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DEPUTY WHIP

United States Senate

WASHINGTON, DC 20510–1903

COMMITTEES:
COMMERCE, SCIENCE, AND TRANSPORTATION

OCEANS, ATMOSPHERE, FISHERIES AND COAST GUARD SUBCOMMITTEE

FINANCE

INTELLIGENCE

RANKING MEMBER, SMALL BUSINESS

May 8, 2009

The Honorable Daniel K. Inouye
Chairman
Senate Appropriations Committee
S-131 The Capitol

The Honorable Thad Cochran
Ranking Member
Senate Appropriations Committee
S-146 A The Capitol

The Honorable Herb Kohl
Chairman
Senate Subcommittee on Agriculture,
Rural Development and Related Agencies

The Honorable Sam Brownback
Ranking Member
Senate Subcommittee on Agriculture
Rural Development and Related Agencies

Dear Senators Inouye, Cochran, Kohl, and Brownback,

I am writing to request your support for funding in the Fiscal Year 2010 (FY2010) Agriculture, Rural Development and Related Agencies appropriations bill for programs and projects that are important to Maine. A description of these requests in alphabetical order by organization follows.

I certify that neither I nor my immediate family members has a pecuniary interest in the congressionally directed spending items that we have requested, consistent with the requirements of paragraph 9 or Rule XLIV of the Standing Rules of the Senate. I further certify that I have posted a description of the items requested on my official website, along with the accompanying justification.

Aroostook County Empowerment Zone, Aroostook County, Maine – $1 million.
The USDA Rural Development Program designated a large portion of Aroostook County, Maine, as a Round III Empowerment Zone in January 2002. As a Round III Empowerment Zone, Aroostook County is able to secure critical funds to address Northern Maine's distressing pattern of out-migration. Funds from the Rural Development Program are used to develop and implement the regions long-term strategic plan.

The closure of Loring Air Force Base in 1994, which caused the immediate outmigration of 8,500 residents from Aroostook County, has rendered economic development of the area extremely difficult. The effect of this initial exodus from the area was to cause further outmigration of families and businesses that depended on Loring as their customer base. Census figures show that Aroostook County lost 15 percent of its population between 1990 and 2000.

The Northern Maine Development Commission, other economic development organizations, and the private sector in Aroostook have joined forces to stabilize, diversify, and grow the

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(207) 622–8292

BANGOR
ONE CUMBERLAND PLACE, SUITE 306
BANGOR, ME 04401
(207) 945–0432

BIDDEFORD
227 MAIN STREET
BIDDEFORD, ME 04005
(207) 282–4144

PORTLAND
3 CANAL PLAZA, SUITE 601
PORTLAND, ME 04101
(207) 874–0883
MAINE RELAY SERVICE
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PRESQUE ISLE
169 ACADEMY STREET, SUITE 3
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IN MAINE CALL TOLL-FREE 1–800–432–1599

area's economy. This region's continued designation as an Empowerment Zone is vital to its future economic survival. Funding is crucial to ensuring that the ACEZ Strategic Plan is updated and remains in compliance with Empowerment Zone regulations.

City of Brewer, Brewer Business and Commerce Park, Brewer, Maine -- $1,500,000. The City of Brewer has been working for nearly 8 years on plans for a business and commerce park on a 300-acre parcel of land that crosses the town lines. The City has purchased and amassed the land needed, and done preliminary design and engineering work along with an economic feasibility study. When built out, this park will alleviate the problem of a lack of manufacturing and industrial land which hinders Brewer's ability to expand its tax base. The park will also allow for innovative and aggressive economic development and job creation in an area hard-hit by layoffs and plant closures, including most recently the announcement of the 2010 closure of ZF Lemforder. Construction of the Brewer Business Commerce Park will allow for the creation of net new jobs in industrial and manufacturing businesses and facilitate economic development for the region, and tax generation for the towns.

The purpose of this project is to provide jobs and economic development through the strategic investment in space for business, industrial, and manufacturing development. This project is a valuable use of taxpayer funds, as it will lead to a major increase in job opportunities, private investment, tax revenue, and economic development, while keeping in mind the goals of sustainability and comprehensive land use planning. The park will also be a green park, meaning aggressive incentives will be added for buyers that build LEED-certified buildings or present a renewable alternative energy source. The $1.5 million request is to develop phase one, with site work and utilities to the site.

Maine Centers for Women, Work, and Community, Connect ME, Augusta, Maine -- $300,000. Maine Centers for Women, Work, and Community's (WWC) mission is to help women and their families achieve success in the Maine economy through jobs that pay a livable wage, self-employment, educational attainment, asset building, and civic engagement. WWC served 1,660 individuals from all 16 counties during FY2008 providing over 17,645 hours of training and support. The proposed project, Connect ME will provide a technology bridge for older rural women to cross into the 21st century.

Connect ME will combine hands-on training, coaching and support in developing computer and information technology skills with distance learning opportunities, connections to communities of peers, markets and other resources. A laptop lending program will be part of the project's efforts to assist rural women acquire necessary and appropriate equipment to meet their technology needs.
The target of this project will be women between the ages 35 – 70+ who live in Maine's rim counties (Aroostook, Washington, Penobscot, Piscataquis, Knox, Waldo, Somerset, and Oxford) and rural communities on the edges of technology's reach. The project will serve entrepreneurs as well as individuals looking to upgrade technology skills needed to meet the demands of the workplace. Connect ME builds on proposed investments in rural broad band and Farm Bill provisions that support rural communities, small farms, and enterprises.

Maine Department of Marine Resources, Bureau of Sea Run Fisheries and Habitat, Penobscot River Restoration Project, Augusta, Maine -- $1,000,000. Funding in FY2010 will allow the Penobscot Trust to finalize engineering designs for removal, allow the removal at Great Works Dam to occur and beginning work at Howland bypass. Over the next years the Project will remove three significant barriers to fish migration, reconnecting upriver habitat to Penobscot Bay and the Gulf of Maine. To accomplish the goals set forth in this historic agreement, the Trust must secure approximately $55 million in overall funding from both private and public sources. Having raised $25 million for dam acquisition, the Trust and its partners are now focused on obtaining the additional funds needed for dam removal, bypass construction and other implementation costs. Funding for the implementation phase is expected to include both public and private funding.

The Penobscot River project is an innovative, national model for river restoration. It achieves for the first time in this country a balance between hydropower production in a major river system and meaningful and significant restored sea-run fisheries. The project will allow the federal resource agencies to achieve their mission of fisheries restoration in a tangible, cost effective manner. Funding is requested for dam removal through USDA's Conservation Operations' Wildlife Habitat Incentive Program.

The Penobscot River is poised to transition to a sustainable balance between native sea-run fisheries and hydropower through the Penobscot River Restoration Project. It represents the first specific plan to address the root of the problem for declining migratory fish populations – high mortality associated with multiple up- and downstream fish passages. By working to remove dams, maintain hydropower generation and involve local communities, the project has become a national model for large-scale (eco-system based) river restoration. The Project aims to restore the full assemblage of 11 native diadromous fish species to the Penobscot River, including Atlantic salmon. The Penobscot Project offers our best opportunity to restore a significant run of Atlantic salmon to a large US river. For over a century, a diversity of federal projects (National Marine Fisheries, USF&WS, and Atlantic States Marine Fisheries Commission) has strived to help manage and recover North Atlantic ground fish stocks.

Maine Public Broadcasting Network, Grants to Broadcasting Systems Program, Bangor, Maine -- $2,000,000.

The purpose of the Grants to Broadcasting Systems Program is to demonstrate that rural public television stations can be instrumental in delivering services and specialized programs to audiences in rural areas. This program ensures that the eligible public broadcasting systems located in rural areas are able to research, develop, produce, promote, and broadcast programming which specifically addresses the rural concerns and issues of its audiences.

The program fulfills an important part of USDA's Rural Development mission by specifically addressing rural issues that impact a number of states throughout the nation. Through the programs and materials that have been produced, citizens have received a wide variety of indispensable information that has imparted a better understanding of issues of importance in their states and regions. Eligibility is limited to four public broadcasting systems: Maine, Vermont, Alaska, and North Dakota. Eligibility is defined in the statute as

"statewide, private, non-profit public television systems whose coverage is predominantly rural."

University of Maine, Vaccines to Prevent Aquatic Animal Diseases, Orono, Maine -- $500,000. Vaccines and other bioreactor products form a vital part of the U.S. aquaculture industry, yet the U.S. lacks a dedicated cold water vaccine and aquaculture bioreactor center. Maine has several aquaculture biotechnology companies and a good track record in developing fish vaccines at the University of Maine. This project will establish a bioreactor facility at UMaine to conduct unique research to improve the health and welfare of aquaculture and restocked fish, and provide an effective means for treating regional, farm specific strains of pathogens. It would create also a collaborative economic benefit to Maine's aquaculture and biotechnology industries in terms of research synergies, intellectual property rights, spin off companies and economic development.

The $500,000 requested to support development of a Maine aquaculture bioreactor facility. This would consist of a refurbished 500 square foot laboratory, to USDA specifications, to house four bench top continuous bioreactors and a member of technical staff to run the unit. Such a unit would provide a unique facility of national importance to the aquaculture economy of Maine as well as providing a center of excellence for fish vaccines and microalgae byproducts in the U.S.

University of Maine, New England Invasive Plant Center, Biddeford, Maine -- $2,000,000. The Center's objectives include developing non-invasive sterile landscape plants, assessing the ecological impact of invasive plants, assessing the economic impact of invasive species in New England, developing alternative native crops, and public education and outreach. Noxious invasive plants cause losses of at least $35 billion per year to the U.S. economy, a figure that is increasing at a rate of 10 percent annually. In Maine, aquatic invasive plant species threaten drinking water systems, recreation, wildlife habitat, lakefront real estate, and fisheries. Plants, such as Variable Leaf Milfoil, are crowding out native species and diminishing recreational opportunities for swimmers and boaters.

The University of Connecticut, the University of Vermont, and the University of Maine have established a multi-state, interdisciplinary Center for Invasive Plants. The Center develops novel strategies to manage problems caused by invasive plants that are economically and environmentally damaging to the Northeastern U.S. and to the nation as a whole.

University of Maine, New Potato Varieties for Environmental and Economic Sustainability in the Northeast, Orono, Maine -- $2,200,000. This project works to bridge the gap between research trials and commercial production, including handling and storage conditions, and managerial adjustments on the part of the commercial growers needed when adopting a new variety. Promising new potato varieties developed by Maine, USDA, New York, and other breeding programs are tested at multiple locations in the eastern United States and Canada to determine their performance under different conditions. The goal is to identify new varieties that grow well in Maine and other areas of eastern North America to

which Maine supplies seed potatoes. Late blight and other pests have had disastrous effects on the North American potato industry in recent years. Improved pest resistance is the most effective, long-term approach for avoiding disease problems and decreasing the industry's reliance on foliar fungicides.
Potatoes are an important crop for Maine and our economy. The Maine potato industry needs new potato varieties that combine excellent quality with high yields and pest resistance. While genetic engineering offers advantages in specific areas of crop improvement, most of the potato industry's needs are met through conventional potato breeding and selection.

University of Maine, Sustainable Production and Processing Research for Lowbush Specialty Crops, Orono, Maine -- $275,000. Maine is the number one producer of Wild Blueberries in the world and the primary US producing state. The 2007 crop equaled 77 million pounds with an annual market value of over $172 million of processed product. Maine lowbush wild blueberry research brings together faculty expertise in food science, food process engineering, entomology (both insect control and pollination), disease management, plant nutrition, weed management, and extension education to help increase economic and environmental sustainability of Maine's wild blueberry industry.

Objectives of this research includes: minimizing reliance on pesticide use by developing strong integrated crop management programs, optimizing low bush blueberry water and nutritional requirements, determining potential health benefits of wild low bush blueberries; continual improvement in processed product quality, food safety, health benefits of consumption, and value-added food processing. The management of Wild Lowbush Blueberries is like no other cropping system in that native plants, many of them decades old, are managed for human consumption on a two year cropping cycle. This cropping system is unique and different from cultivated blueberry management.

These projects will support over 480 growers who raised 80 million pounds of low bush blueberries with a farm gate of $80 M and a processed value of over $172 M in 2007. The majority of the industry is located in an otherwise economically challenged area of Maine. Washington County is considered to be one of the most economically distressed areas of the State of Maine and has a poverty rate at 19% and both Washington and Hancock counties have high unemployment at 13.1% and 11.6% respectively.

University of Maine, Wood Utilization Research, Orono, Maine -- $7,000,000, of which $720,000 would come to the University of Maine. The Wood Utilization Research program is the only funding mechanism that exists to support university-based wood utilization research. There are no other competitive grant programs focused on utilizing wood as a material, and no other special grants to support the types of wood research that are vital to the country. The University of Maine is one of twelve universities to be awarded a Wood Utilization Research special grant. In fact, the University of Maine has assumed the lead position among the wood utilization universities. These competitive grants are used to generate the new knowledge and technologies that are necessary to balance the sustainable use of our Nation's forest resources with the need to maintain a vigorous, competitive, domestic forest products industry.

A 2006 Government Accountability Office (GAO) report highlighted the importance of research at Universities on wood utilization, pointing out that this research addresses a national need. Wood utilization researchers are currently at the forefront in using wood to develop: bio-based liquid fuels, lightweight high performance wood hybrid composites, and low cost, high strength carbon nanotubes and nanocomposites. More wood is used each year in the United States than all cement, steel, and plastics combined.

University of Maine, National Cold Water Marine Aquaculture Center Construction, Orono, Maine -- $5,000,000. The Agricultural Research Service (ARS) of USDA is working to build a national finfish aquaculture research center in Franklin and Orono, Maine. When completed, the ARS scientists will focus on finfish industry challenges relating to: Genetic Improvement (genetics, genomics, and breeding); Growth and Development (physiology and nutrition); Finfish Health (pathology and immunology); and Sustainable Production Systems (engineering, sensors and containment). The University of Maine aquaculture facilities at Franklin are completed and a research team is in place. An additional $7.5 million is required to design and begin construction of the Aquaculture Research facility in Orono. If construction funds are not provided this cycle, then ARS will try to rescind funds appropriated in FY2006.

Between 1975 and 2005, aquaculture's contribution to the global seafood supply rose from a modest 7% to almost 40%. While aquaculture is now the fastest growing segment of U.S. food production, the United States ranks only tenth in the world in aquaculture production. Actions must be taken to accelerate the growth of sustainable U.S. aquaculture, and to reduce the enormous trade deficit attributable to imported seafood. The U.S. is the second largest seafood market in the world and currently it imports roughly 70% of the seafood that its people consume. Farm-raised fish account for more than 50% of imports, leading to a trade deficit in the region of $9 billion.

University of Maine, Program funds for operations of the USDA-ARS Cold Water Aquaculture Center in Franklin, Maine -- $500,000. The Agricultural Research Service (ARS) of USDA is working to build a national finfish aquaculture research center in Franklin and Orono, Maine. When completed, the ARS scientists will focus on finfish industry challenges relating to: Genetic Improvement (genetics, genomics, and breeding); Growth and Development (physiology and nutrition); Finfish Health (pathology and immunology); and Sustainable Production Systems (engineering, sensors and containment). The University of Maine aquaculture facilities at Franklin are up and running with a world class research team in place. Additional funds are needed to support ongoing aquaculture research.

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people consume. Farm-raised fish account for more than 50% of imports, leading to a trade deficit in the region of $9 billion.

University of Maine Cooperative Extension, Potato Integrated Pest Management, Late Blight, Orono, Maine -- $600,000. Potatoes are the top agricultural commodity in the State of Maine with a total economic value to the state of over $500 million dollars and employing over 6,000 individuals. The University of Maine Cooperative Extension's Potato Integrated Pest Management program impacts approximately 56,000 acres of potatoes. The program will employ 26 program aides, maintain nearly 150 specialized insect traps, coordinate a statewide network of electronic weather stations, and survey 125 potato fields on a weekly basis for weeds, insects, and diseases. The data produced will help IPM scientists track potential pest outbreaks and helps provide growers with current information on specific and timely treatments in order to minimize the number of pesticide applications and maximize potato yield. This important information is then reported in specific detail to the individual growers and reported regionally back to the industry so that informed pest management decisions can be made.

University of Maine Darling Marine Center, New England Shellfish Farm Recovery Initiative, Orono, Maine -- $1,500,000. New England's eastern oyster production has been in decline since the early 1900's, and has reached a critical low with current production at less than 10% of recorded historic highs. The eastern oyster industry supported a $48 million harvest in 1992, and has since plummeted to a mere $3 million in 2004. The dramatic decline in local oyster production is due to habitat destruction, over-fishing, and the proliferation of various diseases such as JOD, Dermo, and MSX. Current facilities for safeguarding, reproducing, and marketing eastern oysters are profoundly lacking. Additional federal funding for the project would allow completion of field trials and the securing of vital equipment and hatchery space, as well as the lab infrastructure needed to identify and develop more pristine oyster lines for local fisheries.

The priority of this project is to help ensure the survivability of local New England fisheries. It will safeguard employment for thousands of New England shellfish farmers and likely lead to an increase in the number of job opportunities on expanded shellfish farms. Notably, the widespread use of improved strains of oysters could increase economic returns to the aquaculture industry by more than $2 million each year (20% greater than present returns), assuming only a 5% increase in annual production over the next 5 years.

Washington Hancock Community Agency, Rural Business Energizer Program, Milbridge, Maine -- $250,000. The Rural Business Energizer Program will offer business training to a group of rural entrepreneurs to help them grow their businesses, start new enterprises and create new jobs to stimulate the Maine economy now and provide a foundation for future growth as these businesses expand. IRS guidelines recognize that business start-ups generally take five years to start turning a profit. Even by modest estimates, a $250,000 investment in this program now will yield a return of over $500,000 per year within five years and will continue to do so for years to come. Based on our

experience with other business training programs, within five years at least 40 of these businesses will be successful and their owners will be earning a combined income of over $500,000 per year. Those who add employees will generate another $15,000 - $20,000 per year in wages per employee hired. RBEP is an economic development project targeting an HUB zone. Washington County is considered to be one of the most economically distressed areas of the State of Maine and has a poverty rate at 19% and both Washington and Hancock counties have high unemployment at 13.1% and 11.6% respectively.

Once again, thank you for your time and consideration. Please feel free to contact my staff with any further questions.

Sincerely,

OLYMPIA J. SNOWE
United States Senator