation Advisory Committee-Region 1 (RTAC-1) to the Maine Department of Transportation (MDOT) in October 1997 and again in October 2000. RTAC-1 submitted its recommendations to the MDOT in time to be included in the development of the Twenty-Year Transportation Plan in the Spring of 2002. Since that time, the RTAC process has changed and now each region of the state has its own transportation advisory committee. The Northern Maine Development Commission (NMDC), under contract with the MDOT, provides staff support to a newly-formed Rural Planning Organization (RPO); which as a subcommittee of the Northern Maine Empowerment Council, has taken on the role of the RTAC. RPO members are made up of business and industry professionals, natural resource managers, municipal managers, public works directors, transportation officials, and the general public.

The RPO was responsible for developing this Assessment that inventoried and evaluated regional transportation, economic, and land uses along major transportation corridors within the economic development district. Prioritization of transportation corridors, according to identified transportation, economic, and land use needs, supports efficient use of limited public resources designated for transportation infrastructure. This transportation assessment reflects MDOT's new approach to regional transportation planning which emphasizes the connection between economic development, transportation, and land use issues.

Northern Maine is heavily reliant on its road and bridge infrastructure. There are 1,125 miles of roadway maintained by the Maine Department of Transportation in northern Maine, not including the interstate system. Of that mileage, approximately 35 percent are 50 or more years old. Since the early 1960's new road construction in Maine has been on a steady decline. However, MDOT is presently working on a study that could lead to the construction of a new road in the region, the North/South Transportation Study.

In the past, transportation planners were continually bombarded with complaints concerning the condition of roads and bridges in northern Maine. During the past twelve years, that has changed to what is now the most important transportation issue in northern Maine - improving efficiency. While we can not move our markets closer, we can reduce the time and cost it takes to get to those markets.

Roads

The 2005 Regional Transportation Assessments completed for the MDOT pointed out that our north/south corridors were the most important to the region. In particular, Routes 1 and 1-A were the top priority. However all corridors in the region were so closely scored that it pointed out that all of our connections to markets in the south are important to the region.

When the present infrastructure is examined, it quickly is apparent that it is not a very efficient system and is being asked to serve two very different functions.

- Access- access between towns, places for recreation, and work.
- Mobility –moving freight and people between this region and markets elsewhere.

Our major north/south corridors serve as Main Streets with reduced speed limits, contain farm equipment, school buses, pedestrians, bicycles, horse and buggies, scenic highways, heavy truck traffic, and homeowners backing out onto major routes. We have what could be considered a good residential road system; one that allows you to get there from here, but please don't be in a hurry.

The North/South Transportation Study was initiated to identify potential corridors for the extension of the interstate highway from the St. John Valley to Interstate 95 somewhere between Houlton and Smyrna. To date this study, which began in early 1999, and has cost approximately $4.2 million, has not been completed. Difficulties have arisen with the reviewing agencies in regard to the required environmental impact statement. This is due, in part, to the fact that the study was designed to enhance the region's economic development potential, as opposed to mitigating congestion or traffic problems, which is normally the reason for such studies. Completing this plan by the Spring, 2006 timeline, will allow the region to work within the present funding system and seek alternatives for additional funds to complete identified priority highway segments. While the North/South highway is an important regional transportation issue, it should not completely dominate the tone and topic of discussion as has been the case in the past two years. Other significant transportation matters should be under discussion as well, if we are to adequately prepare for economic growth.

Suggested Strategies:

- **Increase the weight limit on I-95 from 80,000 lbs. to 100,000 lbs.**
- **Reconstruct all un-built sections of priority corridors. Priority corridors in the region are: US Route 1, Route 1-A, Route 11, Route 2, Route 161, and Route 163.**
- **Complete North/South Transportation Study by the Spring of 2006 and begin implementation of findings.**
- **Maintain mobility status of priority corridors in the region through the development of effective land use regulations.**

Freight Movement

Most of the issues detailed in the roads section will help improve the movement of freight. One of the major issues confronting shippers is the lack of available trucks in the region. The number of truckers in the region has drastically declined due to an aging population, out-migration, and increasing transportation costs that reduce profit margins. This is compounded by the fact that it is frequently difficult for independent truckers to find freight to deliver back to the region. One possible solution would be the creation of a Logistics Provider who would better-coordinate both in and out bound freight movement; as they would not be solely focused on outbound freight. This provider would need the backing of the county's business community in order to increase the number of backhaul loads using trucks or companies based here, but this could significantly reduce the cost of running the average 300 miles back to the area empty, while at the same time helping to secure outbound loads at more competitive rates.

Suggested Strategies:

- **Work with local business to improve efficiency and increase backhaul loads.**

Rail

The present rail system is not meeting the needs of the region. Shippers have waited for cars that never arrive, derailments have occurred at the same location in Fort Kent (3 times in the past 2 years), lack of needed car types, and lack of responsiveness from the provider has made Montreal, Maine and Atlantic (MMA) a non-issue in the transportation system. Admittedly, some of the issues are not local or state problems, as there is a nationwide shortage of box cars which greatly impacts MMA's ability to provide a consistent level of service to potential customers. Despite this history, rail is a key component in the region's economic development plan; one that could greatly enhance our economic development potential, especially if fuel prices continue to climb. MMA also appears to be heading in the right direction and trying to increase their availability in our region. They have been working with a number of larger industries in an effort to increase their customer base.

The Rural Planning Organization determined that it is time to look at the rail infrastructure the same as we look at roads. Presently the system is designed to carry traffic at 25 miles per hour and in many cases the infrastructure is in need of of major reconstruction. The MDOT is working with MMA to replace aging rail with new weldless track and increase the speed limit to 45 miles per hour. Nearly all of this funding, which MMA is required to match on a 1:1 basis, has been used between Brownville and Jackman - the main rail line out of the state. There have also been great improvements on the working relationship with Guilford Transportation, which provides a vital rail link to markets to our south. MDOT now has a greater level of confidence that rail shipments from northern Maine will not sit idle on Guilford track for long periods of time, something that has occurred in the past. MMA will also be attempting to expand its inter-modal operations. The inter-modal facility in Presque Isle is underutilized and only accounts for about 10% of the company's business. However, until main line upgrades are completed, there is not a huge incentive to market the facility. MMA will upgrade and increase its marketing of the facility once the mainline renovations are complete

Suggested Strategies:

- **Improve MMA's main rail line to 45 mile per hour status.**
- **Improve access to intermodal facility in Presque Isle.**
- **Coordinate local businesses that utilize rail into a cooperative purchasing type arrangement.**

Air

> **The movement of people into and out of the NMEDD - Twenty one (21) of the top 25 employers in the region (84%) are service or retail related. While the top 2 are manufacturing/natural resource based, the next 5 are medical facilities or education based. If the trend in the loss of manufacturing continues, the efficient movement of people becomes increasingly important. Business and industry have confirmed to us that getting people into and out of the region in a cost effective manner is an issue especially affected by air service. Attracting high-level executives, doctors, and management is difficult when there is the perception that "you can't get here from there".**

Northern Maine has 4 airports plus an air facility at Loring. There is one regional airport with regularly scheduled air service. Overall, the condition of our airports is good but each requires immediate funding commitments by state and federal sources to maintain the current infrastructure.

The Northern Maine Regional Airport recently conducted a study as to why people are flying out of Bangor and not Presque Isle. Findings indicated that flights from Presque Isle are significantly more expensive and with only one option as to which hub city can be accessed - Boston. The study reflected on the continuing decline of emplanements (boardings) over the past twenty-five years. In 1978, there were 48,000 emplanements, contrasted with only 16,000 in 2004. Loss of population in the region certainly accounts for some of this loss, but the study also indicated that with more competitive service the number could again approach 50,000. Bangor International Airport is the competition for the regional air market and the only way to win back the majority of air travelers who now choose to drive the 2-4 hours to Bangor will be to offer more competitively priced service, with expanded schedules; preferably with jet service. Another factor in this issue is the fact that the Northern Maine Regional Airport is funded, in part, through the United States Department of Transportation (USDOT) Essential Air Service Program which only requires a very basic level of plane service. Furthermore, even though the ESA funds provide direct subsidies for air service to the provider, currently Colgan Air, the USDOT has no role in monitoring or negotiating the fare prices for this service.

Suggested Strategies:

- **Mobilize regional business interests, municipalities , state legislators and the Congressional delegation to raise the standard for basic plane service under ESA and change the regulation to give the USDOT more direct authority to negotiate with Essential Air Service carriers on fares.**
- **Aggressively recruit alternative air service using the Airport Study to point out untapped passenger potential.**
- **Implement and update (when required) each of the airport's Master Plans.**
- **In order to maintain the infrastructure, return airport bond issue funding levels to a minimum of $3 million dollars with increases to meet inflation.**

Sector: Social Services

Sub-sector: N/A

Social service delivery in the region is made up of many agencies and organizations that have, over the years, developed strong and complex relationships to better serve their clients. It would be practically impossible to describe in this narrative all of these relationships, or indeed, all of the entities that provide services. Instead, this narrative will look at the larger agencies, their target audience and the services provided. It should be noted that the Maine Department of Health and Human Services supplies a broad range of programs that serve lower income family needs. These programs are delivered statewide and are too numerous to be covered in this regional analysis. For more information on the services provided by this state agency, please visit their website at www.maine.gov/dhhs.

The Aroostook Agency on Aging

AAA Mission

The mission of the Aroostook Agency on Aging is improving the quality of life and promoting the well-being of older people in our communities.

<u>Eldercare Services</u>

Personal Care Assistant Service

We help with personal care needs such as bathing, toileting, dressing and more.

Housekeeping Service

We help with home chores such as cleaning, shopping, meal preparation, laundry and more.

Companionship Service

We help by providing a friendly companion who will provide company, prepare a meal and help with light housekeeping

Family Caregivers

The Aroostook Agency on Aging provides a wide range of support services for older adults and their family caregivers.

- The Family Caregiver Support Program
- Day Break - Adult Day Care
- Alzheimer's Disease and Related Dementia
- Caregiver Support Groups

Nutrition

Congregate Meals

Dining centers operate in Caribou, Fort Kent, Fort Fairfield, Houlton, Madawaska, Eagle Lake, Van Buren. Limited service is available in Presque Isle . Noon meals are available for any person age 60 or older who wants to enjoy food, friends and occasional recreational and educational programs.

Home Delivered Meals

Home-bound older people throughout Aroostook county who are unable to attend dining centers and have difficulty preparing their own meal may be eligible for Meals-on-Wheels service.

Information & Assistance

We can provide information on all the services and benefits available to older people. Trained workers can make in -home visits to provide information, assist with problems and arrange the help that is needed.

- Medicare Part D - drug benefit through Medicare
- Heating assistance LIHEAP
- Tax-Rent refund program
- Retired Senior Volunteers Program

RSVP

Aroostook RSVP promotes productive, health aging by offering people age 55 and over meaningful volunteer opportunities throughout the County. Hundreds of volunteers, serving five or more hours each month, utilize their talents and experience to address community needs and make a difference in the lives of individuals they serve. RSVP provides accident and liability insurance, volunteer recognition and training as appropriate.

Issues:

We are not thinking critically or long-term about the implications of the number of older people (65+) that will be living in the region in five, ten and twenty years. Employment, housing and medical care will be dramatically impacted.

One of the critical problems is the development of some kind of healthcare bridge from retirement to Medicare. Related is the development of appropriate medical care delivery systems to aging seniors

Age-friendly housing

Suggested Solutions:

We need to bring together regional resources to discuss and address the issues. AAAA, ACAP, and Workforce Development should be talking about upgrading and expanding the work skills of the aging work force. Employers should be engaged about how to provide more flexible work environments with innovative approaches to how employment might be shared.

Incentives, such as tax subsidies, should be created to promote "granny-flat" additions on to existing houses so that families can more easily stay connected.

Lead Agency/Group:

AAAA and other community partners

Aroostook County Action Program, Inc. (ACAP)

Mission: ACAP works to enable the people of Aroostook to achieve greater economic independence and dignity, and provides leadership to the community in responding to changing human needs.

The ACAP organization provides a broad range of services, which are detailed below and represent activities in the 2006 fiscal year. Issues that were indicated by lead management staff are found after the particular service section instead of at the end of the ACAP description.

HEALTH 1st

HEALTH 1st provides comprehensive preventive and primary health and family planning services, and health education, and administers the Central Aroostook Partnership for a Healthy Community. HEALTH 1st continued to coordinate ACAP employee teams that participated in community sponsored events in support of the ongoing fights against cancer and heart disease.

Medical Services are provided at HEALTH 1st at Centers in Presque Isle, Fort Kent, and Houlton. A satellite center in Caribou was opened in May 2006 that offers limited services two afternoons a month. A new full-time Nurse Practitioner was hired in April 2006. Medical services include women's wellness exams, birth control methods, treatment for sexually transmitted infections, free Hepatitis C testing, sports and college physicals, and health and referral services.

Anonymous HIV counseling and testing are provided at HEALTH 1st Centers in Presque Isle and Fort Kent, and at the Residential Treatment Facility in Limestone. With Ryan White and Centers for Disease Control funding in conjunction with Regional Medical Center at Lubec, HIV services are provided at the Aroostook County Jail in Houlton. HIV and STD prevention information is also provided at the Loring Job Corps Center.

Family Life Education Services offers education, consultation, and other resources focusing on sexuality and reproductive health and a wide range of other health topics, to every school district in Aroostook County.

Community Outreach provides informational presentations to adults who work with youth, adults in residential settings, and students at freshman orientation. Education is provided for Northern Maine Community College and University of Maine at Presque Isle students, and at business and community events and health fairs on the topics of reducing unintended pregnancies and other HEALTH 1st services. Each month family planning information is provided to female inmates at the Aroostook County Jail.

Breast and Cervical Health Program (BCHP) offers cancer screenings to eligible Aroostook women, 40 years of age and older, at HEALTH 1st Centers. The Mother's Day health awareness campaign of the Aroostook County Partnership of the BCHP and the Partnership for a Healthy Community was very successful, again this year.

Partnership for a Healthy Community, with funding from the tobacco settlement, continued to have success in reducing tobacco use, improving nutrition and increasing physical activity, by reaching community people:

9,190 Participated in 98 Partnership events.

2,000 Central Aroostook citizens attended 84 presentations.

7,500 Brochures with information on tobacco, physical activity and nutrition were distributed.

In conjunction with Partnership activities WAGM-TV implemented a tobacco-free policy at their worksite.

Issues:

Issues noted are continuing out-migration of residents, especially older teens and young adults; and underfunding by federal funding to the state for family planning and reproductive health.

Suggested Solutions:

More job opportunities, including summer work, that connects the University and College systems to regional businesses would help with out-migration. We need to create more awareness by general public on legislation affecting reproductive health issues so that concerns can be shared with local and state legislators.

Lead Agency/Group:

ACAP and other interested community partners

Health and Nutrition

Health and Nutrition promotes optimal health by providing screening, clinical, counseling, education, and referral services in the areas of nutrition and oral health with an emphasis on wellness and prevention.

Special Supplemental Nutrition Program for Women, Infants and Children (WIC) helps improve the health and nutrition of low-income pregnant, breastfeeding and postpartum women, infants, and children, up to age five, by providing vouchers for nutritious foods, nutrition education and counseling, breastfeeding promotion and support, health screening, and referrals to other health and social service providers.

Farmers' Market Nutrition Program provides coupons to eligible WIC clients to purchase fresh fruits and vegetables from local WIC-approved farmers' markets and farm stands.

Temporary Emergency Food Assistance Program (TEFAP) is the USDA Commodity Food Program for the Aroostook County Hunger Prevention Food Network. ACAP orders commodity foods, schedules deliveries, and coordinates the four distributions each year at the Catholic Charities Maine warehouse in Caribou.

Maine Senior FarmShare provides low-income seniors with fresh produce to improve their diets, while supporting local farmers.

Kids Integrated Dental Services (KIDS) is offered to all MaineCare-eligible children under the age of 18 who have at least one family member who participates in the WIC Program or who attends Head Start.

Oral Health Education Program, a resource for School Oral Health Programs (SOHP), has a growing dental health lending library that includes books, audiovisual materials, and teaching aids. National Children's Dental Health Month was promoted in February through schools, the media, dental professionals, parents, public libraries, and other local agencies.

Issues:

Increased costs of food, fuel and other operational expenses compounded by level or decreasing funding each budget year. Real concern about the stability of the MaineCare system.

Suggested Solutions:

A campaign to increase awareness of decision-makers on the impact to families if funding levels continue to decline. Clients should be encouraged to make their voices heard on these issues.

Lead Agency/Group:

ACAP and the Maine Community Action Agencies, along with other community organizations.

Energy and Housing

Energy and Housing assists with energy costs and home repairs so that Aroostook families who own their homes live in safe, comfortable, energy efficient, affordable housing, and helps renters secure safe and affordable housing. In addition, ACAP helps people through some transitional and trying periods by working cooperatively with other organizations to identify and secure resources to meet their needs.

With oil prices 28% higher than the previous year, heating a home was an issue for everyone, but especially for those with low income. For the first time since the inception of the **Low Income Home Energy Assistance Program (LIHEAP)** in 1981, the State of Maine authorized $5 million to supplement federal LIHEAP allocations. CITGO Oil Company donated approximately $5 million, and in another response to high heating costs, the newly-created Keep ME Warm Fuel Fund brought $11,350 in assistance to ACAP to help those most in need. A new LIHEAP customer enrollment procedure was implemented in July 2006 with a mailing that included an application appointment. This was well received and dramatically improved the process of serving our LIHEAP customers.

The Home Repair-Home Replacement Loan/Grant Program provides financial assistance, project development and oversight to low and very low-income homeowners for the replacement of septic systems, home rehabilitation and lead hazard reduction, and home replacement. MSHA, USDA Rural Development, and Maine Department of Economic and Community Development provide grants, deferred forgivable loans, and 1% loans.

Low Income Home Energy Assistance Program (LIHEAP) provided:

> An average yearly benefit of $683 to 5,632 households, with 11,546 individuals, for a total of over $3.8 million. 62% of these households had at least one member who was either 60 years or older, disabled, or under 2 years of age.

Energy Crisis Intervention Program provided:

> 709 Households with an average benefit of $227, that totaled $161,205 in emergency energy assistance.

Low Income Assistance Program (LIAP) provided:

> 4,299 Low-income Aroostook households with electric bill assistance that totaled $637,301, through the joint efforts of Maine Public Service, Houlton Water Company, Van Buren Light and Power, Eastern Maine Electric Co-operative, and Bangor Hydro, as part the Maine Public Utility Commission Low-Income Rate Payer Assistance program.

Community Development provided:

> 1,654 Customers with direct assistance of information and referrals, and processed over 6,200 service applications.

Weatherization provided:

> 114 Households, with 244 individuals, a total of $123,209 in purchased and installed cost-effective energy conservation materials.

Central Heating Improvement Program (CHIP) provided:

> 144 Income-eligible households, with 303 individuals, with heating system improvements that averaged $2,304, for a total of $331,748.

Above Ground Storage Tank Removal Program provided:

> 76 new fuel oil tanks with a value of $88,350, to very low-income homeowners, replacing tanks that were at risk of leaking.

Section 8 Rental Assistance Program provided:

An average of 250 very-very low-income families and 83 very low-income families with rent subsidies each month that totaled over $1,262,000 in rental assistance payments.

Lead Paint Inspections provided:

2 Lead inspections of buildings by licensed inspectors on a fee-for-service basis and a lead abatement project for Maine State Housing Authority (MSHA).

Affordable Housing Program provided:

7 “Soft” mortgage loans, of up to $5,000 each, to assist with the acquisition of a home through MSHA’s Maine American Dream Initiative.

102 Individuals, who hope to become successful homeowners, with 8 Homebuyer Education Courses.

Family Development Accounts Program (FDA) helped:

1 Family attain the goal of homeownership and 1 family to start a small business.

5 Families maintain open accounts, pursuing the goal of homeownership, small business start-up, or post secondary education.

Home Repair-Home Replacement Loan/Grant Program worked with partners:

To replace 6 mobile homes and to rehabilitate 4 others for the towns of Amity, Reed and Wytopitlock. ACAP provided loan packaging, technical support and project oversight along with home repair and replacement funding.

To replace 2 homes, with the Northern Aroostook Wells and Septic program.

To complete 20 other projects, including: 1 home replacement; 5 septic system replacements; 8 elderly hardship grants; and 6 home repair projects that were packaged, financed, closed, and processed directly through ACAP, for a total of $688,529.

To leverage $332,360 in outside client financing to complete the 4 home replacement projects noted above.

Job Start provided:

19 Customers with counseling and technical assistance on business start-up, financing, marketing, accounting and business planning.

1 Small business loan for $10,000.

Keeping Seniors Home (KSH) provided:

8 Elderly households with home repair project underwriting and oversight through pilot project funding and MSHA home repair grants.

Appliance Replacement Program provided:

Replacement of 235 inefficient refrigerators with Energy Star rated or equivalent units.

Nearly 4,000 compact fluorescent light bulbs installed in over 240 low-income households.

Issues:

1. **Home Repair and Replacement evidences a growing need with over 250 households on the waiting list.**
2. **Rental assistance through the Section 8 Voucher program indicates the same level of need with 200 to 300 households on the waiting list.**
3. **Energy Assistance and Weatherization struggle to provide adequate help to those needing assistance.**

Resources Needed:

1. **Rehabilitating or replacing the aging Aroostook housing stock owned by low-income families by being able to offer grants and/or low interest loans is essential. Adequate funding to hire and maintain trained rehab technicians and loan/grant processing staff to service these programs is fundamental for responsible delivery of services.**
2. **Rental Assistance through the Section 8 Voucher program needs to be increased to address increasing waiting list of eligible families and administrative fees need to reflect the additional costs of delivering the program over a wide geographic region like Aroostook.**
3. **Additional funding to reflect increased energy costs for heating and electric utilities borne by low-income families is necessary.**

Suggested Solutions:

Partnering whenever possible to provide additional services and access resources.

Lead Agency/Group:

Maine State Housing, Department of Economic and Community Development and USDA Rural Housing.

Employment and Training

(See Employment and Training under Education sector)

Child and Family Services

Child and Family Services is dedicated to providing comprehensive, quality infant, toddler, preschool, and school-age programs for Aroostook County families.

Child Care is provided for infants and children to six years of age whose parents are employed, seeking employment, or are in training. Services are provided at licensed facilities in Presque Isle, Caribou, Fort Kent, and Houlton. School-age children are provided with programming after school and all day during school vacations and summers. Services that "wrap around" or extend the Head Start program to full day, full year are available.

Head Start provides a comprehensive preschool developmental program to three- and four-year-old, income-eligible children, including children with disabilities, at licensed facilities in Fort Kent, Fort Fairfield, Caribou, Mars Hill, Dyer Brook, Houlton, Danforth, Presque Isle, and Washburn, which closed at the end of the 2005-2006 school year. Friendship Day, for incoming children and their families, kicked off this year with health screenings, transportation safety, program information, meetings with teachers and bus drivers, and classroom visits. Early Head Start serves infants and children up to age three at Child and Family Centers in Presque Isle, Caribou, and Houlton. Home Based Head Start services are also available throughout Aroostook, with plans underway to expand this program in both the central and southern areas of the county.

The Federal Head Start Bureau triennial Program Review Instrument for Systems Monitoring (PRISM), an intense review of staff-child interactions, files, administrative and fiscal policies and procedures, and health and safety programs, found no areas of non-compliance, verifying the quality services provided to children and families.

***Child Care** was provided for:*

250 Children in Houlton, Presque Isle, Caribou, and Fort Kent.

Wrap Around Child Care served:

45 Children enrolled in Head Start in Presque Isle, Houlton, Caribou, and Fort Kent.

School Age Child Care was provided for:

88 Students in Fort Kent, Presque Isle, Mapleton, Houlton, and Caribou.

Head Start *was provided for:*

290 Children at ACAP centers in Fort Kent, Fort Fairfield, Caribou, Mars Hill, Dyer Brook, Houlton, Danforth, Washburn, and Presque Isle.

Home Based Head Start served:

12 Eligible families in central Aroostook.

Early Head Start served:

15 Infants and children at Child and Family Centers in Presque Isle, Caribou, and Houlton.

Resource Development Center (RDC) provided:

Aroostook employers, community groups, and over 1,000 families with information about child care services.

120 Child care providers with Muskie School of Public Service Maine Roads to Quality training, a 180-hour child care core knowledge training required for licensure, along with electives, first aid, and CPR.

Voucher Management provided:

143 Eligible Aroostook families, that include 255 children, with financial assistance to obtain child care from private providers.

Partnerships:

With the Southern Aroostook Elementary School in Dyer Brook, planned and initiated delivery of a model for in-school Head Start programming.

With community donations, new school supplies were provided for many youth in central Aroostook

With United Way of Aroostook, the Dress a Child project provided 241 needy children throughout Aroostook with $50 vouchers for new back-to-school clothes

With Northern Maine Community College (NMCC) Early Childhood Education associate degree program, training sites at Child and Family Centers in Presque Isle were provided for students.

With Madawaska Adult Education and Elementary School, provided Building Learning Teams with Families program to support family literacy.

Literacy:

Aroostook Literacy Coalition First Books and Reading Is Fundamental (RIF) provided free books to children enrolled in ACAP programs.ACAP board members, employees, and community members read to children in Child and Family Centers on a regular basis.

Other Projects:

A Fisher Foundation grant funded playground equipment and surfacing for swings and climbing structures for children at the Child and Family Center in Fort Kent.

A Maine Children’s Trust grant funded “Good Guys,” a program to celebrate fathers and support their involvement in their children’s lives.

Issues:

Increasing regulations and standards that impact the budget but have no funding attached that will provide related training and education necessary to meet the new requirements.

Decreasing child care slots available to families related to the number of communities that do not have adequate licensed child care providers.

Resources Needed:

We need to locate funding outside of the traditional sources.

There need to be incentives for individuals to become licensed child care providers to provide care in their homes.

Suggested Solutions:

Convene a business forum to share information on the economic impact that the lack of child care, especially affordable child care, has on the regional economy.

Create a forum to spread the word that child care is everyone's business.

Lead Agency/Group:

The ACAP Resource Development Center has the resources to present this information, but needs some kind of business forum to communicate the information.