

A vertical photograph on the left side of the cover shows the Washington Monument rising behind a row of pink cherry blossom trees. The scene is reflected in the calm water of the Tidal Basin in the foreground. The sky is a mix of blue and orange, suggesting a sunset or sunrise.

SPRING 2021 WASHINGTON REPORT

NATIONAL OCEAN
INDUSTRIES ASSOCIATION
2021 VIRTUAL ANNUAL MEETING

**WASHINGTON REPORT
MAY 2021**

THANK YOU TO THE NOIA ANNUAL MEETING SPONSORS:



HALLIBURTON

TALOS
ENERGY



danos
PRODUCING CONFIDENCE



KOSMOS
ENERGY.

McGriff

Ridgewood.

TechnipFMC

TOTAL



Washington Report Overview.....	3
Galen Cobb, 2020-21 NOIA Chairman.....	4
U.S. Senator Sheldon Whitehouse.....	5
Former U.S. Senator Claire McCaskill.....	6
Rep. Bruce Westerman.....	7
Reps. John Curtis & Lizzie Fletcher.....	8
Scott Gottlieb, M.D.....	9
Matthew Tejada, EPA.....	10
Jason Mathews, BSEE.....	11
Tom Harris, Louisiana Department of Natural Resources.....	12
Luke Clark, RenewableUK.....	13
2021 NOIA Safety in Seas Awards.....	14
Jeff Shellebarger, World Petroleum Congress....	15
NOIA Mission, Vision & Objective.....	16

WASHINGTON REPORT

Introduction

The NOIA Annual Meeting, held April 14-15, 2021, was once again a virtual forum, with this year's discussion centered on current challenges, the changing energy landscape, and the ramifications of the transition to a new administration in the White House.

The program included U.S. government representatives, industry experts, and a medical doctor, who provided useful insights into programs, policies, and a positive prognosis for the pandemic.





GALEN COBB

2020-21 NOIA CHAIRMAN

Galen Cobb, Halliburton Vice President of Industry Relations and NOIA 2020-2021 chairman, opened the meeting with some pointed comments about “the tremendous change and tremendous challenges” the industry weathered in 2020.

He pointed to the Covid pandemic and the “besieged” energy prices as two of the most serious of these challenges, noting that in the face of the pandemic, “a hyper focus on safety” characterized industry initiatives. Cobb credited industry-wide mitigation efforts with containing the spread of Covid-19 early in the pandemic and pointed specifically to proactive efforts by the Offshore Operators Committee that were particularly effective in developing and sharing best practices to prevent the spread of the virus in confined spaces offshore.

Galen said:

“This [OOC] initiative helped inject purpose and clarity into an incredibly uncertain time. The resilience of the industry should be applauded, and policy makers should take note of the benefits we are continuously creating for the nation.”

Despite depressed market conditions, the oil and gas industry continued delivering “energy, jobs, and investment while maintaining world-class environmental performance,” Cobb said. This focus on job creation and economic growth should provide incentive for policy makers to work with the offshore industry to continue on this path of success.

According to Cobb, as the offshore industry manages the changes that accompany the transition to a new administration and a new energy environment, it must continue its commitment to work with policy-makers, “regardless of party,” to forge a path forward.



SENATOR SHELDON WHITEHOUSE (D-DE)

An outspoken supporter of offshore wind energy, Democratic Sen. Sheldon Whitehouse of Rhode Island shared his views on offshore renewables as well as advice gained from representing the first state in the nation to develop an offshore wind farm.

Whitehouse said there is every reason to believe projects can be successful like the Block Island Wind Farm in his home state but cautioned offshore wind companies against moving too quickly and alienating local communities. Companies that come in “like gangbusters” will have difficulties, he said, explaining that a measured approach that engages what he called “conflicting users” of the water – including fisheries and groups who use the ocean for recreation – have a much greater chance of success.

It is important that the industry get this right, Whitehouse said, because “We’re in a race against time.”

As that race progresses, it will be important to fund development, and Whitehouse believes carbon pricing will be integral to the solution.

“I’m an ardent advocate of carbon pricing,” he said, noting that the best approach balances carbon reduction with carbon removal.

To date, Republicans have not been enthusiastic about climate policy, Whitehouse said, but it is imperative for Republicans to recognize that change is coming. “They’re in the doorway,” he said, “but not yet at the table.” This needs to change if the way forward is to be mapped out through “thoughtful conversation” and “calm deliberation,” rather than accomplished via a “disorderly crash when the carbon bubble bursts.”

Despite the lack of bipartisan support for expanded development of renewables, Whitehouse is optimistic.

“The sooner the parties begin working together, the better,” he said. “You’ve got to be at the table to manage through it.”



FORMER U.S. SENATOR CLAIRE MCCASKILL

Claire McCaskill, who served as a Democratic Senator for Missouri from 2007 to 2019, shared her take on the current state of democracy and what she believes is in store for the future.

“I think we’re at a very difficult time in our country,” McCaskill said, pointing to what she called “rabid polarization,” which has created a “toxic environment” that is compromising Congress’s ability to legislate.

“In my time in the Senate, there were more moderates with more willingness to work across the aisle,” McCaskill said, “but there is no question that I had a front-row seat to what I could call, ‘the death of the Senate.’ During my tenure, it wasn’t unusual to vote on 40 or 50 amendments a month. The year I left, we voted on 12.”

According to McCaskill, growing divisiveness is exacerbating the issue.

“We’ve always had show horses and workhorses in government,” she said. “The United States needs carefully crafted solutions that don’t introduce more problems.”

With the current divisions, it is possible that the workhorses will not be able to implement those solutions.

“We need to stop playing ‘red shirt vs blue shirt,’” she said, because the end result is gridlock. She pointed to the tax code as an example. Though some Democrats have been willing to work with business, the overwhelming sentiment among Republican voters is that this is a strictly partisan issue. Meanwhile, she said, “businesses are getting whiplash, and the door will keep swinging back and forth if we stay in this partisan mode.”

With polarization increasing the divide between right and left, the entire political landscape could be changing. “It won’t surprise me to see a viable third party somewhere in the middle,” McCaskill said.



REP. BRUCE WESTERMAN

(R-AR)

Republican Representative Bruce Westerman (Ark.) is the ranking member of the House Committee on Natural Resources. He also is a pragmatic engineer who believes in getting things done. When it comes to climate change, he said, “The engineer in me says, ‘How do we solve the problem?’”

Part of his solution is to take carbon out of the atmosphere, which was the thinking behind Westerman’s “Trillion Trees Act,” a plan to plant trees to increase photosynthesis. “It is a common-sense solution for taking better care of the forests,” he said. “We need to leave our resources in as good shape as we found them – or better – for the future.”

To achieve this goal, Westerman believes Republicans need to get more involved in the climate conversation. “We need to get conservatives back into conservation,” he said.

Westerman also talked about the massive infrastructure package that is being introduced by the Biden administration, describing it as an umbrella plan that addresses a range of initiatives that fall outside traditional infrastructure components like roads and bridges.

Regardless of how “infrastructure” is defined, he said, alternative energy projects will be included in the plan and will become a bigger part of the energy mix, but hydrocarbons continue to play a role.

The Congressman said, “Most people don’t know how many petroleum products go into making renewable infrastructure. They don’t know how much steel and concrete go into a windmill, but a large amount of high-energy materials go into building a windmill.”

Renewable energy is important, he said, but “there are carbon effects when building renewable energy sources.” As the country develops alternative fuel sources, like offshore wind, “it is important to look at the big picture and understand how things work together to arrive at practical solutions.”



REP. JOHN CURTIS (R-UT)

Comments shared by U.S. Rep John Curtis, (Utah), a Republican, and U.S. Rep Lizzie Fletcher (Texas), a Democrat, highlight the common ground between the parties on energy issues and climate change.

As a lover of nature, Curtis thinks engaging on climate issues is important but that too many Republicans are “embarrassed to talk about climate.” Unfortunately, he said, that puts them at a disadvantage. “Extremists on the right won’t acknowledge the problem, and extremists on the left are putting forward unrealistic solutions.”

This division impedes progress, he said. “We talk about climate in a way that implies we have to destroy business to pursue green solutions, but there is a place for fossil fuels. Fossil fuels can be part of the carbon reduction plan. It doesn’t have to be a zero-sum game.”

Curtis supports a “science-based approach” that creates a framework for bipartisan problem-solving.



REP. LIZZIE FLETCHER (D-TX)

Rep. Fletcher agrees. As a representative from Houston, she knows energy development underpins the economy. “There is little that could be more important in my district than energy,” she said.

Energy companies care about the environment and are working to reduce emissions, she said, noting that domestic energy production generates lower emissions than foreign production. “The energy we produce is safest for workers and the environment.”

Fletcher recognizes the need for renewables and believes the country needs to support innovation in green initiatives like offshore wind, but at the same time, “People really need to understand the complexity of our energy ecosystem.” Offshore wind, for example, has significant potential, but there needs to be a “tangible path forward” that allows established offshore support companies to have a role in offshore wind development.

Getting it right starts with science and the facts, she said. “We don’t have to choose between our energy and protecting the environment.”



SCOTT GOTTLIEB, M.D.

AMERICAN ENTERPRISE INSTITUTE

Scott Gottlieb, M.D., an expert on the COVID-19 pandemic, shared his insider's view of the pandemic along with the encouraging news that he is, "fairly optimistic about the near-term outlook."

While localized epidemics remain, he said, "The national picture is more optimistic and will continue to improve." Infection numbers are coming down, he said, and vaccinations will help to extend that trend.

Gottlieb anticipates a dramatic decline in April and May, but even if the United States does not get below 10,000 new cases per day, the infection rate is not the most significant indicator of how the country is dealing with the disease. It is more important, he said, to look at hospitalizations and the number of fatalities.

The key to managing the disease is to get vaccination rates up, he said, and the United States has made good progress.

Once herd immunity is achieved, the threat from Covid-19 will be diminished. "Covid infections soon will start to approximate the flu," he said, eventually becoming a seasonal disease. If that projection is correct, it is likely that people who are vulnerable will get boosters in the fall as they now do for the flu.

Gottlieb even expects travel from the United States to Europe to pick up in the summer, but he cautioned that global improvements are critical, explaining that as long as high infection exists elsewhere, new variants can be introduced to United States.

It is in the best interest of countries that have made significant progress to help other countries, he said. "The US should focus on Mexico because there's a direct connection with us. We should be thinking hard about how to do that."



MATTHEW TEJADA

U.S. ENVIRONMENTAL PROTECTION AGENCY

Matthew Tejada, director of the office of environmental justice within the United States Environmental Protection Agency talked to NOIA attendees about the role of companies in the quest for environmental justice.

Tejada traced the historical roots of injustice to government decisions that disproportionately affected people of color, low-income, and indigenous people and gave examples of multiple ways these segments of the population are still affected by discriminatory decisions.

Tejada explained that the words used in the conversation about environmental justice are important. “Equity” means giving everyone the same support. “Equality” assumes everyone benefits from the same support. But “justice” takes things a step farther. It means addressing inequities and removing systemic barriers. “Justice doesn’t just close the gap,” he said. It looks for the reason for the gap and corrects the causes.

For companies to be part of the solution, they have to have meaningful involvement in the communities where they work, Tejada explained. This means engaging communities, encouraging discourse, and considering local input in corporate decisions. In short, he said, it means giving impacted communities a place at the table.

“If we’re meaningfully involved and understand community needs and the residual impacts of historical decisions, we need to make decisions that help the entire community,” Tejada said. “It’s the only way to deliver justice.”

Practicing environmental justice can be physically, environmentally and emotionally tough,” he said, but “investment up front, putting the resources to it, will pay off in the long run.”

Environmental justice is everyone’s job, Tejada said, but companies cannot be expected to make the journey alone. “The office of environmental justice is here to help,” he said, noting that there is a fact sheet and public legal tools available as well as a support team to assist with implementing environmental justice initiatives.



JASON MATHEWS

BUREAU OF SAFETY & ENVIRONMENTAL ENFORCEMENT

Jason Mathews, Chief of the Office of Safety Management (OSM) for the Bureau of Safety and Environmental Enforcement (BSEE), opened his comments on behalf of the Office of Safety Management with an update on the ongoing search for survivors of an offshore incident in the Gulf of Mexico (GoM). This accident is evidence of the sobering fact that the industry, despite its best efforts, continues to experience worker fatalities, he said.

BSEE's role is to employ vigorous regulatory oversight and enforcement to improve safety, Mathews said, "but it takes every single one of us to make the commitment to make sure everyone who works offshore gets home safely."

Mathews presented data BSEE is using to identify HSE trends and target areas for improvement, explaining that the goal is to, "get in front of trends so industry and BSEE can improve rather than react." According to the data, the industry is making steady progress in reducing incidents and accidents, with a decrease in reported events from 2014 through 2020. Although there was an uptick in incidents reported in 2021, Mathews attributed the rise to more stringent policies rather than a change in the industry's attitude toward safety.

"One of the things we're trying to focus on in sharing this information is not looking at the number of incidents but looking for common causes (like hazards missed) to reduce the number of events," he said.

To provide a snapshot of the types of accidents reported over the last year, Mathews shared the details of several incidents that spotlighted areas of concern and offered advice about ways to improve behavior to improve worker safety.

"Everyone participating in this meeting wants the best for our industry," Mathews said, noting that communication and information-sharing can help companies do the right things. With that goal in mind, BSEE has been publishing safety alerts for the last four years, and Mathews encouraged companies that have not subscribed to do so.



TOM HARRIS

SECRETARY, LOUISIANA DEPARTMENT OF NATURAL RESOURCES

According to Tom Harris, Secretary of the Louisiana Department of Natural Resources, his state is actively working to influence federal decisions on offshore development, pushing back on the leasing moratorium and communicating with the Biden Administration to explain how important the offshore industry is to Louisiana. It is critical to make sure the focus is on the right things, like reducing emissions rather than production, he said.

In Harris' view, the problem with cutting domestic production is, "other countries are more than happy to make up missing supply to meet demand," which not only fails to reduce global carbon emissions, it has the potential to increase them because other parts of the world do not have the focus on emissions that US companies do.

Furthermore, cutting domestic production hurts working people like pipefitters, welders, support and supply companies, he said, and that has a "trickledown effect" in small communities.

"The entire economy in Louisiana is built on oil and gas," Harris said. "As this industry goes, so goes the economy."

Reliance on the offshore industry is one of the drivers for determining how local competencies can support offshore wind development, which will generate "the next wave of jobs," Harris said.

"Companies that have serviced offshore oil and gas in Louisiana for decades will be crucial in building up the offshore wind industry we are transitioning to," he said, noting that establishing a viable offshore wind industry will require, "leaning on a healthy economy of offshore oil and gas service and supply, including ports, highly specialized vessels, skilled mariners and an established supply chain."



LUKE CLARK

RENEWABLEUK

The report from Luke Clark, director of strategic communications for renewableUK, painted a positive picture for the sector, using UK successes to illustrate the impact renewable energy can have on the environment.

Clark explained how renewables displaced hydrocarbons in an electricity system built with coal as a primary fuel source. The sector made a remarkable transformation, he said, going from coal making up 40% of UK power generation in 2012 to 2% in 2020, a year in which the country achieved a record 67 coal-free days for power production.

One of the biggest sources of renewable energy is offshore wind, Clark said. Beginning with its first large-scale wind farms in 2007, the UK has become the world leader in offshore wind technology, a role he expects to be maintained through the end of this decade.

Progress was made possible by resolving the renewables “trilemma,” Clark explained: dealing with the high cost of early projects, building effective installations, and delivering industrial benefits. Success was built on technology innovation and a unique partnership between industry and the UK government, which produced “longer-term certainty and the confidence necessary to unlock investment and create more jobs,” he said.

According to Clark, this partnership will enable the sector to produce 50 GW of generation capacity in 2050 (enough to produce half the country’s electricity) and allow for £5.2 billion per year in exports. During the same timeframe, skilled jobs are expected to rise from 11,000 to 39,000.

“There is a huge amount of scope for collaboration and transfer of skilled workers from oil and gas to renewables,” Clark said, noting that offshore wind is now a global market. “The renewables-led transition will be remarkable over the next 20 years.”



NOIA 2021

SAFETY IN SEAS AWARDS

Rick Martin, vice president of Compass Publications Inc. recognized NOIA's safety leaders with the Safety in Seas awards presented on behalf of his company and Sea Technology magazine. Award winners were chosen by an independent selection board made of up five safety experts from the BSEE, the National Academy of Science, the United States Coast Guard and independent offshore safety consultants.

The Culture of Safety Award went to Gate Energy for deploying an integrated management system compliant with ISO 4501 2018, the first company in United States to achieve this certification, and for supporting safety development, training, and mentoring through a program that is tailored to the needs of each employee.

The Safety Practice Award went to TechnipFMC for the Gemini ROV system, which was deployed in deepwater in August 2020. The Gemini ROV can carry out monthly rather than daily dives and can change tools subsea instead of on deck, delivering 80-90% reduction in HSE exposure time.

This year, Martin presented an additional safety award for work done to curtail the proliferation of Covid-19. "This past year has placed unprecedented pressure on the world and how energy is produced offshore," Martin said, but throughout the pandemic, safety was maintained in the GoM thanks to industry-wide cooperation that enabled best practices on mitigation measures that were developed and shared with companies and regulators to prevent the spread of Covid in confined spaces offshore.

The Offshore Operators Committee and the Covid 19 Work Group were recognized for outstanding leadership for creating and sharing a platform to respond to the pandemic, establishing a common coding system, and developing an industry management systems document that was adopted as a reference document by CDC.

"Safety is a cornerstone of the offshore energy industry," Martin said, "and this separate recognition is well deserved."



JEFF SHELEBARGER

WORLD PETROLEUM CONGRESS

The 23rd World Petroleum Congress will be an in-person event according to Organizing Committee Chair Jeff Shellebarger, bringing together key energy industry leaders and ministers from around the world to discuss innovative energy solutions with a theme of “Shaping the Future of Energy.” The event is scheduled to take place at the George R. Brown Convention Center in Houston December 5-9, 2021.

According to Shellebarger, this year’s Congress is particularly important because of the lockdowns and travel restrictions that have made in-person events impossible for the past 12 months. Coming together for this conference will help the energy sector find, “overall global alignment on issues,” at a time when the industry needs effective conversation more than ever, he said.

Shellebarger encouraged attendees to travel to Houston for the exhibition and conference, but noted that if traveling is difficult, there is no need to miss the event because “virtual attendance” can be arranged for those who want to participate remotely.

With a recovering market that has undergone huge price fluctuations and supply/demand challenges precipitated by the pandemic, “There is more than normal on our plates today,” he said. “Dialogue is critical” if the industry hopes to find solutions for the sustainable management of global petroleum resources.

The conference program will facilitate discussion on a range of subjects, with sessions on energy markets, the midstream sector, managing the digital evolution, integrating technology from other industries – such as medical and space – and attracting talent.

Shellebarger encouraged NOIA members to view free webinars in advance of the Congress to get a preview of the subjects that will be part of the live event at the end of the year.

ABOUT NOIA

MISSION

NOIA represents and advances a dynamic and growing offshore energy industry, providing solutions that support communities and protect our workers, the public and our environment.

VISION

NOIA is the sought-after and credible voice, advocate and forum for uniting and advancing the interests of the offshore energy industry, recognized for promoting solutions that provide the energy vital for lifting society in a safe and environmentally sustainable way.

THE OFFSHORE STORY

- We lift society by producing the energy that is essential for a high quality of life, helping to reduce poverty and hunger and improving health and well-being.
- The offshore will help drive future energy production, providing oil, natural gas and wind energy for a growing U.S. and global population that will continue to rely on offshore energy resources for decades to come.
- We support hundreds of thousands of high-paying jobs across the country.
- We support and fund educational opportunities and institutions.
- We are the Innovators, focusing on Environmental, Social & Governance (ESG) and advancing technologies to solve the greatest energy challenges, including expectations for reduced emissions.
- From our experience, offshore safety has been enhanced through improved technologies, best practices, and safety systems.
- We continuously improve the safety and environmental performance of our operations so that our workers and communities are protected and that our environmental footprint continues to decrease.
- The offshore energy industry operates pursuant to robust regulation and enforcement.
- We promote and enhance U.S. national security by producing oil and natural gas here at home, decreasing our reliance on foreign energy sources.
- Our energy production provides tremendous revenues for federal, state, and local governments, and for the Land and Water Conservation Fund.
- Offshore oil and gas and wind projects require massive investments and produce energy for long periods of time, resulting in substantial benefits for the American public in the form of high-paying jobs, government revenues, reliable and stable energy supplies, and energy and national security.



NOIA represents and advances a dynamic and growing offshore energy industry, providing solutions that support communities and protect our workers, the public and the environment.

WWW.NOIA.ORG



@OCEANINDUSTRIES