



JOHN GARAMENDI
UNITED STATES CONGRESS

June 12, 2024

California State Lands Commission
100 Howe Avenue, Suite 100 South
Sacramento, CA 95825

Dear Commissioners Kounalakis, Cohen, and Stephenshaw:

I write urging the State Lands Commission to maximize American and local jobs in California's offshore wind industry by making your permitting for projects including those in federal waters contingent upon concessions from the energy developers. As an ex officio State Lands Commissioner when I served as Lieutenant Governor, I know that the Commission can exercise this discretion in your permitting for offshore energy projects.

In October 2023, the Legislature and the Governor enacted Senate Bill 286, cementing the State Lands Commission's role as the lead agency for state environmental review and permitting for offshore wind projects including those in federal waters. I strongly support this new state law, which provides the State Lands Commission with the opportunity and to require that offshore wind developers further the public interest beyond just producing renewable energy.

Specifically, I urge the Commission to withhold permitting for offshore wind projects that do not meeting the following high standards beyond what is currently required under federal and state law:

- **Require offshore energy developers to enter into project labor agreements that include all relevant unions: the building trades and the maritime unions.**

In February 2022, President Biden issued Executive Order 14063 requiring project labor agreements for federal and federally assisted large-scale construction projects. Offshore wind projects in federal waters benefitting from federal tax credits are undoubtedly federally assisted projects. Moreover, the federal Bureau of Ocean Energy Management included a requirement in all five offshore wind leases for California that lessees "...must make every reasonable effort to enter a Project Labor Agreement(s) (PLA) that covers the construction stage of any project proposed for the leased area, and that applies to all contractors." I respectfully request that the State Lands Commission hold developers to the letter and spirit of these federal lease terms by employing a strict interpretation of "every reasonable effort" for projects in federal waters. Likewise, the Commission should maintain similar requirements for any future offshore energy projects in state waters.

In November 2022, the developers for the proposed CADEMO project in state waters off Vandenburg Space Force Base entered voluntarily into a project labor agreement with the State Building and Construction Trades Council of California. While I wholeheartedly support project labor agreements, I was displeased that this agreement did not include maritime unions or mariner jobs. As the State Lands Commission finalizes the joint environmental impact report/statement with the U.S. Air Force for this 60-megawatt demonstration project, I urge you to correct this oversight to avoid setting a bad precedent for offshore wind projects in federal waters off California's coast.

If the State Lands Commission does not require that maritime unions be included in project labor agreements, then much of the valuable at-sea work such as pre-construction, turbine installation, and deconstruction will not be done by American workers. Instead, this highly valuable work will undoubtedly be done by foreign mariners, who lack meaningful labor or minimum wage protections.

- **Require offshore energy developers to charter only *Jones Act*-compliant vessels for all stages of construction, operations and maintenance, and deconstruction.**

In January 2021, Congress enacted my amendment closing a loophole in the *Outer Continental Shelf Lands Act of 1953* by applying all federal labor, environmental, immigration and customs, and antitrust regulations to the offshore renewable energy industry. My 2021 amendment also applied the *Jones Act*, which requires that all transportation of people or cargo in U.S. waters—including the Outer Continental Shelf—be on domestically built vessels crewed by American mariners, to the offshore wind industry. These same federal requirements have always applied to the offshore oil and gas industries.

Offshore wind developers with projects along the Eastern Seaboard have ignored the clear intent of the *Jones Act*, meaning that hundreds of millions of dollars of valuable offshore installation work is going to foreign mariners often paid poverty wages. The wind developers may argue that California offshore projects will employ a floating platform and, therefore, the *Jones Act* should not apply. Do not buy this specious argument.

First, all federal leasing areas for offshore wind projects are within the legally defined area of the Outer Continental Shelf, and any floating platforms for wind turbines will surely be connected to the seafloor by anchors and cables. I urge the Commission to reject this continuing effort by the wind industry to circumvent the *Jones Act*, ensuring that offshore projects are built by Americans on American-built vessels instead of foreign vessels and crews. Anything affixed to the seafloor on the Outer Continental Shelf is a coastwise point, thereby triggering the *Jones Act*.

In Congress, I have advanced bipartisan legislation to close loopholes to the *Jones Act* and similar federal laws, which the offshore oil and gas industries have exploited for decades to undercut American workers. In the meantime, I implore the State Lands Commission to require that offshore wind developers hire only *Jones Act*-compliant

vessels, as a condition of your *California Environmental Quality Act* (CEQA) review and permitting.

- **Reward offshore wind projects that utilize domestically manufactured wind turbines and components, ideally made in California.**

While the *Inflation Reduction Act of 2022* (Public Law 117-169) created “bonus” tax credits for renewable energy projects that choose domestically manufactured wind turbine components, federal law does not require developers to only use American-made turbines. The State Lands Commission can and should further incent wind developers to support domestic manufacturing jobs, ideally in California.

Specifically, I urge the Commission to provide more generous permitting terms and expedited CEQA reviews for offshore wind projects that plan to use ports and existing industrial sites in California to manufacture the floats, turbines, and other components. California’s ports have the capacity to do much more than simply provide the staging and integration (S&I) for offshore wind projects, as currently planned by the developers.

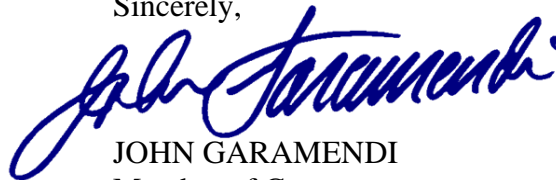
To be clear, I strongly support the responsible development of California’s burgeoning offshore wind industry to meet our state’s electricity needs and tackle the climate crisis by reducing greenhouse gas emissions. Like President Biden, I also believe that building the clean energy economy of tomorrow presents a once-in-a-generation opportunity to revitalize domestic manufacturing and create middle-class, union jobs that can never be outsourced. Skilled American workers are ready, willing, and able to do the job, if given the chance.

The United States is an outlier globally in even allowing foreign workers or vessels flying foreign “flags of convenience” to operate in our offshore energy industry: Russia, China, Brazil, and even Norway all require that offshore energy developers only hire their respective citizens to work in offshore energy.

As a former State Lands Commissioner, I call on you to maximize job opportunities for Californians and American workers when permitting offshore wind projects. Being the lead state agency for CEQA is a monumental task, and I am pleased that responsibility has been placed in the State Lands Commission’s capable hands. Again, I urge you to apply all three of these criteria when determining whether an offshore wind project is in the best interest of Californians.

Thank you for your consideration. I look forward to your response.

Sincerely,



JOHN GARAMENDI
Member of Congress

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