



Testimony to The U.S. House of Representatives Natural Resources Committee
Subcommittee on Energy and Mineral Resources
by Teaera Strum Chief Operating Officer of Strum Contracting Company Inc.
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Chairman Lowenthal, and Members of the Subcommittee, it is my humble honor to appear before you today to discuss the importance of addressing the need for small businesses entering into the offshore wind supply chain. My name is Teaera Strum and I am the Chief Operating Officer of Strum Contracting Company Inc. A small minority-owned, women lead full services welding and fabrication firm that has been servicing the Mid-Atlantic states since 1987. Our focus lies with infrastructure projects for the heavy civil construction industry. We have worked on projects ranging from bridge to pipelines and most recently the Inner Berth Port Enhancement project at Trade Point Atlantic Marine Terminal, in Baltimore, MD. This project was in conjunction with Trade Point Atlantic and Orsted to support the offshore wind industry.

The offshore wind port enhancement project has helped companies like mine optimize our opportunities to grow and provide well-paying jobs to those within our local community. This project specifically has helped Strum Co. grow in size and annual revenue. More specifically it has allowed our company to create additional full-time equivalent employment (FTE) positions which all of those positions have been sustained throughout the COVID-19 pandemic. Of those positions created, Strum Co. filled 80% of those positions with graduates from a local partnering workforce development organization Jane Addams Resource Corporation (JARC), a Baltimore City base nonprofit. To date, 100% of those positions have been retained and maintained within our firm.

However, to obtain the goals of employing thousands of workers to achieve 30 gigawatts (30,000 megawatts) of offshore wind by 2030, there must be a strong focus on the supply chain and preparing small businesses to enter into this new emerging market. To create and make the impact needed to put American's back to work, it is imperative that small businesses are a part of the conversation. In addition to the Offshore Wind Jobs and Opportunity Act, there must be something done to address small businesses entering into the supply chain. If businesses are not prepared and equipped to meet the minimal qualifications for a prime contractor this will lessen the opportunities for small businesses to aid in the creation of well-paying jobs.

As an example, small, women, or minority owned construction businesses can enter into the supply chain using current transferrable skillsets for "pre" construction projects such as port enhancements. However, these businesses would not be able to enter into the supply chain, if they do not hold required certifications to meet the minimal requirements to serve as a second, third or fourth tier suppliers and/or contractors. A company that would be skilled to provide services within the secondary steel supply chain would not be eligible to provide any products if they are not at the minimum ISO 9001 certified.

According to Adam Marsh from Ledge Inc. an ISO 9001 Management Consulting firm, "the entire ISO certification process can take anywhere from 6 to 12 months and most companies average around 9 months for the initial certification. Then a company has annual reoccurring

cost for upkeep and maintenance with this certification. On average an ISO 9001 certification can cost a company starting at \$15,000 to \$30,000 for this initial certification, and reoccurring cost averages \$8,000 to \$12,000 per year.” Ledge Inc, helps companies such as mine meet the bare requirements to enter into the offshore wind manufacturing. These certifications and costs associated with them could hinder or discourage other small business from entering into this new emerging market.

Offshore Wind-Nationally

According to the testimony from the Business Network for Offshore Wind, “Offshore wind energy calls upon many different existing industrial sectors as it provides the potential to create a national demand that will bring about accelerated growth rates in job creation. Offshore wind jobs start with the planning phase, then advances through the assembly, build-out and deployment; primary, secondary as well as tertiary supply-chain component manufacturing and service providers; to 25 years plus of technicians providing operations and maintenance.”

The US National Renewable Energy Laboratory estimates that 20.7 jobs are created for 1 MW (megawatt) of offshore wind power. The current projects in MA, RI, CT, NY, NJ, MD and VA total almost 5,000 MWs of offshore wind power; in simple math this equates to 100,000 jobs by 2025. Below are some examples of types jobs by development phase. This will show the variety and depth of jobs created by offshore wind.

Below are examples of types of jobs by development phases.

Phase 1: Development and Project Management (Sitting and permitting)/ Wind farm Design and Surveys:

- Oceanographer
- Hydrographers
- Marine Mammal Observer

Phase 2: Turbine (WTG) (Rotor, included blades; nacelle and tower)

- Welders
- Composite Specialist
- NDT Inspector for Secondary components

Phase 3: Balance of Plant (Foundations, Cables, Substation)

- Cable Joiner
- HV Electricians
- Forklift & Crane Operators

Phase 4: Installation and Commissioning (Turbine, Foundations, Cables, Substation, Vessels)

- Crane Operator
- Vessel Operations/Maintenance
- Crew Services

Phase 5: Operations, Maintenance and Service

- Wind Farm Operations
- Turbine Maintenance
- Maintenance and Services Logistics

These jobs are across all sectors of various industries and are sustainable throughout a wind farm's life cycle. If small businesses are not opportunistically ready to enter into the supply chain, they will miss out on an entire emerging industry and therefore will not be able to create the jobs that are needed to support such projects. The federal government can learn and use models from various state programs that have excelled in addressing small businesses and workforce development initiatives, one example comes from Maryland.

State of Maryland-Offshore Wind Initiatives

Maryland had the foresight in creating grants, which has helped companies like mine become opportunity ready to enter into the supply chain by offering grants for small businesses and workforce development organizations. Maryland Energy Administration, administers the Offshore Wind Capital Expenditure Program (Capex) Grant, a program that offers grant funding to support new or existing businesses who wish to enter the offshore wind supply chain, by offsetting their capital expenditure investments. The Offshore Wind Workforce Training Program grant, provides grant funding to support new or existing workforce training centers entering the offshore wind industry. Both programs were created to address the needs of small businesses and workforce development organizations. Strum Co. was a recipient of the 2018 Offshore Wind Capital Expenditure Program (Capex) Grant. Jane Addams Resource Corporation was a recipient of the 2018 Maryland Offshore Wind Workforce Training Program grant. Both companies have since partnered up to create a sustainable workforce development program that has thrived and has continued to provide the training needed to ensure continued growth and expansion of potential offshore wind projects.

Programs that address the needs for both small businesses and workforce development organizations entry into the offshore wind industry are essential to obtaining the national goals of creating thousands of good paying jobs and stimulating our economy. The Offshore Wind Jobs and Opportunity Act must go further to address the supply chain, you cannot have a workforce development program without addressing small businesses as small businesses fuel the American workforce.

Over 100 years ago America entered into its second industrial revolution. This revolution once again put America into the forefront major technological advances. It was not on the total strength of large corporations of those days, but on the backs of the little guys. Today America is finding itself once again on the verge of a major revolution. Small businesses such as mine will be needed more than ever to lead these charges. In order to be successful though there needs to be a major push from the government that allows these small businesses the opportunity for growth, change and sustainability. Without it, the backbone of the American workforce is doomed.



Thank you very much for your time today to speak on this matter. I pray my words find you in a position to help aid in the changing of the way small businesses are viewed and are needed to sustain the American workforce.