

Testimony before the House Committee on Natural Resources  
Subcommittee on Energy and Mineral Resources  
Legislative Hearing on H.R. 2360, H.R. 2752 and H.R. 2803  
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on Behalf of Derecktor Shipyards  
and the Shipbuilders Council of America

I want to thank Chairman Lamborn, Ranking Member Holt, Congressman Landry and all the members of the subcommittee for the opportunity to offer testimony about H.R. 2360, the Providing for Our Workforce and Energy Resources Act, or the POWER Act.

My name is Gavin Higgins, and I am the Vice President of Business Development at Derecktor Shipyards, with facilities in Connecticut, New York and Florida, recently employing over 400 tradesmen and engineers. Founded in 1947 in Mamaroneck, NY by Robert E. Derecktor, the company quickly developed a reputation for outstanding quality in high performance sail and power vessel. Over the 64 years of operation Derecktor Shipyards has built over 300 vessels ranging from nine 270 foot U.S. Coast Guard Cutters to Stars and Stripes, the last aluminum boat to win the America's cup. During my 24 years with Derecktor we have constructed over 50 vessels of all types serving the passenger service, offshore oil and gas support, and yachts. These vessels include the fastest passenger ferry in the world, the largest operating high speed passenger/vehicles ferries in the country and the largest yacht built in the United States. Derecktor Shipyards has become the United States' foremost leader in aluminum boat production, and a worldwide leader in yacht and commercial construction, service, repair and refit.

I am also here as a member of the Shipbuilders Council of America, the trade association representing U.S. shipbuilders, ship repairers and shipyard suppliers. In all, U.S. shipyards directly employ over 90,000 Americans that build our fleet of commercial and government vessels.

H.R. 2360 amends the Outer Continental Shelf Lands Act to clarify that the Constitution, laws, and jurisdiction of the United States extends to offshore renewable energy installations and devices. Congressman Landry's POWER Act will ensure that the same American ingenuity and expertise that is responsible for our domestic offshore oil and natural gas

production is afforded the same opportunity for the emerging offshore renewable energy market. The POWER Act will ensure offshore renewable operations are subject to U.S. safety and environmental standards, provide a much needed lifeline to the U.S. maritime industry and ailing manufacturing base, and most importantly create American jobs at a time when we need them the most.

The United States is on the brink of realizing its enormous domestic offshore energy potential. Last year, the Department of Energy's National Renewable Energy Laboratory, which comprehensively analyzes the key factors impacting the development of offshore wind power in the United States, released a report titled, "Large-Scale Offshore Wind Power in the United States: Assessment of Opportunities and Barriers." The report includes a detailed assessment of the nation's offshore wind resources and offshore wind industry, including future job growth potential.

In the report, Secretary Chu emphasizes that "Clean, renewable energy development that capitalizes on the nation's vast offshore wind and water resources holds great promise for our clean energy future and our economy." Congressman Landry's POWER Act is fundamental to ensure that the benefits from this future market are reaped by American workers, and done so in compliance with U.S. law.

The Department of Energy report also finds that harnessing even a fraction of the nation's potential offshore wind resource, estimated to be more than 4,000 gigawatts, could create thousands of jobs and help revitalize America's manufacturing sector, reduce greenhouse gas emissions, diversify U.S. energy supplies, and provide cost-competitive electricity to key coastal regions.

The opportunity for the United States to benefit from offshore wind production is substantial. For example, last week the Offshore Wind Association of Ireland announced that wind farms off just the east coast of Ireland can create up to 50,000 jobs in the next 15 years. This announcement came at the heels of a commitment to invest in the production of 20 gigawatts of offshore wind energy generation planned for waters in the Irish Sea. By comparison, 20 gigawatts is just .5% of the 4,000 gigawatts potential the Department of Energy found in the United States. Imagine the potential for job growth and economic contributions for the U.S. manufacturing and maritime industries.

The good news is, the United States is not far off. By 2013 the Cape Wind project in Massachusetts is scheduled to begin production with a

proposed 130 turbines rated to produce up to 438 megawatts. Several projects are underway along the eastern seaboard in Rhode Island, New Jersey, Delaware, Maryland and Virginia; and last year Google announced a major investment to build the “Atlantic Wind Connection backbone,” which could eventually facilitate up to 6,000 megawatts of offshore wind power. In addition, project interest in the Great Lakes and Gulf of Mexico is mounting. There is clearly a national focus to realize America's wind potential, and Americans stand willing and able to capitalize on this emerging market.

At Derecktor we have seen the development of the Offshore Wind Industry as a new frontier to revitalize the ailing Marine Industry. We have invested in supporting a number of installation proposals on the Great Lakes and off New Jersey and New England with engineering, scheduling and cost projections for foundations, installation equipment and maintenance vessels. To help accelerate the learning curve and shorten the time to market when the American market opens up, we are bidding on proposals for a number of different wind farm installation/maintenance companies in Europe. The lessons learned from this experience will additionally strengthen the development of the wind farm industry in the United States.

Companies like Derecktor are preparing for this emerging market throughout the United States. These businesses contribute thousands of highly skilled jobs, high paying wages, and are often the economic driver in the communities where they are located. Congressman Landry's POWER Act will ensure American small businesses are able to capitalize on this new market.

The United States has benefitted greatly from having U.S. law apply to our domestic offshore oil and natural gas operations. The objective of the POWER Act is simple, to clarify this same standard for the development of our offshore renewable energy. Doing so will strengthen America by ensuring high safety, environmental and tax compliance standards, and potentially creating hundreds of thousands of American jobs over the next 15 years.

Thank you for this opportunity to testify and I look forward to answering any questions you may have.