

BULLETIN #3

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**BULLETINS
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NORTH COUNTRY COMMONS

Information of Interest, Concern and Celebration

Stop the East-West Corridor coalition, a grassroots citizens' group, offers this third in a series of bulletins to inform about the East-West Utility Corridor.

Jobs and the East-West Utility Corridor

"I am not a job creator." (*Peter Vigue, Cianbro CEO and East-West Utility Corridor promoter, Foxcroft Academy public presentation, May 31, 2012, Dover-Foxcroft, ME*)

"Maine lost 3,300 jobs from 2009 to 2010, a decrease of 0.6%. The total of 593,000 jobs is the lowest since 1999, when the state had 586,300 jobs. One major trend is the continued loss of jobs in the manufacturing industry. Structural factors, such as outsourcing and improvements in productivity, have decreased employment opportunities in this critical sector, which historically has tended to provide comparatively high wages and benefits." (*Maine Development Foundation, p. 10, "Measures of Economic Growth in Focus" 2012, Eighteenth Report of the Maine Economic Growth Council*)

"It should be noted that...this highway investment would facilitate more long distance freight trips and offer fewer opportunities for inland development..." (*Wilbur Smith Associates, p. 114, "Northeast CanAm Connections: Integrating the Economy and Transportation Final Report," August, 2009*)

Jobs lost?

"[Bill] Cohen, [director of communications, Verso Paper Corp.], said as little as two years ago, 70 percent of shipping by his mill was done by rail and 30 percent by trucks. Now it's 40 percent rail and 60 percent trucking. 'The rising cost of toll roads is making shipping by truck even more costly.'" (<http://bangordailynews.com/2012/09/26/mill-executives-say-maine-paper-industry-viable-but-there-are-challenges>)

"How would the new [E/W] highway affect towns such as Newport and Skowhegan that currently draw business from the traditional east-west traffic using Routes 2 and 9? Will the proposed 'Canadian connector' threaten Maine's lumber industry by providing faster, less-costly transport of Canadian wood products?" (<http://bangordailynews.com/2012/09/11/opinion/contributors/east-west-highway-poses-more-questions-than-answers/>)

"...[T]he economy of St. Johnsbury (Vermont), which is similar to Northern Maine and dominated by natural resource industries, has been unable to overcome structural changes to its economy, despite its superior transportation assets." (*RKG Associates, p. 7, "Maine East-West highway: Economic Impact Analysis, Phase IV Technical*

Report: Case Study Research," Sept. 1999, prepared for Maine State Planning Office & Maine DOT)

". . .[B]ypassed communities have lost roadside business development as a result of the construction of I-91...rates of employment growth in the counties serviced by I-89 and I-91 have been roughly comparable to statewide averages since 1969." (*ibid, p. 6*)

When pressed for what permanent jobs the corridor project might generate, Vigue responded: "There's the toll facilities, the maintenance, even the law enforcement jobs that will be created. Those are all permanent jobs. The question is how many people does it take to maintain 220 miles of road? How many people does it take to maintain these intersections, collect the tolls?" (*Peter Vigue, Foxcroft Academy public presentation, May 31, 2012, Dover-Foxcroft, ME*)

"Tolling will be all electronic at highway speed." (Dec. 22, 2007, (<http://www.tollroadsnews.com/node/3318>))

"The employment impacts of highway infrastructure investment do not remain constant over time. Increases in construction materials prices and wages over time will tend to reduce the number of jobs supported by each \$1billion invested." (<http://www.whitehouse.gov/blog/2011/09/09/american-jobs-act-state-state>)

Short-term gains vs. long-term goals

"I'm wary of this [East-West Corridor] being done by a private company. If it's worth doing, and the economic value is there, I don't get why we wouldn't make it a publicly owned toll highway so the state gets the surplus rather than some private owner." (*Senator Dick Woodbury, Yarmouth, ME; http://www.downeast.com/magazine/2012/june/the-east-west-highway*)

"The state must not lose sight of its long-term economic goals for potential short-term gains. We need...to take a long hard look and not jump to fast conclusions that may be harmful in the long run."

(*Janet Sawyer, executive director, Piscataquis County Economic Development Corporation; http://www.mainebiz.biz/apps/pbcs.dll/article?AID=/20120416/CURRENTEDITION/304139997*)

"The [Maine Economic] Growth Council views [multiple job holdings], in part, as a measure of job quality, as people often hold multiple jobs because no single job provides adequate compensation...The Maine Department of Labor suggests that Maine's rate is higher than the national average..."

(*The Maine Development Foundation, p. 12, "Measures of Economic Growth in Focus," 2012, Eighteenth Report of the Maine Economic Growth Council*)

Big box stores at on-off ramps do not provide quality jobs. "Wal-Mart [in Maine] was found to have more workers than

any other employers in the state relying on publicly-funded health insurance. This shows how taxpayers end up subsidizing Wal-Mart's policy of providing low wages and inadequate benefits."

(<http://www.goodjobsfirst.org/states/Maine>)

"Given the obvious, the huge economic-political power that oil, electric, telecom and water future realities hold for those with the bucks to get those assets flowing, these options appear to be viable economic activities that could enrich the profitability of the E/W Corridor, while bisecting our towns, our back forty acres, maybe our back yards, and it will most certainly fracture our highly cherished rural quality of life with little evidence of demonstrated local economic benefit..."

(**Roger Merchant, rural development specialist, professor emeritus, UM Cooperative Extension, OpEd, July 2012 in the Bangor Daily News, <http://bangordailynews.com/2012/07/18/opinion/east-west-highway-going-in-the-wrong-direction/>**)

Jobs for Canada, not Maine?

When presenting to ordinary Maine citizens, Vigue speaks only of Eastport as the future terminal port for the corridor, but for Canadian businessmen: "In the future, globally in terms of trade, we can be a major contributor in global trade...Nova Scotia—whether it be Sydney, Nova Scotia, or Melford, Nova Scotia—will become the home of a trans-shipment facility...There's a site at Medford in excess of 1500 to 2000 acres...that will become a trans-shipment site....There'll be distribution centers built there. (**Peter Vigue, "Future Prospects in Regional Economic Integration" presentation, CanAm Connection Conference, UMO, April 24, 2012**)

"[R]esponding to the recent financial package offered by the provincial government of Nova Scotia to a paper mill in Port Hawkesbury [NS]...I am asking your help in... determining whether this package is consistent with Canada's NAFTA and WTO commitments....Maine's paper industry believes the size and scope of Nova Scotia's assistance is likely to lead to a decreased market share for the state's mills...in Madison, Jay and Bucksport. Nova Scotia's support [\$125 million aid package] of the Pacific West Commercial facility will disadvantage Maine's mills at a time when the U.S. paper industry is already facing challenges from countries like China who do not play by the rules...." The deal was finalized two days later; (**U.S. Sen. Michaud [D-ME] in a letter to the Canadian Ambassador in Wash. D.C., September 26, 2012. <http://michaud.house.gov/press-release/michaud-pushes-us-response-canadian-paper-mill-subsidies>**)

"[T]he current massive misallocation of resources is the artifact of a belief that human prosperity is maximized by unrestrained global competition for resources, markets, and money to...generate the greatest private profit. This is the underlying theory around which the institutions of the corporate-led global economy have been organized. The result is...a global race to the bottom on wages, benefits, and environmental standards; and unregulated financial markets that produce prosperity for the few, misery for the many, and insecurity for all...."

(**David Korten, p. 151, *Agenda for a New Economy: From Phantom Wealth to Real Wealth.***)

Resilient, local jobs

"A study of eight local businesses in Rockland, Camden and Belfast found that they spent 45% of their revenue within the local counties and another 9% statewide. The aggregate levels of in-state spending was nearly four times greater than that from a typical chain store. Other studies in the U.S. and abroad also have found that local businesses yield two to four times the multiplier benefits as comparable non-local businesses...."

(**Michael H. Shuman, pp. 40-49, *The Small Mart Revolution***)

"Not only is [Maine's] landscape covered with vast acreages of forests, lakes, wetlands and coastlines, but its primary industry is tourism, at nearly \$10 billion per year in sales of goods and services and \$270 million in sales tax revenue from this source. A 2001 survey found that ecotourism rates in Maine were nearly twice the national average."

(**Austin Troy, p. 31, "Valuing Maine's Natural Capital," *Manomet Center for Conservation Sciences, April 2012.***)

"...[O]rganic vegetable and fruit farms spend 29% and 27% of their expenses on labor, compared to the State average of 18%. This means more of these farms' total output is ploughed back into their communities as farm workers spend their wages at local businesses."

(**Jed Beach, p.10, "Maine's Organic Farms—An Impact Report, Nov. 2012," *Maine Organic Farmers and Gardeners Association***)

"[F]rom 1988 to 2008, the number of certified organic farms [in Maine] rose from 41 to 339, a total growth of over 800%... Maine had the 12th highest number of organic farms in 2008." (**Ibid, p. 5**)

Conclusion

The East-West Utility corridor would serve a global economy to the detriment of the regional economy. Most current high-tech resource extraction and transport methods are automated and specialized so that few regional jobs would be generated. Jobs that the corridor might create would result in permanent degradation of the landscape, contributing profoundly to the chronic impoverishment of the local and regional populations.

"The time is past for talking in vague generalities about our quality of life. We need to do something more concrete. We need to inventory, to protect, to enhance, and to market our specific and unique assets.... This is a process that needs to be "bottoms up," involving everyone. The state must implement the new Quality of Place legislation."

(<http://www.mainechamber.org/mx/hm.asp?id=MMW-Original>)

Maine's communities and natural resources attract immigrants from other states seeking a higher quality of life. "In-migration from other states means people from outside the state are 'voting with their feet' and at least for now rating the state's quality of life on a par with faster growing, highly desirable Sun Belt locales."

(**Jed Beach, p. 25, "Maine's Organic Farms—An Impact Report, Nov. 2012," *Maine Organic Farmers and Gardeners Association***)

"We must learn to think of [quality of place] as the basic infrastructure of Maine's future prosperity...."

(**Governor's Council on Maine's Quality of Place, p. 8, "People, Place, and Prosperity: First Report of the Governor's Council on Maine's Quality of Place," December 4, 2007**)

For more information: www.stopthecorridor.org
or contact 207-564-8687 or stopthecorridor@gmail.com

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