



October 1, 2019

The Honorable Wilbur Ross
Secretary of Commerce
1000 Constitution Ave.
Washington, D.C. 20240

Dear Secretary Ross:

We write today regarding offshore wind development and the expanding role it can play in creating jobs, bringing needed investment to improving our nation's infrastructure, expanding domestic manufacturing, and strengthening American energy dominance. This emerging U.S. industry can grow side-by-side with the U.S. fishing industry, other ocean users, and coastal communities, adding diversity and strength to the American maritime economy.

The significant benefits of U.S. offshore wind are at risk, however, without the timely, transparent, and predictable federal regulatory process to which this Administration, the Department of Commerce (DOC), and DOC's NOAA Fisheries (NMFS) have committed in order to develop all of the nation's domestic energy resources and provide the U.S. with affordable, reliable, safe, secure, and clean energy.¹ While we support NMFS assessing and mitigating impacts to ocean resources from offshore wind projects, we are disappointed that NMFS' review appears to have adversely affected the timeline for the Vineyard Wind project. Like other industries, it is critical that the federal government follow established timelines in order to incentivize capital investment for critical infrastructure. We therefore strongly urge NMFS provide timely input to the Department of Interior's Bureau of Ocean Energy Management (BOEM) Supplemental EIS for the Vineyard Wind project and reach consensus within the earlier range of BOEM's announced timeline and to the Final EIS, to help ensure that a Record of Decision can be issued by March 2020. In addition, going forward, we encourage NMFS to timely collaborate with BOEM and other federal agencies and assess, through its consultation with BOEM, other offshore wind projects to ensure they are acted upon within understood timeframes and in a transparent manner.

Offshore energy development and production is already delivering a variety of economic benefits in the U.S. For example, offshore oil and gas contributes around \$30 billion to the U.S. economy every year and

¹ Executive Order 13783, March 28, 2017, "Section 1. Policy. (a) It is in the national interest to promote clean and safe development of our Nation's vast energy resources, while at the same time avoiding regulatory burdens that unnecessarily encumber energy production, constrain economic growth, and prevent job creation. Moreover, the prudent development of these natural resources is essential to ensuring the Nation's geopolitical security. (b) It is further in the national interest to ensure that the Nation's electricity is affordable, reliable, safe, secure, and clean, and that it can be produced from coal, natural gas, nuclear material, flowing water, and other domestic sources, including renewable sources." Available at: <https://www.federalregister.gov/documents/2017/03/31/2017-06576/promoting-energy-independence-and-economic-growth>.

supports 315,000 jobs.² Unfortunately, according to a recent study by Louisiana State University,³ almost 21,500 jobs in this sector in Louisiana alone have been lost in recent years.

The good news is that offshore wind is poised to make significant job, manufacturing, and infrastructure contributions not only along the Gulf Coast and other coastal states but also throughout the U.S.⁴ Already, offshore wind developers have made over \$470 million in lease payments to the U.S. Treasury for the opportunity to seek the permits needed to construct projects on the Outer Continental Shelf. Along with this activity, significant investments are being made to improve port infrastructure, train workers, construct crew vessels, and develop supply chains.

In addition to creating manufacturing opportunities for foundations, towers, and blades, building out offshore wind in the U.S. results in opportunities in other sectors of the economy, such as providing a large market opportunity for U.S. steel manufacturers.⁵

The first 8 gigawatts of offshore wind are expected to create 36,000 jobs over the next 10 years.⁶ The anticipated development of 18.6 gigawatts of offshore wind by 2030 will create a nearly \$70 billion opportunity for U.S. supply chain businesses.⁷ While offshore wind is still an emerging industry in the U.S., it is a well-established one around the world where jobs, investment, and infrastructure improvements have been expanding rapidly.⁸ To secure these same benefits in the U.S., there needs to be more predictability about the scale of the market opportunity, which requires more certainty about the ability of projects to get decisions in a timely way and to find a workable pathway to construction.

There are significant synergies between offshore wind and offshore oil and gas with respect to jobs, manufacturing, and expertise. Each require tens of thousands of highly skilled, diverse, and well-paid workers, including electricians, welders, ironworkers, mariners, pipefitters, pile drivers, engineers, truck drivers, crane operators, mechanics, scientists, and vessel and equipment operators.⁹ American

² Available at <https://www.boem.gov/NP-Economic-Benefits/>.

³ Available at <https://www.offshoremarine.org/MarineIndustryinLouisiana>.

⁴ 2018 DOE Offshore Wind Technology Market Report. Available at: <https://www.energy.gov/sites/prod/files/2019/08/f65/2018%20Offshore%20Wind%20Market%20Report.pdf>.

⁵ Wind turbines are made predominantly out of steel, accounting for 71-79% of a turbine's total mass according to the National Renewable Energy Laboratory. 2015 Cost of Wind Energy Review. NREL. Available at: <https://www.nrel.gov/docs/fy17osti/66861.pdf>;

World Steel Association paper on turbine components that use steel. Available at:

<https://www.worldsteel.org/en/dam/jcr:41f65ea2-7447-4489-8ba7-9c87e3975aab/Steel+solutions+in+the+green+economy:+Wind+turbines.pdf>,

⁶ U.S. Job Creation in Offshore Wind A Report for the Roadmap Project for Multi-State Cooperation on Offshore Wind, BVG Associates Limited (Oct. 2017), at S-1. Available at: <https://www.northeastwindcenter.org/resources/us-job-creation-in-offshore-wind/>.

⁷ Supply Chain Contracting Forecast for U.S. Offshore Wind Power, Special Initiative on Offshore Wind, (March 2019) at 6. Available at: <https://www.ceoe.udel.edu/File%20Library/About/SIOW/SIOW-White-Paper---Supply-Chain-Contracting-Forecast-for-US-Offshore-Wind-Power-FINAL.pdf>.

⁸ Global Wind Energy Council (GWEC), Global Wind Energy Report 2018 (April 2019) at page 29. Available at: <https://gwec.net/wp-content/uploads/2019/04/GWEC-Global-Wind-Report-2018.pdf>. According to this report, Europe has 18,200 megawatts of offshore wind deployed through the end of 2018 (the U.K. leads the way with 7,900 MW, Germany is second with 6,300 MW and three countries have more than 1,000 MW each) and China has 4,500 MW. The report also notes Europe is expected to add 3-4 GW of offshore wind per year through 2025 and Asia (including China) could add as much as 5-7 GW per year.

⁹ New York and the Jobs of the Offshore Wind Industry (Spring 2017) at 3. Available at: <https://wdiny.org/Portals/0/New%20York%20State%20and%20The%20Jobs%20Of%20Offshore%20Wind%20Energy%20WDI2017.pdf?ver=2017-05-03-150746-023>.

manufacturing and service companies that serve one industry are looking for opportunities in the other. For example, Gulf Island Fabrication in Louisiana, which has long served the U.S. oil and gas industry, put its experienced craftsmen – trained in traditional oil and gas fabrication – to work building the five foundations needed to support wind turbines in the Block Island Offshore Wind Farm, a 30 megawatt project near Rhode Island and the only operating domestic offshore wind facility. Gulf Island Fabrication only operates facilities within the U.S. and is one of only two large offshore fabricators left in the country, employing over 1,000 workers. In 2007, Gulf Island Fabrication made offshore wind projects a priority.¹⁰

As a businessman, you know, regardless of the energy source, a timely, transparent, and predictable regulatory environment is critical to providing business certainty and securing tens of billions of dollars of additional investment in the U.S. The offshore energy industry is a global one, and foreign markets are actively competing for capital that can and should be deployed in the U.S. A reasonable permitting pathway is therefore necessary to make the U.S. competitive with other markets for investment and the jobs, manufacturing, and other benefits that will follow. That timely, transparent and predictable regulatory process does not yet exist for offshore wind in the U.S., and DOC can play an important role in getting us to that point.

We applaud the Administration and the Department of Commerce for recognizing this in many of the actions that you have taken already. Implementing the “one federal decision” framework under EO 13807 for the timely processing of environmental reviews and authorization decisions for infrastructure projects,¹¹ simplifying environment analyses, committing to permitting improvements for major infrastructure projects, and prioritizing implementation of FAST-41 are just a few of the areas where the Administration has taken bold action to stimulate investment in energy development, including offshore wind.

However, the process for environmental review that exists on paper is not always the process that developers encounter in actual project permitting. Unanticipated delays, such as those that have occurred with the Vineyard Wind project, raise concerns for the entire offshore energy industry, as well as other industries, about the feasibility of getting through the interagency permitting and review processes in an efficient and effective manner. Absent predictability, timeliness and transparency of decisions, and improved interagency coordination, developers cannot make investment decisions, manufacturers cannot make supply chain commitments or investments in new factories, and project developers and operators cannot train and hire the skilled workforce needed to serve our industries.

All our members operating offshore or hoping to do so take seriously their responsibility to be good stewards of the environment and marine resources, develop energy projects safely and responsibly, and serve as partners with coastal communities, the U.S. fishing industry, and the many other ocean stakeholders. We believe there is adequate evidence that demonstrates offshore energy development can balance those priorities while supporting the Administration’s ongoing efforts to ensure timely permitting, reliable access, and a predictable regulatory environment throughout the American energy sector.

¹⁰ Testimony of Roy P. Francis, Senior Vice President of Business Development, Gulf Island Fabrication, Inc. Before House Natural Resources Subcommittee on Energy and Mineral Resources. Available at: https://republicans-naturalresources.house.gov/uploadedfiles/6.26_francis_testimony.pdf.

¹¹ Memorandum of Understanding Implementing One Federal Decision under Executive Order 13807. Available at: <https://www.whitehouse.gov/wp-content/uploads/2018/04/MOU-One-Federal-Decision-m-18-13-Part-2-1.pdf>.

We thank you for your pursuit of these opportunities and are eager to support actions that will ensure the timely responsible development of these exciting new domestic energy resources.

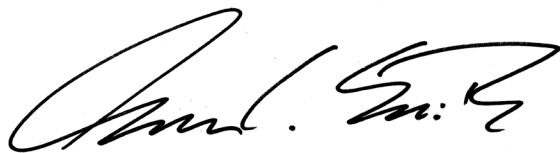
Sincerely,



Tom Kiernan
CEO
American Wind Energy Association



Tim Charters
Vice-President, Government and Political Affairs
National Ocean Industries Association



Aaron Smith, Executive Director
Offshore Marine Service Association



David Holt
President
Consumer Energy Alliance

cc:

W. Patrick Wilson
Director, Office of Business Liaison
U.S. Department of Commerce

The Honorable Dr. Neil Jacobs
Assistant Secretary of Commerce for Environmental Observation and Prediction, performing the duties
of Under Secretary of Commerce for Oceans and Atmosphere

Rear Admiral Timothy Gallaudet
Assistant Secretary of Commerce for Oceans and Atmosphere and Deputy NOAA Administrator

Mr. Chris Oliver
Assistant Administrator, NOAA Fisheries