



Testimony

Of

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for the

Subcommittee on Energy

of the

Committee on Energy and Commerce

hearing on

**“Offshore Wind, Onshore Benefits: Growing the Domestic
Wind Energy Industry”**

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Good morning, Chairman Rush, Ranking Member Upton, and members of the subcommittee. Thank you for the invitation to testify today. My name is Jim Strong, and I am here on behalf of the United Steelworkers union (USW).

First, I want to share a little about my background. I currently serve as the Assistant to the Director of USW District 8, which covers Maryland, Virginia, West Virginia, and Kentucky. I began my career at National Wire Products where I became active in my local union, USW Local 5861. In 1998, I became a Staff Representative for the United Steelworkers, and was eventually promoted to my current position. I live in Baltimore, MD and have been advocating for the growth of offshore wind in Maryland on behalf of our union for many years.

Our union is the largest industrial union in North America, representing workers in steel, aluminum, and other metals; paper; rubber; glass; cement; energy; industrial; and service jobs. Our union has been a leader in the labor movement on climate change for more than 40 years. Innovation in the clean energy economy – including offshore wind – presents tremendous opportunity for the global environment and for workers in manufacturing.

In my testimony today, I want to make three major points:

1. Most of the potential for job growth from offshore wind is in the manufacturing supply chain. We need supply and demand policy signals from the Administration and from Congress to ensure that the offshore wind industry sources from domestic manufacturers across the country.
2. Manufacturing for offshore wind can significantly benefit deindustrialized communities and, in partnership with unions, can bring high quality jobs back to communities that need them.
3. Partnerships will be critical to ensuring that workers have the right training.

Growing the U.S. supply chain for offshore wind will create jobs across the country

USW appreciates the Biden Administration's goal of achieving 30 Gigawatts (GW) of offshore wind by 2030. We share the Administration's aim to ensure that the United States is building the entire offshore wind supply chain, not just the end-stage installation and operations of offshore wind projects.

The deployment of 30 GW of offshore wind capacity will require massive production and purchase of a wide array of products necessary for the construction of these projects, including wind turbine nacelles, blades, towers, foundations, and subsea cables, and trigger more than \$12 billion per year in capital investment.¹ The

¹ The White House, "FACT SHEET: Biden Administration Jumpstarts Offshore Wind Energy Projects to Create Jobs" (March 29, 2021).

manufacture of all of these products will create huge demand for raw and intermediate products, as well as finished goods. In order to meet the climate goals that underpin the transition to a clean energy economy, it is imperative that the manufactured products necessary to build offshore wind installations are produced in the U.S. The certainty that the Administration is providing will ensure that both the offshore wind industry and the manufacturing sector can invest and grow in the United States.

In analysis from 2017, the difference between modest domestic content and high domestic content was a near doubling of the jobs estimate – from 43,000 to 85,000.² And it follows that these jobs will not be isolated on the coast. For example:

- Steel plate is made in the United States in Indiana, Pennsylvania, and Kentucky;
- The Jones Act compliant vessel commissioned by Dominion is being built in Texas with steel from Alabama and West Virginia;³ and
- Existing American technology from the offshore oil and gas industry, such as the manufacture of jacket foundations in the Gulf Coast states, has potential for offshore wind as well.

A good example of how the growth of the offshore wind industry can drive manufacturing across the country is by looking at the already-existing industries to supply onshore wind projects. U.S. manufacturers already supply a great deal of the products necessary for onshore wind, and capacity and production have grown significantly over the past several years. Currently, more than 500 manufacturing facilities in more than 40 states supply onshore wind components like blades, towers, and many others. While the products necessary for offshore wind are somewhat different, there is no reason to believe that U.S. producers cannot meet this demand as well, if they have the necessary demand and supply-side policy drivers.

However, in order for this new industry to thrive, create jobs, and expand production into new product lines and facilities, developers and OEMs must make long-term commitments to domestic sourcing and to building out supply chains. Manufacturers can make investments, including by taking advantage of federal programs like loans and tax credits, but all the incentives and tax credits in the world will not make a difference, and manufacturers will not take advantage of them and build production if they cannot be confident they will have customers for these products.

Building out the U.S. supply chain is also a measure to ensure energy security. The expected massive growth of offshore wind energy will likely mean that existing suppliers in Europe will not be able to meet the demand for both Europe, the United

² American Wind Energy Association (AWEA), U.S. Wind Industry Annual Market Report 2017.

³ <https://news.dominionenergy.com/2020-12-16-Dominion-Energy-Continues-Development-of-First-Jones-Act-Compliant-Offshore-Wind-Turbine-Installation-Vessel>

States, and other customers around the world. Domestic content requirements for these projects will grow the U.S. supply chain and disrupt existing supplier relationships in Europe.

Congress, the Administration, and the states will need to align policies to make sure our supply chain is expanded. Domestic content requirements are an important base policy to ensure the growth of the supply chain. However, we will also need to ensure that new and existing manufacturers have access to grants, loans, and financial incentives to make the necessary components and materials.

Manufacturing for offshore wind can benefit communities

The loss of manufacturing jobs in this country have a complex set of reasons, including globalization and trade policy that have allowed significant imports. Similarly, there are many ways to bring manufacturing employment back, including the offshore wind industry. This new industry is poised for economic and political success if it grows significant numbers of high-quality jobs in partnership with unions. One potential success story is nearby in Baltimore, where I live.

Baltimore and its inner suburbs were once home to the vast manufacturing facilities operated by Bethlehem Steel, General Motors, and Martin Marietta, and more. About a third of the labor force in Baltimore in 1970 was employed in manufacturing, and by 2000, only 7 percent of city residents had manufacturing jobs.⁴ This has left Baltimore residents, particularly in communities of color, with access to only relatively low-paying service sector jobs.

Bethlehem Steel at Sparrows Point was an important part of our nation's history where the steel that helped fight World War II and build the Golden Gate Bridge was made. The site once employed tens of thousands of workers, and dwindled down to just several hundred before the steel mill eventually closed about a decade ago. Sparrows Point has always been hallowed ground for me and my fellow Steelworkers.

Our union was proud to announce an agreement with offshore wind developer US Wind last summer in Maryland.⁵ US Wind intends to open a new facility on the site of the old steel mill called Sparrows Point Steel that will manufacture monopile foundations, first for its own offshore projects and later for other customers.

The company anticipates that there will be 500 permanent manufacturing jobs at the facility, once again bringing people onto that sacred site to work with steel. US Wind has announced that it will support workers' rights to unionize and collectively

⁴ https://www.washingtonpost.com/opinions/the-economic-roots-of-baltimores-anguish/2015/04/29/91a4415c-eea2-11e4-a55f-38924fca94f9_story.html

⁵ <https://www.usw.org/news/media-center/releases/2021/usw-us-wind-announce-partnership-to-transform-historic-sparrows-point-site>

bargain. Through the agreement, our union will work with the company to recruit and train local workers, ensuring that the surrounding community shares in the benefits of this investment.

Partnerships can ensure workers have the right training

In many ways, the new jobs that will be created in the offshore wind industry and its supply chain require new skills. However, the majority of skills are common place in manufacturing and construction. When I was younger, I went to vocational school in the Baltimore area, as did most of my peers. There were good, union manufacturing jobs in our community at the time where we could apply the skills we learned in school.

The landscape for workforce training has changed significantly in the last few decades. Far fewer students attend vocational schools. Employers also invest much less in training. Between 1996 and 2008, the share of workers receiving employer-sponsored training fell by more than 40 percent, according to the White House Council for Economic Advisors in 2015.⁶

The ideal modern workforce training partnerships are those under collective bargaining agreements, which the offshore wind industry and manufacturers in its supply chain could look to as a model. These agreements are site-specific and tailor to the needs of the employer, the workforce, and the community. Some of these programs take advantage of partnerships with community colleges, and some utilize state funding for workforce training, but not all.

Most importantly in this workforce training discussion, policymakers must not create barriers to entry by mandating that all workers in this new industry go through specified registered apprenticeship or pre-apprenticeship programs.

Policymakers should help ensure that public investments in workforce training feed trainees into employment, rather than training workers for jobs that do not exist. A partnership under a collective bargaining agreement can prevent that situation. For example, in the paper sector, our union has negotiated a training program for welders in paper mills that operates similarly to a journeyman program. Existing employees are trained for the number of welding positions that an employer has available, as specified in the agreement.

Our union looks forward to working with this subcommittee and the House Education and Labor Committee to ensure that the potential workforce for the offshore wind industry and its supply chain is properly trained and prepared to enter high quality, union jobs in this new industry.

⁶ <https://www.americanprogress.org/issues/economy/reports/2018/02/22/447115/better-training-better-jobs/>

Conclusion

Offshore wind development in the United States has the potential to demonstrate vast economic and environmental benefits across the United States. However, that will only occur if the industry is developed responsibly. Policymakers can help ensure that the supply chain is developed, that economic benefits from the industry reach communities across the country, and that the workforce is trained.

Thank you again for the opportunity to testify.