



July 17, 2019

NATIONAL  
OCEAN  
INDUSTRIES  
ASSOCIATION

The Honorable Peter DeFazio  
Chairman  
House Transportation Committee  
2165 Rayburn House Office Building  
Washington, DC 20515

Dear Chairman DeFazio:

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As Congress prepares to consider the Coast Guard Authorization Act of 2019 (HR 3409), the National Ocean Industries Association (NOIA) respectfully urges the committee to remove language which would harm offshore wind lease holders and place restrictive buffer zones on future offshore wind leasing, hindering the ability of this growing American industry to deliver the energy America needs for the future.

NOIA is the only national trade association representing all segments of the offshore industry with an interest in the exploration and production of both traditional and renewable energy resources on the U.S. Outer Continental Shelf (OCS). The NOIA membership comprises more than 250 companies engaged in a variety of business activities, including production, drilling, engineering, and marine and air transport, offshore construction, equipment manufacturing and supply, telecommunications, finance and insurance and renewable energy.

We are concerned that the language included in section 308 of HR 3409: Offshore Navigation would severely impact offshore wind development by making existing lease areas less economic and inhibiting the future development of this growing domestic industry. The legislative "one-size-fits-all" buffers are simply misguided. The Bureau of Ocean Energy Management (BOEM) included safe vessel navigation as part of the offshore wind leasing process, in which the Coast Guard was a consulting agency. Moreover, international experience clearly shows that a one-size-fits-all setback distance is unnecessary

In addition, the language requiring new East Coast Fairway recommendations should clearly identify that the Coast Guard should recognize and protect existing offshore wind leases and the sanctity of those leases. Previous efforts in Congress and by the Coast Guard have attempted to impose fairway proposals which would result in a direct violation of the lease and contract sanctity which is critical to the responsible and timely development of offshore energy resources. Enacting "fairway" language without recognizing the importance of protecting a lawfully leased federal area designated for energy development in the OCS by the Department of the Interior will simply result in more delay, confusion and controversy without achieving the goals the fairway proposal is intended to address.

The significant investment of capital, resources and manpower needed to develop offshore energy resources requires a lawful and stable process. Enacting changes by Congress or Coast Guard to the contract and lease terms threaten all investments in the United States OCS. Once a lease is issued, the federal government has an obligation, through contractual commitment with the lease holder, to proceed in an orderly process to approve siting, production and development of the lease. By adding additional restrictions on the lease area after the lease is issued, through new buffer zones or Coast Guard mandated fairways maps, the sanctity of the leases made with the federal government is threatened, decreasing the value of investments and increasing the costs faced by the lease developers. Any changes mandated by Congress must include provisions to protect existing leaseholder areas and rights granted by contract with the federal government.

Therefore, we encourage you to either significantly modify or simply reject this language. If you have any questions or concerns about offshore energy development please feel free to contact us.

Sincerely,

A handwritten signature in black ink that reads "Tim Charters". The signature is fluid and cursive, with a large initial "T" and "C".

Tim Charters  
Vice-President, Govt. and Political Affairs

Cc: Ranking Member Sam Graves  
Natural Resources Committee Chairman Raul Grijalva  
Natural Resources Committee Ranking Member Rob Bishop  
Senate Commerce Chairman Rodger Wicker  
Senate Commerce Ranking Member Maria Cantwell