

O'Malley's proposed wind farms may be key to boosting maritime workforce

With no offshore wind farms yet built off U.S. coastlines, Gov. Martin O'Malley has proposed the Maryland Offshore Wind Energy Act of 2012 as an investment in renewable energy and a vehicle for statewide job creation.



**GUEST
NOTEBOOK**

**ROBERT B.
HOPKINS**

The legislation allows for the installation of a wind farm at least 10 miles off the coast of Ocean City with a capacity of 450 megawatts, which translates into enough clean power to meet approximately half of the electricity needs of Baltimore City. This will demand a robust and competent workforce. Both Maryland maritime workers and foreign maritime workers would likely benefit.

Maryland understandably wants to avoid the situation that occurred in England with installation of the Thanet Wind Farm, which received criticism for its lack of job creation there. To avoid a similar experience, O'Malley's bill requires a developer to demonstrate that a wind farm will pass a "net benefits test," meaning that the project will create jobs.

Some have also argued that a federal statute known as the Jones Act would prohibit foreign-flagged vessels from any involvement in U.S. wind farms. Such an argument is not entirely accurate. The Jones Act indeed protects American maritime jobs and requires that only U.S.-flagged vessels transport merchandise between points within 3 miles of the U.S. coastline (also extended 200 miles in certain scenarios).

However, U.S. Customs and Border Protection, the federal agency that enforces the Jones Act, has ruled that in certain situations the statute does not apply to the installation of wind turbines by large-scale vessels known as jack-up

lift vessels. Additional debate questions whether the Jones Act applies to maintenance and repair of wind farms over 3 miles offshore. In fact, a bill clarifying that the Jones Act would apply in this maintenance and repair scenario has recently passed the U.S. House of Representatives and is now awaiting a vote in the U.S. Senate.

On a practical level, a further complication is the dearth of U.S.-flagged jack-up lift vessels capable of undertaking the heavy work involved in installation. Additionally, with a boom in offshore wind farm construction in Europe and China, many foreign-flagged jack-up lift vessels are booked for the next several years.

As a result, it is likely that large foreign-flagged vessels would play a significant role in initial installation and that smaller U.S.-flagged vessels would assist in installation and possibly take the lead in most maintenance and repair work. However, with many large-scale foreign-flagged vessels already detailed, the U.S. has an economic opportunity to construct these large U.S.-flagged vessels or look to convert other large U.S.-flagged vessels to undertake much of the heavy installation work.

Should Maryland lawmakers approve offshore wind farms, Marylanders will have access to a new source of clean, renewable energy. With Maryland having an established maritime workforce, a maritime job training facility in Piney Point and the legislation's "net benefits test," an offshore wind farm should create Maryland maritime jobs, as well as foreign maritime jobs.

The legislature's favorable action could be a critical first step, albeit long-term, in making Maryland a leader in offshore wind energy development.

ROBERT B. HOPKINS, a partner in the Baltimore office of Duane Morris LLP who has practiced maritime law for more than 20 years, can be reached at rbhopkins@duanemorris.com.