STATEMENT OF BEN BILLINGS OFFSHORE MARINE SERVICE ASSOCIATION

Quadrennial Energy Review Stakeholder Meeting #3 Petroleum Transmission, Storage, and Distribution Issues New Orleans, LA

May 27, 2014

Introduction

My name is Ben Billings, and I serve as President and CEO of the Offshore Marine Service Association. OMSA represents the maritime support side of the offshore oil and gas sector. Our approximately 250 member companies include vessel owners and operators, shipyards, equipment manufacturers, and professional firms servicing the offshore oil and gas industry in the Gulf of Mexico and around the world. On behalf of the 1,200 vessels and 12,000 employees that OMSA represents, thank you for the opportunity to share our thoughts on the state of the domestic energy industry and prospects for additional growth and job creation.

The Role of Maritime in Energy Supply

Hydraulic fracturing has dramatically boosted energy production onshore in the U.S. However, onefifth of America's domestic energy is produced *offshore*. Getting that product to market requires thousands of highly specialized vessels and crewmembers who are trained to safely operate them. These vessels conduct seismic research, drill test wells, lay pipe, transport, install, and decommission production platforms, provide dive and ROV support, and continuously supply offshore facilities with food, water, personnel, fuel, equipment, tools, drilling mud, and various other goods and services. Just as offshore drilling began in Louisiana, so did offshore supply, and Louisiana now has more maritime jobs than any other state in the union and ranks third nationally in shipbuilding jobs.

In addition to fossil fuels, the Department of Interior has overseen the leasing of large lease blocks in the Atlantic for offshore wind development as well. New offshore wind infrastructure off the coasts of Massachusetts, Rhode Island, Delaware, Maryland, and Virginia will require additional vessels and crewmembers to support renewable energy development in the Atlantic. As you evaluate the infrastructure needed to support energy production in America, please bear in mind the fleet of offshore workboats and the mariners who crew them, as they are a vital part of the energy supply chain in this country.

Energy Jobs in Louisiana

According to the Grow Louisiana Coalition, one of every six jobs in Louisiana relies directly on the oil and gas industry, and the state is the number one producer of crude oil and number three producer of natural gas in America. The energy industry is creating thousands of good paying jobs with opportunities for career advancement. If you drive about an hour south of New Orleans, you begin to see billboards every 500 yards that say "now hiring," and some even appeal to people to pull over and apply for a job. The unemployment rate in Lafourche and Terrebonne Parishes is lower than anywhere else in the country because of the opportunities that the energy industry provides for families in Louisiana and throughout the Gulf region.

Workforce Development Initiatives

In order to meet the energy needs of the nation, we must address the workforce needs of the domestic maritime industry engaged in oil and gas support. Part of that challenge is to prepare the next generation of managers to oversee safety, operations, training, and regulatory compliance in the industry. To that end, several of OMSA's member companies partnered with Nicholls State University in Thibodeaux, Louisiana to establish a concentration in Maritime Management within the undergraduate College of Business and provide internships to students in the program so they can satisfy their degree requirements and begin a career in the maritime industry. Specialized state funding and the endowed professorships and internships provided by industry make this a model collaboration between government, academia, and the private sector to educate leaders in maritime management and create a one-of-a-kind degree curriculum that is quickly beginning to attract students from other areas of the country to Louisiana.

The domestic maritime industry is also targeting veterans to address its workforce needs. Through the Transportation Institute's Military to Mariners initiative, maritime employers are hosting a job fair for veterans in Jacksonville, Florida on June 4th after hosting a similar event in Puerto Rico last year, and industry is also working with Congress and the Coast Guard to make it easier for military vets to receive credit for their time at sea aboard military vessels as part of their qualification for merchant mariner credentials to serve aboard commercial vessels after they leave the service.

The South Central Industrial Association (SCIA) has taken a leadership role through its Work It! Louisiana program to interest high school students and young adults in technical careers and connect them to training opportunities and employers. Work It! Louisiana is a creative marketing and awareness plan addressing current employment needs in the bayou region. The long-term goal is to continually provide information to the student population on job opportunities, education and training requirements, and salary expectations. It is designed to encourage the student to value and take pride in any chosen career path. The program includes classroom posters, classroom career videos, career day events at schools with businesses, career link events (connecting junior and high schools with technical colleges and local businesses), and business generated speaker's bureau. The concept is to "grow our own workforce" while bringing nobility back to our industrial based careers and integrity back to the student.

In addition to these proactive measures to boost workforce development, there is also concern within the maritime industry that the international and federal requirements for mariners to become credentialed are growing more difficult, expensive, and time consuming. As the marine industry seeks to replenish and grow its ranks so it can service offshore rigs and supply energy to the marketplace, we must be cautious about erecting barriers to entry that deter qualified applicants to work offshore or make it prohibitive for small businesses to hire and retain good people.

Closing

These are just a few examples of initiatives happening in Louisiana and throughout the Gulf region within the maritime sector to meet the workforce needs of this vibrant and growing support base for the nation's energy industry. Thank you again for the opportunity to contribute to today's discussion.