

## DEAR READERS,

Recent months and even days have brought stories from California of power blackouts, skyrocketing rates, and utility bankruptcies—all, seemingly, a result of California's decision to deregulate its electric industry. Still, are these the inevitable results of a failed economic theory that applies to other states that have followed suit in deregulating their electric industry, or, more to the point, has California made mistakes that we in Maine may have avoided? To address this question we begin with a series of commentaries that broadly address three questions: Is Maine destined to suffer the same fate as California? What is the stability of Maine's energy supply? Is there a role for market intervention to encourage greater conservation? Although the collective conclusion is that we're not moving toward power blackouts—our supply appears to be stable and adequate—the commentaries do raise questions about the health of our competitive market.

We follow these commentaries with an in-depth analysis of the use of conservation easements in the north Maine woods. The author points to the need for a comprehensive state conservation policy and raises the question: What are we trying to accomplish? Protection from development? Maintenance of recreation and access rights? Preservation of the biodiversity of wild forests? One need look no further than the recent proposal for a national park and the referendum on clearcutting and forest-management practices in general to recognize the varied views on how Maine should proceed. The author suggests we take a step back and come to a consensus on what we value before spending additional public dollars on conservation easements.

We also continue our coverage of the debate over how to fund Maine's public schools, a perennial issue that returns each legislative session. Here we introduce a new approach to funding Maine's schools called the Essential Programs and Services model. We follow this article with a series of commentaries by superintendents representing urban and rural, high-receiving and low-receiving districts.

We also include in this issue a 'status of the economy' report from State Economist Laurie Lachance. Although the past nine years have been ones of tremendous economic growth, recently the economy has shown signs of weakening. Are we headed for recession, or just a slowdown in growth? Looking at the trends for the U.S. and Maine economies, Lachance gives us her forecast.

Finally, we conclude with an article on forest-products certification and labeling. The authors evaluate different types of labeling programs to identify what factors may increase the likelihood that retail consumers will choose environmentally friendly products over their lower-priced but non-environmentally friendly competitors. They find that the current labeling programs used by Maine wood-products companies may not be optimal.

In wrapping up this issue, I'd like to personally thank the many contributors to Volume 10. Without your support we would have difficulty achieving our mission of providing in-depth analysis of public policy issues important to Maine. Thank you.

Enjoy the issue,

