BUDGET JUSTIFICATIONS

The United States Department of the Interior

and Performance Information
Fiscal Year 2019

BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT

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BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT

FY 2019 Budget Justification

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FY 2019 BUDGET JUSTIFICATIONS
Bureau of Safety and Environmental Enforcement

Director's Preface

The Bureau of Safety and Environmental Enforcement (BSEE) is taking the necessary steps to foster robust and responsible energy production on the U.S. Outer Continental Shelf (OCS). Ensuring safe and environmentally sustainable energy exploration, development, and production are central to BSEE's mission. The Bureau staff fulfills its mission through integrated preparedness, prevention, and compliance activities that promotes the efficient and responsible production of America's offshore energy resources. The Bureau's diverse team includes highly skilled engineers, geoscientists, geologists, environmental specialists, inspectors, and preparedness analysts –all working to ensure safe and responsible offshore energy production.

The 2019 BSEE budget fully supports the safe and environmentally responsible development of the Nation's vast offshore energy resources. Funds will be used to support and recruit expert engineers, geoscientists, inspectors, and oil spill planning, prevention, and response specialists to support the development of strong scientific information and the timely and thorough review of permits.

In 2019, BSEE will continue to fulfill its mission through a well-developed and measured application of its programs including efficient permitting, appropriate standards and regulations, effective compliance monitoring and enforcement, technical assessments, inspections, and incident investigations, resource conservation, and preparedness planning. The Bureau will also continue to ensure that the offshore energy program is viable and serves the interests of the Nation and its citizens.

The BSEE's 2016-2019 Strategic Plan and the Director's "Change Management Action Plan" initiatives will guide the Bureau through current and future OCS activities. The action plan initiatives are focused on creating an organization that has strong and smart programs and processes moving forward; improving and streamlining processes; ensuring the efficient use of resources within BSEE; developing an accountable, competent, and engaged workforce; and integrating effective stakeholder engagement. Specific tasks include incorporating a risk-based inspection protocol in the BSEE inspection strategy; evaluating the permitting processes and time frames to ensure efficient use of resources; ensuring that the permitting functions are attuned with program needs; addressing recommendations from the Government Accountability Office, the Office of Inspector General, and other outside organizations; and developing a human capital operating plan that advances the Bureau's workforce.

BSEE's FY 2019 budget will continue to focus on the Bureau's commitment to practical and efficient approaches that foster safe and dependable energy production.

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FY 2019 PERFORMANCE BUDGET REQUEST

Bureau of Safety and Environmental Enforcement

Executive Summary

Table 1: Summary of BSEE Budget Request *($000)*

BSEE Summary ($000)			
Account/Activity	**2017 Actual**	**2018 CR Baseline**	**2019 Request**
Offshore Safety & Environmental Enforcement (OSEE)			
Environmental Enforcement	8,314	8,257	4,674
Operations, Safety and Regulation	144,954	143,970	146,340
Administrative Operations	18,268	18,144	18,129
Executive Direction	18,236	18,112	18,097
Rescission of Prior Year Balances	-25,000	-25,000	
Total, OSEE	**164,772**	**163,483**	**187,240**
Offsetting Collections			
Offsetting Rental Receipts	-29,388	-23,571	-20,338
Cost Recovery Fees	-3,977	-4,110	-3,786
Inspection Fees	-42,812	-52,641	-43,765
Total, Offsetting Collections	**-76,177**	**-80,322**	**-67,889**
Net, OSEE	**88,595**	**83,161**	**119,351**
Oil Spill Research	**14,899**	**14,798**	**12,700**
Current BSEE Funding	**103,494**	**97,959**	**132,051**
Total BSEE Funding	**179,671**	**178,281**	**199,940**
Full Time Equivalents (FTE)			
Total Direct FTE	751	756	756
Total Reimbursable FTE (Reimbursable Agreements)	118	125	125
Total FTE	**869**	**881**	**881**

The Bureau of Safety and Environmental Enforcement (BSEE) fulfills its mission by fostering a robust energy program on the Outer Continental Shelf (OCS) that promotes the safe and environmentally-sustainable exploration, development, and production of America's offshore energy resources. One in every six barrels of oil produced in the U.S. comes from the OCS. Currently, 82 percent of OCS oil production comes from deepwater (water depth greater than 1,000 feet). Ten years ago, deepwater production accounted for 70 percent of OCS oil production. Twenty years ago, deepwater production accounted for only 26 percent of OCS oil production. The Bureau's jurisdiction and regulatory responsibilities are defined by the Outer Continental Shelf Lands Act (OCSLA), which outlines Federal

responsibility over the submerged lands of the OCS. BSEE ensures compliance with provisions of other Federal laws, including the National Environmental Policy Act (NEPA), the Clean Air Act (CAA), the Clean Water Act (CWA), the Federal Oil and Gas Royalty Management Act, and the Oil Pollution Act of 1990 (OPA 90).

BSEE fosters robust energy production from the U.S. OCS. This is accomplished through continuously improving the elements under the Bureau's purview which impact the OCS operational environment. The Bureau pursues this objective through a program of efficient permitting, appropriate standards and regulations, effective compliance monitoring and enforcement, inspections, technical assessments, and incident investigations. BSEE also protects Federal royalty interests by ensuring that oil and gas production methods maximize recovery from underground reservoirs and that production volumes are accurately measured. While BSEE mitigates oil spill risks through a focused program on incident prevention; it equally emphasizes that the offshore community must be prepared with the best spill response plans, equipment, people, and training to respond quickly to oil spills when they do occur to prevent damage to environmental and economic resources.

FY 2019 BUDGET REQUEST

BSEE recorded the highest ever oil production from the Gulf of Mexico Region by the end of 2016 at 1.7 million barrels of oil per day.

BSEE was established on October 1, 2011, to ensure the safe and environmentally-sustainable exploration, development, and production of the Nation's offshore energy resources. The Bureau continues to mature its mission processes and staff capabilities to keep pace with the continued innovation in OCS exploration and production. It must also address continuously evolving risks posed by aging infrastructure, exploration in offshore frontier areas, and development of new reservoirs with characteristics that challenge the latest completion and production technological advances.

Numerous programs have been established that identify, evaluate, and promote emerging technologies that will decrease the risks associated with offshore oil and gas development. To ensure the Bureau effectively integrates private sector investment into technology advancement, in collaboration with its partner stakeholders, BSEE undertakes technical assessments and sponsors cost-effective research on new technologies, the results of which assist the Bureau in staying current with expanding operations and evaluating technological advances such as those that allow for deeper drilling at higher temperatures and pressures and in environments such as the Arctic OCS.

Additionally, BSEE is responsible for oversight of companies' oil spill response plans and manages a government-initiated unannounced exercise program. Through these exercises, many of which involve actual deployment of response assets, BSEE assesses an operator's ability to mount and sustain a spill

response. These exercises also allow government entities with regulatory authorities for response to test actual response protocols and decision-making processes.

Fostering Safe and Environmentally-Sustainable Energy Development

As offshore operations continue to expand into frontier areas that require new technologies, BSEE must continuously adapt. Building on work done in prior years, BSEE will continue to analyze critical data to ensure that its programs reflect the risks and account for the evolution of new technologies in oil and gas exploration, development, and production on the OCS. FY 2018 has ushered in renewed interest in Arctic offshore exploration, and that is expected to expand into new areas in FY 2019. This new activity in pristine frontier areas will drive BSEE toward an enhanced focus on safe and environmentally-sustainable operations.

Assessing and managing risk is the lens through which BSEE views the interaction between technology, processes, and the human element. It provides the foundation for how BSEE regulates and enforces standards and, therefore, how BSEE ensures the safe and responsible development of oil and gas resources on the OCS. In FY 2019, BSEE will expand on its efforts to engage with the oil and gas industry and other stakeholders to assess risk and identify the appropriate safety initiatives that address the higher risk concerns. These initiatives will be designed to proactively identify risk, prevent safety incidents from occurring, and promote compliance in an efficient and effective manner based on critical analysis and use of existing data. Many of these initiatives were included in the Director's Change Management Action Plan. Initiatives begun in FY 2017 and continued through FY 2018 include the development and implementation of a Risk-Based Inspection Program; the streamlining of permitting processes and timeframes; and the evaluation of risks associated with high-pressure/high-temperature equipment. Also, in FY 2017 and FY 2018, BSEE undertook critical analysis of many of its current policies and regulations that potentially burden the development or use of domestically produced energy resources, but which may not be yielding enhancements in safety. These reform efforts will continue in FY 2019 with a particular focus on processes and regulations that no longer reflect the innovations in technology and the attendant changes in industry project planning processes. In collaboration with stakeholders, BSEE will update its policies, processes, and regulations to ensure that the financial and technical challenges of developing new technology are recognized and addressed in a manner that encourages the long-term investment of capital on the OCS.

In FY 2018, BSEE is continuing a review of its current permitting and inspection strategies including the operational costs for the Bureau and industry. This review includes consideration of the changing nature of the inspection work and methods used on the OCS and updating permitting and oversight activities to remove unnecessary reviews and delays that represent barriers to exploration and development activities. The review of the inspection strategy is focused on ensuring BSEE utilizes the most effective and efficient inspection approach, in order to maximize the efficient use of resources. In FY 2019, BSEE will use the results of the reviews to continue to refine its current permitting and inspection strategies to better reflect the actual risks and phases of development on the OCS, thereby reducing any unintended impediments to the development of America's offshore oil and gas resources. Implementation of the refined inspection strategy will foster efficiencies in the inspection program that reduce overall costs of the program, yet improve the program by providing more effective processes that allow for more onshore review of documentation, and more efficient deployment of inspectors that provides for more time

offshore in which to conduct critical physical inspections of components. The continuation of robust stakeholder technical and procedural workshops and other engagement efforts will be critical to the success of these modernization and reform efforts. BSEE regions will continue holding stakeholder engagement meetings including meetings with industry association groups to provide updates on permitting procedures. Such meetings are an important venue for providing updates on the "e-permitting" modules.

As the Bureau expands its collaborative efforts, the role of information sharing and independent verification and validation of processes and practices will need to continue to grow. These efforts will include validation of activities for BSEE's programs and personnel. BSEE incorporates consensus best practices and performance requirements for activities on the OCS. A large percentage of these requirements are derived from industry standards and best practices, which are a product of a standards developing organization through a comprehensive consensus process. Through this process, BSEE uses industry expertise and resources to improve safety on the OCS. BSEE's subject matter experts are actively engaged in the industry standards development process to ensure that the appropriate documents can be adopted in a timely manner. Maintaining the compatibility of BSEE's requirements with current best practices adopted by industry will result in simplified permitting and compliance approaches and reduce confusion.

To continue the movement by operators toward a performance-based safety approach, BSEE will work closely with operators as they implement critical Safety and Environmental Management Systems (SEMS) processes. Through this approach, BSEE will leverage the capabilities and expertise of government, industry, and independent third parties to continually advance positive safety and environmental outcomes.

In May 2015, BSEE launched the SafeOCS program, an initiative aimed at collecting and analyzing near-miss and safety data. SafeOCS is a completely confidential system in which the Bureau of Transportation Statistics (BTS) collects and analyzes near-miss reports with the assistance of subject matter experts. This data, in aggregate form, helps the industry and BSEE to identify areas where improvements in operations, equipment design, or industry standards may be needed to improve safety. The program resolves the commercial and legal issues that prevent industry from exchanging this type of data. To date, at less than four percent, the participation rate for this program has been unacceptably low for this Administration. BSEE has undertaken change initiatives to radically improve the rate of participation and expects greatly improved participation rates into FY 2019.

In recent years, BSEE has used third-party research to advance the use of emerging technologies and review methodologies especially in the area of high-temperature and high-pressure equipment. In FY 2019, BSEE will continue research in an effective and cost-efficient manner, and enhance coordination and collaboration on joint industry–government research projects with the goal of accelerating those technology developments necessary to overcome frontier area challenges. BSEE will continue its collaboration with the industry and other national experts to establish standard risk methodology for assessing new technology. This type of standard industry methodology for assessing technology has the potential for speeding the approval and use of new technologies to harness America's natural resources on the OCS.

One of Interior Secretary Zinke's strategic goals for the Department is to ensure that the public receives fair market value for the resources and that fees and cost recovery are fair and reasonable. In coordination with the Office of Natural Resources Revenue, BSEE's specially-trained production verification inspection team helps ensure that production volumes are accurately reported for the assessment of royalties returned to the American people. BSEE's measurement approval, verification, and inspection responsibilities help validate the collection of billions of dollars in royalties from offshore oil and gas resources each year.

Through FY 2018 and continuing into FY 2019, BSEE will continue to enhance its collaborative efforts both domestically and internationally. BSEE engages regularly with its international counterparts in order to promote the safe and environmentally responsible development of offshore energy resources globally. BSEE has established itself as a leader in international cooperation, actively participating in multilateral fora such as the International Regulators Forum; the Arctic Offshore Regulators Forum; the International Offshore Petroleum Environment Regulators group; and the Arctic Council bodies, such as the Emergency Prevention, Preparedness, and Response Working Group. BSEE's roles in preparedness activities at the international scale span work in both temperate and Arctic waters, with the agency taking leadership roles in response to viability analysis. Additionally, BSEE places a priority on maintaining strong bilateral relationships with a number of international partners.

The Bureau values its close cooperative relationships with Federal partners on the OCS, and is also working to strengthen resources through intra- and interagency cooperation. For example, the Bureau continues to improve upon its longstanding memorandum of understanding (MOU) and a series of subject matter-specific memorandums of agreement (MOAs) with the U.S. Coast Guard (USCG) and is focusing on shared resources, oil spill preparedness, cross-training, and cooperation in Federal enforcement efforts on the OCS. Also, BSEE has been involved in discussions on continuous safety improvement and safety culture policy with other Federal partners focused on High Reliability Organizations, such as the Department of Transportation's (DOT) Pipeline and Hazardous Materials Safety Administration (PHMSA) and the Nuclear Regulatory Commission (NRC). BSEE also participates as a Vice Chair in the Interagency Coordinating Committee on Oil Pollution Research (ICCOPR), which provides a forum for research collaboration that looks at oil spill prevention, preparedness, and response. BSEE continues to engage in opportunities to leverage resources and share information across U.S. government agencies.

An important charge in BSEE's authorizing legislation is to ensure that exploration, development, and production activities undertaken pursuant to OCSLA are properly decommissioned to ensure the long-term protection of the resource and the surrounding environment. The decommissioning of wells and facilities that are no longer useful for operations is a growing portion of BSEE's oversight activities, and is critical to safe and environmentally-sustainable operations.

Operator bankruptcies are a growing concern for both the Bureau and taxpayers. Maintenance of sufficient assets to cover the proper decommissioning of wells and facilities is essential. While BSEE and the Bureau of Ocean Energy Management (BOEM) track the financial health of OCS operators, lower oil prices have increased the frequency of operator bankruptcies. In these cases, district inspectors perform inspections of the operator's assets to ensure that appropriate monitoring of safety equipment is maintained, while it works within the bankruptcy proceeding to ensure funds are set aside to fulfill the statutory duty to decommission facilities. In FY 2019, BSEE, in coordination with BOEM, will continue

the development and implementation of new procedures to protect taxpayer interest in bankruptcies of OCS lease holders to include the continued review and implementation of these procedures.

Enhancing Mission Capacity and Accountability

In FY 2019, BSEE will continue efforts to strengthen its mission capacity and ensure accountability through implementing key management tools. In FY 2018, BSEE worked toward revising its Enterprise Risk Management framework to better integrate management initiatives such as internal control reviews, program evaluations, audits, risk assessments, policy/procedure compliance, and performance measures in order to better support program decision making. This effort was complemented by another FY 2018 activity in which BSEE undertook a review of policies and procedures. With the results of this information, BSEE began and will continue through FY 2019 to ensure a policy program that is consistent, accurate, and accessible. Through internal control reviews and program evaluations, BSEE will continue to ensure compliance with policies and procedures as well as identify risks and actions to correct those risks.

BSEE understands that employees who are accountable, competent, and engaged are essential to efficient, highly effective organizations and enhance the overall capabilities of the organization. As such, BSEE is committed to providing the resources needed to develop its workforce. Currently, BSEE is focused on developing a new Human Capital Operating Plan (HCOP) that will reflect the goals, strategies, and initiatives of the organization. Some of the more notable initiatives currently in progress are the development of competencies for the Bureau's mission critical occupations, completing the first cohort of its Leadership Development Program, implementation of a mentoring program, and obtaining consultative support to evaluate its technical training program and exploring certification programs for its inspector workforce.

Fundamental to employee and organizational success is providing the tools and infrastructure needed to accomplish day-to-day activities. One of the most important tools that the Bureau and its people rely on is information technology (IT). BSEE continues to modernize its systems in order to provide additional capabilities that can be used internally as well as by external stakeholders. While the Bureau has made several improvements, two of the most significant include the development of the e-Permits application and the implementation of a Business Intelligence tool. e-Permits will expedite the permitting process, and provide operators the ability to submit and monitor permit applications electronically. With the successful FY 2018 rollout and implementation of the first e-Permits module that addressed oil spill response planning and reporting, BSEE will replicate this move to convert regulatory paper processes into more efficient web-based systems that will reduce burdens on the operator. The Business Intelligence tool will facilitate more robust reporting of activity and give leaders the information they need to make the best decisions.

Oil Spill Preparedness and Research

While BSEE mitigates oil spill risks through a focused program on prevention, it equally emphasizes that the offshore community must be prepared with the best plans, equipment, and training to respond to oil spills when they occur. The cornerstones of this preparedness posture include the following:

Oil Spill Response Plans: The Oil Spill Response Plan (OSRP) is an important aspect of responsible development of the OCS energy resources. An OSRP is required of each offshore facility and is approved when the owner/operator of the facility has demonstrated the ability to quickly and effectively respond to a worst-case discharge. BSEE further ensures the preparedness of the offshore community by assessing the quality and performance of response equipment listed in the plans, such as skimmers, pumps, booms, storage devices, and integrated fast response vessels. During annual training and exercises, BSEE requires that plan holders hone and demonstrate their understanding and skills in managing all aspects of a response, including how to mobilize both equipment and people quickly and safely. BSEE will be diligently working with a newly launched major information technology initiative to enhance the efficiency and timeliness of OSRP submissions and reviews. The e-Permits new software design (coined eOSRP) will allow plan holders to electronically submit their OSRPs to the Bureau. The system will reduce the burden on operators and oil spill removal organizations (OSRO) by providing a more efficient method of submitting not only new updates to OSRPs, but correspondence as well.

In support of the critical role that Area Contingency Plans (ACP) play within the National Response System and their important ties to BSEE-managed OSRPs, the Bureau will be working closely with ten Area Committees to review and update the Offshore Facility Worst Case Discharge Scenario documentation in the Committees' respective ACPs. This initiative will leverage contract support and interagency coordination to ensure that realistic and informative guidance for responding to major spills from offshore facilities is properly recorded in these plans. Similarly, the Bureau will update four existing agreements and explore additional agreements with State agencies on cooperation in overseeing compliance with 30 CFR §254.

Research and Development**:** BSEE continues to implement a comprehensive, long-term research program dedicated to improving spill response countermeasures for oil spills in offshore environments, including the Arctic. The program is based upon a strategic plan that recognizes the evolving risks in offshore exploration and production and the constant mission of protecting the environment. BSEE is focused on oil spill preparedness research related to the following: improving the methods and technologies for oil spill detection using aerial and subsea platforms and vehicles; smart technologies; surface slick and subsurface plume measurement; characterization and quantification; surface and subsea containment; treatment with dispersants; recovery using mechanical devices; oil and water separation systems; and clean up using various technologies including *in-situ* burning of the oil.

During FY 2019, BSEE will continue to advance technologies for detecting oil spills and determining thickness using remote sensing tools installed on subsea gliders, satellites, drones, and fixed-wing platforms, integration of remote sensing data into command and control systems to support operational decision-making, and the development of "smart" skimming technologies to improve recovery rates. Additionally, BSEE will continue to support research projects that will provide science to support the understanding and improvement of dispersant effectiveness in various operating environments. BSEE will also continue to work with Federal partners such as the USCG Research and Development Center and the National Oceanic and Atmospheric Administration (NOAA), and international organizations such as the Arctic Council's Emergency Prevention, Preparedness, and Response Working Group to engage in its continuous program of domestic and global information exchange to help facilitate forward movement on oil spill research and the identification of the best technologies available worldwide. In FY 2019, BSEE will also continue to advance new *in situ* burn techniques that will improve burning efficiency,

reduce carbon emissions, provide for burning of highly emulsified oil, and, reduce residues that can sink. These techniques will have profound impacts on Arctic spill preparedness in regions where disposal or transfer of collected oil is problematic due to remote locations, and soot and burn residue can harm the environment.

Important oil spill response research is also conducted at Ohmsett, the National Oil Spill Response Research and Renewable Energy Test Facility, which is managed by BSEE. Ohmsett is the largest outdoor testing facility of its type in North America, comprised primarily of a 667 foot long saltwater tank. Located near Leonardo, New Jersey, Ohmsett provides the Bureau, as well as other facility users from around the world, a unique oil spill response training and testing environment that simulates real-world conditions in a safe and controlled environment. With the ability to test with real crude oil, equipment manufacturers, scientists, regulators, and first responders can test and train on various response methods at a scale and with wave conditions that, to a great extent, mimics those encountered offshore. Ohmsett's capabilities will continue to be expanded to meet exacting needs of the offshore industry and will, in FY 2019, include the first operational tests to be conducted in a new recirculating flume tank. In FY 2019, BSEE will also prepare Ohmsett for scheduled major renovations in FY 2020. These renovations are needed periodically to address corrosion issues resulting from the use of saltwater in the test tank.

FY 2019 BUDGET HIGHLIGHTS

BSEE receives funding through the Offshore Safety and Environmental Enforcement (OSEE) and Oil Spill Research (OSR) appropriations. The OSEE appropriation is partially offset by cost recovery fees, inspection fees, and a portion of OCS rental receipts collections. The OSR appropriation is funded through the Oil Spill Liability Trust Fund. The budget for the OSEE account funds the following activities:

- The ***Environmental Enforcement*** Activity funds: environmental compliance staff supporting permit reviewers by evaluating and identifying environmental mitigation provisions that can be incorporated into permits; specialized inspections of air, water, and mitigation measures; and subject matter expertise to safety inspectors to assist in identifying environmental violations. Additionally, this activity supports the Bureau's internal compliance with NEPA, the Endangered Species Act (ESA), the Marine Mammal Protection Act (MMPA), the National Historic Preservation Act (NHPA), and associated tribal consultation requirements, CAA, CWA, and other environmental regulations;

- The ***Operations, Safety and Regulation*** Activity funds: OCS permit application reviews; inspections of OCS facilities, including critical high-risk activities; offshore operator oil spill planning and preparedness compliance; investigations; enforcement; audit programs; annual operator performance reviews; verification of oil and gas production levels to help ensure the public receives a fair return; research supporting the analysis of emerging technologies, standards and regulatory review activities; and technical training.

- The ***Administrative Operations*** Activity funds: general administration and ethics programs, equal employment opportunity services, emergency management, finance, human resources, procurement, and information management. BSEE also provides administrative services, such as human resources, procurement, and finance to BOEM and other entities within the Department on a reimbursable basis.

- The ***Executive Direction*** Activity funds: Bureau-wide leadership, direction, management, coordination, communications strategies, and outreach. It includes functions such as budget, congressional and public affairs, and policy and analysis. The Office of the Director and key management positions in the Regional Director's Offices are also funded within this activity.

In FY 2019, the following BSEE budget changes are proposed:

OSEE Appropriation:

Fixed Costs (+$433,000; +0 FTE): Funding for fixed costs include items such as rent, salary increases, central billing, IT transformation for the Department's Working Capital Fund, and other items that are fully funded by this request.

General Program Activities (-$376,000; -0 FTE): In order to support BSEE's highest priority needs in FY 2019, the Bureau proposes a general reduction to its primary operating accounts that will be achieved through administrative savings efforts, such as reducing non-essential travel expenses.

Helicopter Costs Reduction (-$1,300,000; -0 FTE): BSEE is committed to ensuring that its inspection program operates at the highest level of effectiveness, while continuously exploring ways to increase the overall efficiency of the program. Outside of salary costs, helicopter costs are the largest cost driver of the inspection program. The inspection program includes review of documentation provided by the operator as well as the physical inspection of components. BSEE has reviewed its inspection strategy and has identified ways to eliminate underutilized aircraft by changing its inspection strategy to allow for more onshore review of documentation, and more efficient deployment of inspectors that provides for more time offshore in which to conduct critical physical inspections of components.

Internal Transfers - General Increase in Base Appropriated Funding to Offset Reduction in Offsetting Collections (+$12,433,000; +0 FTE): The proposed increase to appropriated funding offsets the estimated decrease in inspection fees, rental receipts, and cost recovery revenue as discussed below. Although offsetting revenue is set to decline, program requirements will not, and it is critically important for the Bureau to maintain adequate base program capacity to achieve its mission, as industry continues to move drilling and production operations into deeper waters and more hostile operating environments.

Internal Transfers - General Reduction – Changes in Offsetting Collections (-$12,433,000; -0 FTE):

- **Rental Receipts (-$3,233,000; -0 FTE):** Rental receipts are the second largest of three different offsetting collections credited to the BSEE OSEE account to help defray the cost of operations. While the number of active leases has been declining, overall OCS activity does not necessarily

follow the same trend. Although activity in shallow water has decreased in recent years, interest in deepwater operations continues, and – according to the U.S. Energy Information Administration – deepwater oil and natural gas production will continue to increase through the rest of this decade and account for a greater share of total OCS production.

- **Cost Recovery Fees (-$324,000; -0 FTE):** Cost recovery fees are the smallest of three different offsetting collections credited to the BSEE OSEE account to help defray the cost of operations. This decrease in revenue generated from cost recovery fees reflects the trend of actual collections.

- **Inspection Fees (-$8,876,000; -0 FTE):** Inspection fees are the largest of three different offsetting collections credited to the BSEE OSEE account to help defray the cost of operations. The reduction reflects the difference between the FY 2018 CR Baseline inspection fee estimate and the anticipated inspection fee collections under the proposed inspection fee language for FY 2019. To provide consistency in the way it bills operators, BSEE is proposing new non-rig inspection fees to account for industry's increased use of non-rig units, not currently billed, for inspections that were once conducted only by rigs.

OSR Appropriation:

Research Reduction (-$2,098,000; -0 FTE): BSEE has developed the capability to conduct research projects with the Oil Spill Preparedness Division (OSPD) engineering staff by leading much of the research on traditional, alternative, and emerging spill response technologies at the Ohmsett facility. Through enhancement and operationalization of response technologies, spill cleanups can be done more effectively and efficiently resulting in safer field oil recovery and treatment activities, with less impact to the environment, and a quicker return of platforms to production operations. BSEE will focus on priority research activities that align with the OCS safety and environmental risk reduction goals and objectives of the Administration.

Performance

In FY 2019, BSEE will focus attention on priority areas that foster safe and environmentally responsible energy exploration, development, and production of offshore resources. A key component is the Bureau's performance management framework, which provides a suite of meaningful performance measures that managers can use to inform decision making and communicate the Bureau's value to stakeholders. In FY 2019, BSEE will continue to expand its portfolio of measures to better demonstrate how the Bureau achieves results in implementing its mission. A continuing emphasis on data stewardship and analysis will strengthen BSEE's overall ability to examine and understand how it achieves results.

Additional efforts underway will support BSEE's abilities to measure performance and to assess effectiveness and priorities. These efforts include implementation of an enterprise-wide risk-management system to help identify and prioritize areas of risk for the Bureau. In FY 2019, BSEE will build on FY 2018's integration of enterprise risk management with other management tools, including performance measures, to better support decision making.

By assessing and comparing organizational risks, as well as strengths, weaknesses, and opportunities; the Bureau is able to consider any impacts that ongoing and future industry trends may have on BSEE's role

as a regulator. Program audits and reviews conducted by the U.S. Government Accountability Office (GAO), the Office of Inspector General, and external organizations also will continue to provide input to BSEE's performance and evaluation processes. Results from the enterprise risk-management system, audits and reviews, and other initiatives (e.g., real-time monitoring, near-miss reporting, enforcement reform, and human capital strategic planning) will further inform the Bureau's efforts to continuously improve mission performance.

Performance Results - Evidence and Evaluation

In FY 2019, BSEE will continue to focus attention on priority areas and refine its outcome measures to demonstrate results and to better position the Bureau to achieve its mission in four priority categories:

1) Incidents – including injuries, fatalities, fires, hazmat, oil spills and loss of well control.
2) Operations – including risk-based inspections, incidents of non-compliance (INCs) and violations.
3) Systems and subsystems – including accurate and timely accounting of revenues, environmental integrity, plans, and permits.
4) Safety culture – including SEMS maturity and corrective actions.

This enhanced suite of meaningful performance metrics is expected to be monitored through BSEE's Business Intelligence tools to:

- Make informed management decisions for the Bureau;
- Improve program implementation and motivate performance through increased quality of program outputs, and;
- Support a culture of accountability.

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Bureau of Safety and Environmental Enforcement

Secretarial Initiatives and Agency Priority Goals

The Bureau fully supports the Secretarial Initiatives to realize high priority goals and implement the President's Agenda. BSEE contributes to these efforts in several ways as outlined below.

Secretarial Initiatives

Generating Revenue and Utilizing Our Natural Resources

BSEE is focused on promoting robust, safe and environmentally-sustainable energy development. The Bureau pursues the balance of these objectives through a program of efficient permitting; appropriate standards and regulations; compliance monitoring and enforcement; inspections; technical assessments; and incident investigations. BSEE also protects Federal royalty interests by ensuring that oil and gas production methods maximize recovery from underground reservoirs and that production volumes are accurately measured**.** BSEE's measurement approval, verification, and inspection responsibilities help validate the collection of billions of dollars in royalties from offshore oil and gas resources each year. In order to meet these responsibilities, the Bureau:

- Reviews, evaluates, and approves oil and gas production measurement applications submitted by offshore operators to ensure accurate measurement and allocation procedures and to establish proper facility measurement points;
- Verifies, on a monthly basis, the oil and gas volumes measured for sales and royalty purposes in each Region;
- Compares the monthly verified volumes to the Oil and Gas Operations Reports in coordination with the Office of Natural Resources Revenue; and,
- Conducts onsite oil and gas measurement and site security inspections.

In FY 2019, BSEE will undertake an assessment of its measurement requirements to ensure that they reflect the latest industry best practices and guidelines.

In FY 2017 and FY 2018, BSEE undertook critical analysis of many of its current policies and regulations that potentially burden the development or use of domestically produced energy resources. These reform efforts will continue in FY 2019 with a particular focus on processes and regulations that no longer reflect the innovations in technology and the attendant changes in industry project planning processes. In collaboration with stakeholders, BSEE will continue to review and update, as needed, its policies, processes, and regulations to ensure that the financial and technical challenges of developing new technology are recognized and addressed in a manner that encourages the long term investment of capital in the OCS.

Also in FY 2018, BSEE continued a review of its current permitting and inspection strategies, including the operational costs for the Bureau. This strategy review included consideration of the changing nature of the work and methods used on the OCS and the updating of permitting and oversight activities to remove unnecessary reviews and delays that represent barriers to exploration and development activities. As a result of the review, BSEE has identified ways to eliminate underutilized aircraft by changing its inspection strategy to allow for more onshore review of documentation, and more efficient deployment of inspectors that provides for more time offshore in which to conduct critical physical inspections of components.

In FY 2019, BSEE will use the results of these reviews to continue to refine its current permitting and inspection strategies to better reflect the actual risks and phases of development on the OCS and thereby reduce any unintended impediments to the development of America's offshore oil and gas resources.

Modernizing Our Organization and Infrastructure for the Next 100 Years

BSEE and its partner organizations have embraced the goal for more effective administrative operations through various shared service arrangements, as well as co-locating and sharing information technology assets. Since October 1, 2011, BSEE has provided a full suite of administrative services to the Bureau of Ocean Energy Management (BOEM), as well as human resources services to the Office of the Secretary and other Department of the Interior organizations. Sharing staff resources has greatly reduced the number of resources that would have been needed in stand-alone organizations. Services provided include finance, human resources, procurement, facilities, information management, and equal employment opportunity activities. Providing these critical services through BSEE minimizes the duplication of administrative functions in BOEM and BSEE and optimizes efficiency through the consolidation of resources into a single service provider, and has allowed BOEM to reduce its administrative costs since 2011 by approximately 20 percent.

Additionally, BOEM and BSEE share space in all of its regional and headquarters locations, along with utilizing a common information technology (IT) infrastructure, mission platform, and application. The Bureaus jointly have invested in the modernization of this platform and expect to achieve IT budget efficiencies in the out-years as older systems are decommissioned. The ePlans and ePermits initiatives are also expected to streamline application submissions and allow for full electronic submission and processing of applications. This joint initiative is expected to ease the burden on industry and reduce review process times in the future. Collectively, these sharing arrangements allow both Bureaus to gain economies of scale for operations, space requirements, such as conference rooms, sharing information, and reducing redundancies.

Department Wide Reorganization Plan

The Department of the Interior is taking bold steps to better position itself for the next 100 years. In response to President Trump's Executive Order on a *Comprehensive Plan for Reorganizing the Executive Branch*, Secretary Zinke laid out a vision for a reorganized Department of the Interior which aligns regional boundaries within Interior to provide better coordination across the Department to improve mission delivery and focus resources in the field. Across the Department, the 2019 budget includes a total of $17.5 million to start this effort. The Department is continuing to evaluate the advantages and

disadvantages of BOEM and BSEE being separate organizations with the understanding that revenue collection activities need to be separate from safety.

The Department of the Interior intends to establish common regional boundaries for Interior's Bureaus in FY 2018, and to further develop this approach in FY 2019. The goal is to improve overall operations, internal communication, customer service, and stakeholder engagement. Aligning geographic jurisdictions across Interior will enhance coordination of resource decisions and policies, and will simplify how citizens engage with the Department. Organizing Bureaus within common geographic areas, will allow for more integrated and better coordinated decision making across all Bureaus. Currently, Interior's Bureaus have more than 40 distinct regions, each with their own geographic boundaries. This complicates coordination and hampers Interior's ability to get things done expeditiously. Having common regions will help streamline operations and in doing so, provide better service to the American people. Bureaus within a region will focus on common issues, taking a comprehensive approach versus a Bureau-centric approach. This culture shift will help all to work better together to accomplish one vision.

The new regional boundaries currently under discussion, and subject to modification, are expected to have minimal budgetary impact. The Bureau of Indian Affairs (BIA) has initiated discussions with Indian Country and will continue with formal tribal consultations regarding any proposed adjustments to the regional field organizations serving the BIA and Bureau of Indian Education.

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FY 2019 PERFORMANCE BUDGET

Strategic Objective Performance Summary

The FY 2019 budget request provides the resources needed to carry out the core functions of the Bureau of Safety and Environmental Enforcement (BSEE), which focus on fostering safe and environmentally responsible exploration, development, and production of offshore resources.

STRATEGIC OBJECTIVE PERFORMANCE SUMMARY

The FY 2018 - FY 2022 DOI Strategic Plan, in compliance with the principles of the Government Performance and Results (GPRA) Modernization Act of 2010, provides a collection of mission objectives, goals, strategies, and corresponding metrics that together constitute an integrated and focused approach for tracking performance across the wide range of Department of the Interior (DOI) programs. While the DOI Strategic Plan for FY 2018 - FY 2022 is the foundational structure for the description of program performance measurement and planning for the FY 2019 President's Budget, further details for achieving the Strategic Plan's goals are presented in the DOI Annual Performance Plan and Report (APP&R). Bureau and program specific plans for FY 2019 are fully consistent with the goals, outcomes, and measures described in the FY 2018 - FY 2022 version of the DOI Strategic Plan and related implementation information in the APP&R.

Bureau Contribution

Within the DOI Strategic Plan for FY 2018 - FY 2022, BSEE is aligned with the Department's strategic priority of generating revenue and utilizing its natural resources. BSEE has five GPRA measures, including three new measures that support this focus:

- The *Amount (in barrels) of operational offshore oil spilled per million barrels produced (excluding Hurricane-related spills),* is an annual environmental measure comparing the amount of oil spilled during operations to the amount of oil produced. This measure takes into account all crude oil, condensate, and other refined petroleum product spills of one barrel or greater that occur in Federal offshore waters as a result of mineral development, production, and transportation activities on the OCS. Oil spills which occur from acts of nature (e.g., hurricanes and earthquakes), acts of terrorism, or activities other than those involved in Federal OCS oil and gas production and transportation are excluded from the measure (e.g. non-Federal OCS petroleum spills from marine transportation, fishing, recreational, and other activities which occurred on the Federal OCS).

- *The Number of recordable injuries per 200,000 offshore man hours worked (100 man years)* is an annual safety incident rate of all recordable injuries (including fatalities) that are associated with BSEE-regulated activities. Beyond fatalities, recordable injuries are those injuries that require medical treatment beyond first aid, excluding those that are due to natural causes, illness, or that

are self-inflicted. The man hours worked count covers all operator and contractor hours worked for production, construction, and drilling operations on the OCS (200,000 man hours equates to approximately 100 full time workers).

- *The Percentage of high-risk drilling rigs and well workover operations inspected* is a measure that captures the extent to which BSEE inspects all drilling rigs and well workover operations deemed to be "high risk". BSEE's policies and methodologies require that the Bureau examine several factors including Incidents of Noncompliance (INCs), production, distance to shore, number of components, incident trends, etc. BSEE employs its Risk-Based Inspection (RBI) Program to accomplish the targets set under this measure. BSEE's RBI Program consists of two components: (1) Facility-Based Risk Inspections (FBRI) and (2) Performance-Based Risk Inspections (PBRI). An FBRI is an inspection that applies an inspection protocol unique to a facility and that focuses on low probability, high consequence items at that facility. A PBRI is an inspection that focuses on reducing the likelihood of events and compliance issues on the entire Outer Continental Shelf through data-driven identification of trends that warrant the attention of focused inspections (e.g., gas releases, lifting incidents, and compressor fires).

- The *Percentage of high-risk production facilities and operations inspected* is a measure that captures the extent to which BSEE inspects all production facilities and associated operations deemed to be "high risk" according to BSEE policy. BSEE employs its RBI Program to accomplish the targets set under this measure.

- The commitment to *Use a risk-based methodology to observe proving of X percent of oil royalty meters* is a measure that captures BSEE's oversight of the accuracy of metering from higher risk hydrocarbon sites that experience high volumes of throughput and/or have a past history of noncompliance to help ensure the appropriate financial benefit is obtained for the American people. During a meter proving, BSEE's Measurement Inspectors attest to the accuracy and genuineness of the process and the applicable documents used. BSEE's measurement approval, verification, and inspection responsibilities help validate the collection of billions of dollars in royalties from offshore oil and gas resources each year.

BSEE also reports on the utilization rate (percentage of days the facility is used for research, training, etc.) achieved at Ohmsett, the National Oil Spill Response Research and Renewable Energy Test Facility each fiscal year as a supporting measure. BSEE's current GPRA measures, supporting measure, and their respective results are included in the following Goal Performance table. In FY 2019, BSEE will build on progress made in implementing the Bureau's performance framework. Significant progress has been achieved to date and BSEE's three new GPRA measures were developed using the current framework. BSEE will continue developing and implementing national program performance measures for Bureau-level tracking and will support increased development of program level measures.

Table 2: Goal Performance Tables

Mission Area 2, Goal 1: Ensure Energy and Economic Security for America							
Strategic Objective Metrics Strategic Plan Measure / Efficiency or other Bureau-Specific Measure	**2014 Actual**	**2015 Actual**	**2016 Actual**	**2017 Actual**	**2018 CR Baseline**	**2019 Pres. Budget Request**
Strategic Plan Measures						
Amount (in barrels) of operational offshore oil spilled per million barrels produced (excluding Hurricane-related spills) (SP)	0.58 (303/521 million)	3.42 (1895/555 million)	3.66 (2141/585 million)	0.07 (41/630 million)	3.00	2.90
Comments:						
Contributing Programs: Operations, Safety and Regulation						
Number of Recordable Injuries per 200,000 Offshore Man Hours Worked (DOI-Regulated Activities ONLY) (SP)	0.342 (205/599)	0.385 (158/410)	0.273 (116/425)	0.245 (103/420)	0.400	0.400
Comments: This strategic plan measure is an incident rate of all Recordable Injuries (i.e., injuries that require medical treatment beyond first aid and fatalities) that occur during DOI-regulated activities in the fiscal year for every 200,000 offshore man hours worked (which is the approximate equivalent of 100 full-time workers). The value for FY 17 is an estimate as final data are not yet available.						
Contributing Programs: Operations, Safety and Regulation						
Percentage of high risk drilling rigs and well workover operations inspected (SP)	N/A	N/A	N/A	N/A	90%	90%
Comments: This strategic plan measure is being added under the Department's FY 2018-FY 2022 Strategic Plan. This measure is based on BSEE's Risk Based Inspection program which was recently revised, consequently, historical data is not available.						
Contributing Programs: Operations, Safety and Regulation						
Percentage of high risk production facilities and operations inspected (SP)	N/A	N/A	N/A	N/A	90%	90%
Comments: This strategic plan measure is being added under the Department's FY 2018-FY 2022 Strategic Plan. This measure is based on BSEE's Risk Based Inspection program which was recently revised, consequently, historical data is not available.						
Contributing Programs: Operations, Safety and Regulation						
Use a risk based methodology to observe proving of X% of oil royalty meters (SP)	N/A	N/A	N/A	N/A	6%	7%
Comments: This strategic plan measure is being added under the Department's FY 2018-FY 2022 Strategic Plan. This measure is based on recently developed risk based methodologies for conducting BSEE's meter inspections program, consequently, historical data is not available.						
Contributing Programs: Operations, Safety and Regulation						

Table 2: Goal Performance Tables (Continued)

Mission Area 2, Goal 1: Ensure Energy and Economic Security for America						
Strategic Objective Metrics **Strategic Plan Measure / Efficiency or other Bureau-Specific Measure**	**2014 Actual**	**2015 Actual**	**2016 Actual**	**2017 Actual**	**2018 CR Baseline**	**2019 Pres. Budget Request**
Efficiency or other Bureau-Specific Measures						
Achieve a utilization rate of X% at Ohmsett, the national oil spill response test facility (BUR)	87% (201/231)	96% (228/237)	91% (219/240)	91% (213/234)	85%	85%
Comments: Ohmsett isThe National Oil Spill Response Research & Renewable Energy Test Facility located in New Jersey. At Ohmsett, clients can test oil spill response equipment in realistic conditions and have training in the use of the equipment. This measure evaluates the utilization level of the facility. The increased focus on oil spill response, as well as expanded uses for the facility such as dispersant training and renewable energy wave tests, have sustained overall utilization rates at around 90 percent.						
Contributing Programs: Oil Spill Research						

Bureau of Safety and Environmental Enforcement

Budget At A Glance Table

Dollars in Thousands ($000)

	2017 Actual	2018 CR Baseline	Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2019 Request
Appropriation: Operations, Safety, and Environmental Enforcement						
Environmental Enforcement Activity	**8,314**	**8,257**	**+21**	**-3,500**	**-104**	**4,674**
Decommissioning Activities				[-3,500]		
General Program Activities					[-104]	
Activity Total, Environmental Enforcement	**8,314**	**8,257**	**+21**	**-3,500**	**-104**	**4,674**
Operations, Safety and Regulation Activity	**144,954**	**143,970**	**+370**	**+3,500**	**-1,500**	**146,340**
Helicopter Costs Reduction					[-1,300]	
General Program Activities					[-200]	
Decommissioning Activities				[+3,500]		
Activity Total, Operations, Safety and Regulation	**144,954**	**143,970**	**+370**	**+3,500**	**-1,500**	**146,340**
Administrative Operations Activity	**18,268**	**18,144**	**+21**	**-**	**-36**	**18,129**
General Program Activities					[-36]	
Activity Total, Administrative Operations	**18,268**	**18,144**	**+21**	**-**	**-36**	**18,129**
Executive Direction Activity	**18,236**	**18,112**	**+21**	**-**	**-36**	**18,097**
General Program Activities					[-36]	
Activity Total, Executive Direction	**18,236**	**18,112**	**+21**	**-**	**-36**	**18,097**
Rescission of Prior Year Balances	**-25,000**	**-25,000**				
TOTAL, Operations, Safety, and Environmental Enforcement	**164,772**	**163,483**	**+433**	**-**	**-1,676**	**187,240**
Appropriation: Oil Spill Research						
Oil Spill Research	**14,899**	**14,798**	**-**	**-**	**-2,098**	**12,700**
Research Reduction					[-2,098]	
Activity Total, Oil Spill Research	**14,899**	**14,798**	**-**	**-**	**-2,098**	**12,700**
TOTAL, Oil Spill Research	**14,899**	**14,798**	**-**	**-**	**-2,098**	**12,700**
TOTAL, Bureau of Safety and Environmental Enforcement	**179,671**	**178,281**	**+433**	**-**	**-3,774**	**199,940**

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Bureau of Safety and Environmental Enforcement

Summary of Requirements Table

Summary of Requirements for Bureau of Safety and Environmental Enforcement
(Dollars in Thousands)

	2017 Actual		2018 CR Baseline						2019 Request		Change from 2018 (+/-)	
	Amount	*FTE*	Amount	Fixed Costs & Related (+/-)	Internal Transfers (+/-)	*FTE*	Program Changes from 2018 Amount	*FTE*	Amount	*FTE*	Amount
Offshore Safety & Environmental Enforcement											
Environmental Enforcement											
Direct Appropriation	4,262	30	5,392	+21	-3,130	-	-104	30	2,179	-	-3,213
Offsetting Collections	4,052	-	2,865	-	-370	-	-	-	2,495	-	-370
Subtotal, Environmental Enforcement	8,314	30	8,257	+21	-3,500	-	-104	30	4,674	-	-3,583
Operations, Safety and Regulation											
Direct Appropriation	86,544	476	77,892	+370	+14,101	-	-1,500	476	90,863	-	+12,971
Offsetting Collections	58,410	-	66,078	-	-10,601	-	-	-	55,477	-	-10,601
Subtotal, Operations, Safety and Regulation	144,954	476	143,970	+370	+3,500	-	-1,500	476	146,340	-	+2,370
Administrative Operations											
Direct Appropriation	8,877	247	10,352	+21	+1,000	-	-36	247	11,337	-	+985
Offsetting Collections	9,391	-	7,792	-	-1,000	-	-	-	6,792	-	-1,000
Subtotal, Administrative Operations	18,268	247	18,144	+21	-	-	-36	247	18,129	-	-15
Executive Direction											
Direct Appropriation	13,912	106	14,525	+21	+462	-	-36	106	14,972	-	+447
Offsetting Collections	4,324	-	3,587	-	-462	-	-	-	3,125	-	-462
Subtotal, Executive Direction	18,236	106	18,112	+21	-	-	-36	106	18,097	-	-15
Total	**189,772**	**859**	**188,483**	**+433**	-	-	**-1,676**	**859**	**187,240**	-	**-1,243**
Total Direct Appropriation	113,595	859	108,161	+433	+12,433	-	-1,676	859	119,351	-	+11,190
Total Offsetting Collections	76,177	-	80,322	-	-12,433	-	-	-	67,889	-	-12,433
Total, OSEE	**189,772**	**859**	**188,483**	**+433**	-	-	**-1,676**	**859**	**187,240**	-	**-1,243**
Rescission of Prior Year Balances	-25,000		-25,000								+25,000
Total, OSEE w/ Rescission	**164,772**	**859**	**163,483**	**+433**	-	-	**-1,676**	**859**	**187,240**	-	**+23,757**

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Bureau of Safety and Environmental Enforcement

Fixed Costs and Internal Transfers

Fixed Cost Changes and Projections	2018 Total	2019 Change
Change in Number of Paid Days This column reflects changes in pay associated with the change in the number of paid days between the CY and BY.	0	+373
Pay Raise he change reflects the salary impact of the 1.9% pay raise for 2018 as signed by the President in February 2017. There is no pay raise for 2019 (0.0%).	1,854	+492
Departmental Working Capital Fund The change reflects expected changes in the charges for centrally billed Department services and other services through the Working Capital Fund. These charges are detailed in the Budget Justification for Departmental Management.	4,257	-71
Worker's Compensation Payments The amounts reflect projected changes in the costs of compensating injured employees and dependents of employees who suffer accidental deaths while on duty. Costs will reimburse the Department of Labor, Federal Employees Compensation Fund, pursuant to 5 U.S.C. 8147(b) as amended by Public Law 94-273.	184	-39
Unemployment Compensation Payments The amounts reflect projected changes in the costs of unemployment compensation claims to be paid to the Department of Labor, Federal Employees Compensation Account, in the Unemployment Trust Fund, pursuant to Public Law 96-499.	9	0
Rental Payments The amounts reflect changes in the costs payable to the General Services Administration (GSA) and others for office and non-office space as estimated by GSA, as well as the rental costs of other currently occupied space. These costs include building security; in the case of GSA space, these are paid to the Department of Homeland Security (DHS). Costs of mandatory office relocations, i.e. relocations in cases where due to external events there is no alternative but to vacate the currently occupied space, are also included.	9,212	-322
Baseline Adjustments for O&M Increases In accordance with space maximization efforts across the Federal Government, this adjustment captures the associated increase to baseline operations and maintenance (O&M) requirements resulting from movement out of GSA or direct-leased (commercial) space and into Bureau-owned space. While the GSA portion of fixed costs will go down as a result of these moves, Bureaus often encounter an increase to baseline O&M costs not otherwise captured in fixed costs. This category of funding properly adjusts the baseline fixed cost amount to maintain steady-state funding for these requirements.	0	0

Internal Transfers and Non-Policy/Program Changes (Net-Zero)	**BY (+/-)**
Realignment of Environmental Enforcement (to Operations, Safety and Regulation)	-3,500
This internal transfer supports the increased role of BSEE's inspectors verifying environmental compliance activities in the field as well as the work performed by engineers in assessing the proper structure removals and well abandonments as part of the decommissioning process. The inspector's initial work is an essential first step - the completion of which allows the environmental compliance staff to then proceed with a compliance evaluation with mitigation measures as part of the lease and permit process.	
Realignment of Operations, Safety and Regulation (from Environmental Enforcement)	+3,500
This internal transfer supports the increased role of BSEE's inspectors verifying environmental compliance activities in the field as well as the work performed by engineers in assessing the proper structure removals and well abandonments as part of the decommissioning process. The inspector's initial work is an essential first step - the completion of which allows the environmental compliance staff to then proceed with a compliance evaluation with mitigation measures as part of the lease and permit process.	
General Increase in Base Appropriated Funding to Offset Reduction in Offsetting Collections	+12,433
The proposed increase to appropriated funding offsets the estimated decrease in inspection fees, rental receipts, and cost recovery revenue. Although offsetting revenue is set to decline, program requirements will not, and it is critically important for the Bureau to maintain adequate base program capacity to achieve its mission, as industry continues to move drilling and production operations into deeper waters and more hostile operating environments.	
General Reduction - Changes in Offsetting Collections	-12,433
The proposed reduction to offsetting collections credited to the BSEE OSEE account to help defray the cost of operations. While the number of active leases for rental receipts have been declining, overall OCS activity does not necessarily follow the same trend. The decrease in revenue generated from cost recovery fees reflects the trend of actual collections. The reduction in inspection fees reflects the difference between the FY 2018 CR Baseline inspection fee estimate and anticipated inspection fee collections under the proposed inspection fee language for FY 2019. BSEE is also proposing new non-rig inspection fees to account for industry's increased use of non-rig units, not currently billed, for inspections and being substituted for work that was once conducted only by rigs.	

Total, Fixed Costs and Related Changes in 2019	+433

Bureau of Safety and Environmental Enforcement

Language Citations

Appropriations Language

Offshore Safety and Environmental Enforcement Appropriation Account

For expenses necessary for the regulation of operations related to leases, easements, rights-of-way and agreements for use for oil and gas, other minerals, energy, and marine-related purposes on the Outer Continental Shelf, as authorized by law; for enforcing and implementing laws and regulations as authorized by law and to the extent provided by Presidential or Secretarial delegation; and for matching grants or cooperative agreements, $143,475,000, of which $119,351,000 is to remain available until September 30, 2020, and of which $24,124,000 is to remain available until expended: Provided, That this total appropriation shall be reduced by amounts collected by the Secretary and credited to this appropriation from additions to receipts resulting from increases to lease rental rates in effect on August 5, 1993, and from cost recovery fees from activities conducted by the Bureau of Safety and Environmental Enforcement pursuant to the Outer Continental Shelf Lands Act, including studies, assessments, analysis, and miscellaneous administrative activities: Provided further, That the sum herein appropriated shall be reduced as such collections are received during the fiscal year, so as to result in a final fiscal year 2019 appropriation estimated at not more than $119,351,000.

For an additional amount, $43,765,000, to remain available until expended, to be reduced by amounts collected by the Secretary and credited to this appropriation, which shall be derived from non-refundable inspection fees collected in fiscal year 2019, as provided in this Act: Provided, That to the extent that amounts realized from such inspection fees exceed $43,765,000, the amounts realized in excess of $43,765,000 shall be credited to this appropriation and remain available until expended: Provided further, That for fiscal year 2019, not less than 50 percent of the inspection fees expended by the Bureau of Safety and Environmental Enforcement will be used to fund personnel and mission-related costs to expand capacity and expedite the orderly development, subject to environmental safeguards, of the Outer Continental Shelf pursuant to the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.), including the review of applications for permits to drill.

Note—A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2018 (Division D of P.L. 115-96, as amended). The amounts included for 2018 reflect the annualized level provided by the continuing resolution.

General Provisions

(See General Provisions chapter of the Office of the Secretary 2019 budget justification.)

OUTER CONTINENTAL SHELF INSPECTION FEES

SEC. 107. (a) In fiscal year 2019, the Secretary shall collect a nonrefundable inspection fee, which shall be deposited in the "Offshore Safety and Environmental Enforcement" account, from the designated operator for facilities subject to inspection under 43 U.S.C. 1348(c).

(b) Annual fees shall be collected for facilities that are above the waterline, excluding drilling rigs, and are in place at the start of the fiscal year. Fees for fiscal year 2019 shall be:

(1) $10,500 for facilities with no wells, but with processing equipment or gathering lines;

(2) $17,000 for facilities with 1 to 10 wells, with any combination of active or inactive wells; and

(3) $31,500 for facilities with more than 10 wells, with any combination of active or inactive wells.

(c) Fees for drilling rigs shall be assessed for all inspections completed in fiscal year 2019. Fees for fiscal year 2019 shall be:

(1) $30,500 per inspection for rigs operating in water depths of 500 feet or more; and

(2) $16,700 per inspection for rigs operating in water depths of less than 500 feet.

(d) Fees for inspection of well operations conducted via non-rig units as outlined in title 30 CFR 250 subparts D, E, F, and Q shall be assessed for all inspections completed in fiscal year 2019. Fees for fiscal year 2019 shall be:

(1) $13,260 per inspection for non-rigs units operating in water depths of 2,500 feet or more;

(2) $11,530 per inspection for non-rigs units operating in water depths between 500 and 2,499 feet; and

(3) $4,470 per inspection for non-rigs units operating in water depths of less than 500 feet.

(e) The Secretary shall bill designated operators under subsection (b) within 60 days, with payment required within 30 days of billing. The Secretary shall bill designated operators under subsections (c) and (d) within 30 days of the end of the month in which the inspection occurred, with payment required within 30 days of billing.

Justification of Proposed Language Changes

Purpose: Sec. 107. At the time that the original fee language was drafted, most well operation activities were conducted by drilling rigs to drill, complete, rework or abandon wells and completions. As the industry has changed, BSEE has seen the increased use of "non-rig" units (e.g., coil tubing, wireline, snubbing, and hydraulic workover unit) being substituted for the work once conducted only by rigs. It is also important to note that non-rig units have increased in support of decommissioning and abandonment work and as a lower cost option to restore or improve production from older wells. The operations of these non-rig units have increased to a range of 50 to 90 non-rig units working each week, and often pose risks similar to or greater than those from activities conducted by a rig. For example, of the 75 Incidents of Non-compliance (INCs) issued from the 530 non-rig inspections conducted in FY 2017, 37 percent resulted in a shut-in, which is the most severe enforcement action. For comparison purposes, only 33 percent of the 90 rig inspection INCs issued from 614 rig inspections conducted in FY 2017 resulted in a shut-in.

BUREAU OF OCEAN ENERGY MANAGEMENT, REGULATION AND ENFORCEMENT REORGANIZATION

SEC. 108. The Secretary of the Interior, in order to implement a reorganization of the Bureau of Ocean Energy Management, Regulation and Enforcement, may transfer funds among and between the successor offices and bureaus affected by the reorganization only in conformance with the reprogramming guidelines described in the report accompanying this Act.

Purpose: Sec. 108. The provision authorizes the Secretary to transfer funds among and between the successor offices and bureaus affected by the reorganization of the Bureau of Ocean Energy Management, Regulation and Enforcement.

CONTRIBUTION AUTHORITY

SEC. 116. Section 113 of Division G of Public Law 113–76 is amended by striking "2019," and inserting "2020,".

Purpose: Under current law, BSEE has authority through FY 2019 to accept contributions for environmental and technical work related to the development of OCS resources. In FY 2019, BSEE proposes to extend this authority through FY 2020. This proposed language change will not affect the totals identified in BSEE's FY 2019 Budget request.

FY 2019 PERFORMANCE BUDGET REQUEST

Environmental Enforcement Activity

Table 3: Environmental Enforcement Activity Budget Summary

		2017 Actual	2018 CR Baseline	Fixed Costs and Related Changes (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2019 Request	Changes from 2018 (+/-)
Environmental Enforcement	($000)	8,314	8,257	+21	-3,500	-104	4,674	-3,583
	FTE	*23*	*30*	-	-	-	*30*	-

SUMMARY OF 2019 PROGRAM CHANGES

Request Component	Amount ($000)	FTE
General Program Activities	-104	-
Total Program Changes:	**-104**	**-**

Funding in FY 2019 will be used to improve BSEE's safety and environmental compliance process by applying consistent policies and procedures, addressing the greatest areas of risk, shortening review timelines, and promoting transparency. Together, these efforts will reduce unnecessary burdens on Outer Continental Shelf (OCS) exploration and development while maintaining or advancing safety and environmental protection. The Bureau will finalize a National Environmental Policy Act (NEPA) Compliance Handbook that will present BSEE's national approach to NEPA compliance, clarify existing BSEE policy and outline regional nuances to implementing NEPA. It will also provide tools and templates that can help BSEE staff meet the legal requirements of NEPA and maintain Bureau-wide standards. Funding will also be used to complete a national handbook of Standard Operating Procedures for the Environmental Compliance Program (ECP) and develop associated training for BSEE safety inspectors to increase the Bureau's efficiency and effectiveness of industry monitoring. Finally, to contribute to BSEE's goal of protecting U.S. taxpayers from having to pay decommissioning costs for bankrupt oil and gas operators, the Bureau will be prioritizing NEPA analysis for decommissioning activities in the Pacific and Gulf of Mexico Regions.

JUSTIFICATION OF 2019 PROGRAM CHANGES

General Program Activities (-$104,000; -0 FTE): In order to support BSEE's highest priority needs in FY 2019, the Bureau proposes a general reduction in funding for Environmental Enforcement activities to be realized through the implementation of the national program management model for environmental stewardship.

INTERNAL TRANSFERS

Decommissioning Activities (-$3,500,000; -0 FTE): This transfer supports the increased role of BSEE's inspectors verifying environmental compliance activities in the field as well as the work performed by engineers in assessing the proper structure removals and well abandonments as part of the decommissioning process. The inspector's initial work is an essential first step - the completion of which allows the environmental compliance staff to then proceed with a compliance evaluation with mitigation measures as part of the lease and permit process.

General Increase in Base Appropriated Funding to Offset Reduction in Offsetting Collections (+$370,000; +0 FTE): The proposed increase to appropriated funding offsets the estimated reduction in rental receipt and cost recovery revenue as discussed below. Although offsetting revenue is set to decline, program requirements will not, and it is critically important for the Bureau to maintain adequate base program capacity to achieve its mission, as industry continues to move drilling and production operations into deeper waters and more hostile operating environments.

General Reduction – Changes in Offsetting Collections (-$370,000; -0 FTE):

- **Rental Receipts (-$336,000; -0 FTE):** Rental receipts are the second largest of three different offsetting collections credited to the BSEE OSEE account to help defray the cost of operations. While the number of active leases has been declining, overall OCS activity does not necessarily follow the same trend. Although activity in shallow water has decreased in recent years, interest in deepwater operations continues, and – according to the U.S. Energy Information Administration – deepwater oil and natural gas production will continue to increase through the rest of this decade and account for a greater share of total OCS production.

- **Cost Recovery Fees (-$34,000; -0 FTE):** Cost recovery fees are the smallest of three different offsetting collections credited to the BSEE OSEE account to help defray the cost of operations. This decrease in revenue generated from cost recovery fees reflects the trend of actual collections.

PROGRAM OVERVIEW

BSEE's ECP is responsible for ensuring that the Bureau and the OCS energy industry are in compliance with applicable environmental regulatory requirements. Through this program, the Bureau establishes policies and procedures for compliance with environmental regulations, maintains environmental compliance performance standards, and promotes environmental stewardship throughout the Bureau. BSEE ensures offshore energy activities are conducted in a safe and environmentally responsible manner by monitoring and enforcing mitigation measures, conditions of approval, and lease stipulations placed on operators. As subject matter experts, ECP staff ensures that the offshore oil and gas industry meets regulatory standards in air quality, water quality, archaeological/cultural resources, benthic resources, marine trash and debris, protected species, and artificial reefs (Rigs-to-Reefs). BSEE coordinates environmental compliance activities with the Bureau of Ocean Energy Management (BOEM), other

government agencies, and non-governmental organizations. ECP is also working with the Safety and Environmental Management System (SEMS) Program to identify best practices for enhanced environmental compliance efforts.

ECP operates under a national program management model where program direction is developed at headquarters in coordination with regional offices, and program execution is carried out in the field. The Environmental Compliance Division (ECD) serves as the ECP National Program Manager at headquarters, developing policies and procedures for BSEE's collaborative oversight of environmental compliance standards associated with OCS energy activities and across all of BSEE's programs. ECD focuses on increasing the accuracy, effectiveness, and consistency of BSEE's environmental compliance operations in the regions.

The ECP is responsible for:

- Ensuring Bureau compliance with NEPA and other appropriate laws and regulations, associated Tribal consultation requirements, and other environmental regulations;
- Providing the necessary NEPA analysis in support of BSEE's rulemaking;
- Coordinating with BOEM and other Federal agencies in matters involving environmental compliance on the Federal OCS;
- Evaluating environmental mitigation measures to determine their adequacy; and
- Serving as lead for outreach to stakeholders, engagement with government, non-governmental organizations, and industry;
- Executing regional environmental compliance verification, NEPA coordination, impact assessments, enforcement and other appropriate ECP activities as prescribed by national program goals and policy; and
- Overseeing adaptive management coordination with BOEM and other BSEE leads to improve NEPA analyses, mitigation measures, compliance verification and enforcement actions (when appropriate).

ECP finalized the Bureau's National Environmental Compliance Policy (Bureau Manual Chapter 550.1) and NEPA Compliance Policy (Bureau Manual Chapter 551.1) in May 2017. BSEE also performed a programmatic review of ECP to identify best practices, areas of risk and suggestions for improving effectiveness and efficiency. This programmatic review supports the Interior Secretary's Priority 2 and ensures that ECD is supporting the BSEE mission in the most efficient and consistent way possible. The Bureau remains committed to partnerships on environmental compliance-focused Departmental and interagency working groups.

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FY 2019 PERFORMANCE BUDGET REQUEST

Operations, Safety and Regulation Activity

Table 4: Operations, Safety and Regulation Activity Budget Summary

		2017 Actual	2018 CR Baseline	Fixed Costs and Related Changes (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2019 Request	Changes from 2018 (+/-)
Operations, Safety and Regulation	($000)	144,954	143,970	+370	+3,500	-1,500	146,340	+2,370
	FTE	*519*	*476*	-	-	-	*476*	-
Major Program IT Investments								
Technical Information Management System (TIMS) [1/]	($000)	22,629	20,000				11,222	-
	FTE	-		-	-	-	-	-

[1/] TIMS is a BSEE owned system, which it shares with BOEM. The amounts shown are the BSEE only portion.

SUMMARY OF 2019 PROGRAM CHANGES

Request Component	Amount ($000)	FTE
Helicopter Costs Reduction	-1,300	-
General Program Activities	-200	
Total Program Changes:	**-1,500**	**-**

The Bureau of Safety and Environmental Enforcement (BSEE) promotes the safe and responsible exploration, development, and production of America's offshore energy resources through a well-developed and measured application of its programs including permitting, inspections, regulatory oversight, resource conservation, and enforcement programs. The Bureau continually seeks operational improvements that streamline the efficiency of critical processes that support drilling and production operations such as permitting while reducing the risks to offshore personnel and the environment. Additionally, BSEE continues to evaluate procedures and regulations to stay abreast of industries' technological advances to promote safe and clean operations and conserve the Nation's offshore energy resources.

The 2019 request allows BSEE to continue to enhance oversight, regulatory, and research capability on the Outer Continental Shelf (OCS) by continuing to build and retain staff capabilities. Continued outreach and dialogue with stakeholders from academia, industry, non-governmental organizations, and other governmental agencies will enhance the knowledge base of technical personnel related to innovative technologies, appropriate regulatory application, real-time monitoring capabilities, and risk-based decision making for safety and environmental enforcement.

JUSTIFICATION OF 2019 PROGRAM CHANGES

General Program Activities (-$200,000; -0 FTE): In order to support BSEE's highest priority needs in FY 2019, the Bureau proposes a general reduction to this budget activity that will be achieved through administrative savings efforts, such as reducing non-essential travel expenses.

Helicopter Costs Reduction (-$1,300,000; -0 FTE): BSEE is committed to ensuring that its inspection program operates at the highest level of effectiveness, while continuously exploring ways to increase the overall efficiency of the program. Outside of salary costs, helicopter costs are the largest cost driver of the inspection program. The inspection program includes review of documentation provided by the operator as well as the physical inspection of components. BSEE has reviewed its inspection strategy and has identified ways to eliminate underutilized aircraft by changing its inspection strategy to allow for more onshore review of documentation, and more efficient deployment of inspectors.

INTERNAL TRANSFERS

Decommissioning Activities (+$3,500,000; +0 FTE): This transfer supports the increased role of BSEE's inspectors verifying environmental compliance activities in the field as well as the work performed by engineers in assessing the proper structure removals and well abandonments as part of the decommissioning process. The inspector's initial work is an essential first step - the completion of which allows the environmental compliance staff to then proceed with a compliance evaluation with mitigation measures as part of the lease and permit process.

General Increase in Base Appropriated Funding to Offset Decrease in Offsetting Collections (+10,601,000; +0 FTE): The proposed increase to appropriated funding offsets the estimated decrease in inspection fees, rental receipts, and cost recovery revenue as discussed below. Although offsetting revenue is set to decline, program requirements will not, and it is critically important for the Bureau to maintain adequate base program capacity to achieve its mission, as industry continues to move drilling and production operations into deeper waters and more hostile operating environments.

General Reduction – Changes in Offsetting Collections (-$10,601,000; -0 FTE):

- **Rental Receipts (-$1,568,000; -0 FTE):** Rental receipts are the second largest of three different offsetting collections credited to the BSEE OSEE account to help defray the cost of operations. While the number of active leases has been declining, overall OCS activity does not necessarily follow the same trend. Although activity in shallow water has decreased in recent years, interest in deepwater operations continues, and – according to the U.S. Energy Information Administration – deepwater oil and natural gas production will continue to increase through the rest of this decade and account for a greater share of total OCS production.

- **Cost Recovery Fees (-$157,000; -0 FTE):** Cost recovery fees are the smallest of three different offsetting collections credited to the BSEE OSEE account to help defray the cost of

operations. This reduction in revenue generated from cost recovery fees reflects the trend of actual collections.

- **Inspection Fees (-$8,876,000; -0 FTE):** Inspection fees are the largest of three different offsetting collections credited to the BSEE OSEE account to help defray the cost of operations. The reduction reflects the difference between the FY 2018 CR Baseline inspection fee estimate and anticipated inspection fee collections under the proposed inspection fee language for FY 2019. To provide consistency in the way it bills operators, BSEE is also proposing new non-rig inspection fees to account for industry's increased use of non-rig units, not currently billed, for inspections and being substituted for work that was once conducted only by rigs.

PERFORMANCE OVERVIEW

Best Practices, Performance Requirements, and Regulation Development: The foundation of the BSEE oversight program is a set of best practices that govern numerous aspects of offshore oil and gas operations, from engineering specifications and operating standards to encouraging and supporting the development of a strong safety culture on the OCS. BSEE will continually review these requirements and expectations, and update and revise them as necessary, to ensure they include the most effective practices for safety and environmental protection on the OCS. The Bureau will also continue its efforts to improve its regulatory efficiency. These efforts will focus on the review and evaluation of regulatory needs; streamlining the regulatory process to ensure burdensome requirements that do not improve safety are identified and eliminated, if possible. BSEE will also focus on streamlining the incorporation of new and updated industry standards into regulations. BSEE will continue to coordinate its regulatory efforts with U.S. Coast Guard (USCG) and other agencies to avoid unnecessary duplication and to maximize consistent and efficient regulation of OCS activities.

In FY 2018, BSEE will continue to actively participate with external Standards Development Organizations (SDOs) to develop new or revised standards for safety and environmental protection on the OCS consistent with the National Technology Transfer and Advancement Act of 1995. The objective of this activity is to optimize the use of national and international standards in regulations for safe and environmentally sound development of OCS resources; collaborate with SDOs to expedite the development of industry best practices; increase BSEE's knowledge and awareness of standards related to oil and natural gas development on the OCS and their applicability to the regulatory regime; and facilitate BSEE's ability to provide input on the standards. BSEE will also continue to take a leadership role in establishing more effective communication links between international standards organizations and other international regulators to ensure industry best practices continue to improve.

BSEE, the National Aeronautics and Space Administration (NASA), and industry continue the development of standard assessment methodology for assessing new technology that will potentially be used to develop deepwater resources. The use of a standard methodology will allow BSEE and the industry to better define and interpret the risks associated with emerging technologies and ensure that any issues are identified and addressed early in the technology life cycle.

Permitting: The foundation of safe operations on the OCS begins with leading edge prevention through risk identification, assessment, mitigation, management, and oversight during the permit review process. Based upon the risks identified and associated with operators' permit submissions, BSEE will be able to focus permit review efforts in FY 2018 on streamlining the review process, including environmental analysis mandated by the National Environmental Policy Act and ensuring that the review process is focused on those areas of highest risk.

Inspections, Investigations, and Risk Management: BSEE is committed to continually improving its inspection approach. In FY 2017, BSEE greatly accelerated its work on developing an updated inspection strategy. The team tasked with developing this strategy includes representatives from the Regions as well as Headquarters. They will identify and evaluate various approaches for inspecting a facility for safety and regulatory compliance as well as for assessing the effectiveness of the operators' internal procedures and management policies at maintaining a safe work environment. It is likely the updated inspection strategy will reflect a hybrid of inspection techniques, risk assessment tools, and Safety and Environmental Management System (SEMS) or performance-based assessments. Having this risk-based inspection protocol as part of BSEE's strategy will move the Bureau further down the road toward safe and environmentally-sustainable operations.

SEMS is a performance-based program, which along with the Annual Inspection Program, are the cornerstones in BSEE's move toward a hybrid regulatory approach. SEMS is designed to help drive the safety and environmental performance of OCS oil and gas operators and contractors by focusing on assessing the effectiveness of the operators' internal safety and environmental policies, programs, procedures and behaviors. Using the SEMS tools, in conjunction with a risk-based inspection approach, BSEE is looking beyond measuring full compliance to checking how well the expectations and intent behind BSEE's regulations have been incorporated into the workplace on the OCS. BSEE's SEMS program, which is modeled after international programs for quality, safety, and environmental management systems, incorporates the elements of the American Petroleum Institute's (API) Recommended Practice 75. Therefore, operators can now design their safety and environmental management system to align with their business model and company culture to more effectively utilize their resources, design their safety initiatives in ways that ensure effective implementation, and promote continuous improvement in safety and environmental performance.

Implementing an inspection strategy that allows the Bureau to direct resources at the riskiest facilities and safety components represents an ultimate goal for BSEE. Planning the inspections, deciding the facility to visit as well as what to inspect, verify, and validate at the facility is essential to a successful program. Inspection planning utilizes information obtained from third party SEMS audits and the annual compliance inspections, as well as the lessons learned from BSEE or industry-led incident investigations to identify safety trends and concerns. These risk-based inspections go beyond the typical compliance review and focus on the performance and risks of the operator of comprehensive safety audits with multi-discipline teams consisting of engineers and inspectors. These inspections evaluate facilities with a focus on the operation and maintenance of safety critical equipment; the implementation and effectiveness of their safety and environmental management systems; proper contractor oversight; and adequate training and safety awareness.

The collection and analysis of industry-wide safety data plays a critical role in the identification and mitigation of safety issues. BSEE continues to work with industry to encourage the collection, analysis, and dissemination of critical safety data, issues, and trends across the industry. For example, the BSEE-funded SafeOCS program collects near-miss, safety, and equipment component failure system data from operators and contractors across the OCS using industry-designed protocols. This data is collected by a third party on a confidential basis, analyzed by subject matter experts, and released in aggregated form to the industry, BSEE, and the public. The SafeOCS reporting system resolves any commercial and legal issues by using a third party to collect and aggregate the data. However, to see the greatest benefit, maximum participation among operators is paramount. To date, at less than 4 percent, the participation rate for this program has been unacceptably low for this Administration. BSEE has undertaken change initiatives to radically improve the rate of participation and expects greatly improved participation rates into FY 2019. BSEE will continue to work closely with the International Association of Drilling Contractors, the Offshore Operators Committee, the Center for Offshore Safety, the operators, and their support industry to develop, maintain, and improve the framework for the collection, analysis, and reporting of the OCS data. BSEE is also working with industry groups such as the International Association of Oil and Gas Producers and other international regulators to develop an international system for collecting and reporting this type of data. An international program will assist operators by providing consistent reporting protocols across all jurisdictions and by providing access to a robust safety database.

Under the OCSLA, BSEE is required to conduct investigations and prepare an investigation report for each major incident associated with activities on the OCS. Every incident that occurs on the OCS receives some level of review and an appropriate level of investigation, when warranted. The purpose of an investigation is to identify the cause(s) of an incident and to make recommendations to prevent its recurrence and the occurrence of similar incidents. Incidents that meet the requirements of 30 CFR 250.188 are required to be reported to BSEE, which reviews each incident. Based on a tiered approach, BSEE will determine what type and amount of investigative resources will be devoted to an incident depending on the severity and complexity of the event.

As a result of incident investigation report recommendations and other inspections and enforcement activities, BSEE publishes Safety Alerts and Safety Bulletins to inform the offshore oil and gas industry of the circumstances surrounding an incident or near miss and to provide recommendations that will help prevent the recurrence of a similar incident on the OCS. Incident investigation reports may also recommend that the Bureau consider new or revised regulatory or inspection actions or other initiatives. Through active coordination amongst various government agencies such as the USCG, BSEE promotes effective utilization and coordination of respective investigative resources.

Compliance: An essential part of any regulatory program is the provision of compliance assistance and enforcement in cases where there is a failure to comply with safety and environmental regulations. BSEE employs a number of tools, including issuance of Incidents of Non Compliance (INC), penalties and orders to underscore the importance of safe operations and environmental stewardship to create a level playing field for all operators. BSEE also conducts annual performance reviews of each operator as a way to address recurring safety and environmental concerns.

Through the identification and quantification of risk, BSEE can identify key leading and lagging indicators, and better gauge operator effectiveness in employing redundant physical controls (barrier analysis). In FY 2017, BSEE completed a pilot-tested risk-analysis methodology for production facilities. Preliminary data analyses indicates that the 410 highest-risk platforms in the Gulf of Mexico OCS Region (GOMR), which represents about 20 percent of GOMR platforms, accounted for 80 percent of all accident or pollution events that were reported to BSEE during FY 2014. These platforms also accounted for 84 percent of all major incidents such as fires, explosions, spills, fatalities, and blowouts. The Bureau is actively deploying this risk-based methodology which (when combined with findings from the annual inspection program, trends identified in the third-party SEMS audits, and the SafeOCS program) will enable BSEE to effectively focus its attention in the areas or operations and safety barriers which pose the greatest risk to safe operations.

In implementing the compliance and enforcement program, BSEE will be guided by safety and environmental protection performance goals and adhere to clear, systemic, and fair processes. The program will also promote a culture of professionalism throughout the workforce and establish consistent, transparent, and clear processes that will guide program implementation.

Conservation Management: As a steward of the Nation's OCS oil, gas, and mineral resources, BSEE must provide for conservation of natural resources by preventing waste and ensuring ultimate recovery of the resources, as well as protecting the correlative rights of OCS lessees and the government. Conservation of oil and gas resources is an integral part of the Nation's energy policy and a primary objective for BSEE's regulatory program. To promote conservation, BSEE monitors development and production activities on the OCS and enforces regulations that require operators to avoid waste and maximize the ultimate recovery of OCS minerals once access has been granted.

Production Measurement and Verification: Oil production in the Gulf of Mexico has increased from 1.1 million barrels per day (MMBopd) in June 2013 to 1.7 MMBopd in August 2017, despite generally declining oil prices. This increase in oil production was accomplished by drilling and completion work from platform and floating drilling rigs in support of both new and existing production facilities for deepwater projects. In coordination with ONRR, BSEE's Measurement Approval and Enforcement Section helps ensure that production volumes are accurately measured and reported for the assessment of royalties returned to the American people.

Emerging Technologies and Research: BSEE performs technical assessments and research on both existing and "cutting edge" technology to determine the feasibility of the technology and to identify gaps in technology or industry standards. The goals of these activities are to identify and resolve potential safety issues before incidents occur and also to ensure that emerging technologies can be reviewed and approved in a timely manner by regional staff. For example, BSEE's technical assessment of failures of subsea bolts and connectors has resulted in significant improvements in industry standards and manufacturing practices. In calendar year 2017, the Emerging Technology Branch's research and analysis on subsea bolting resulted in the American Petroleum Institute (API) publishing a new edition of their bolting standard (API Spec. 20E). BSEE's reports also resulted in the industry voluntarily upgrading and replacing the majority of their existing subsea bolts. Furthermore, BSEE's testing and research of high-temperature and high-pressure equipment has resulted in revisions and improvements in

the design criteria that are used in industry standards and are used for the projects that have been submitted to BSEE for approval. In 2017, the Bureau also worked on projects that included: Arctic operations, platform design, pipeline, cementing, and inspections. All of these projects will be used by BSEE to improve and streamline the review process while ensuring safe operations. Finally, collaboration with the industry and NASA has resulted in the development of standard risk methodology for assessing new technology. This standardized process will assist in speeding up the review process for these types of projects.

Renewable Energy Inspection Program: BSEE and BOEM continue to work cooperatively to develop and refine the OCS renewable energy permitting and inspection program. Working cooperatively, and building on the experiences to date, the Bureaus will develop a comprehensive approval and oversight program tailored to the unique siting, design, and compliance oversight aspects of this segment of the offshore energy program.

Information Technology (IT) and Data Stewardship: BSEE has been working to develop and maintain its IT investments by enhancing the Bureau's capability to collect and manage data. Through enhanced data use, BSEE will be able to make better decisions, as well as make data available to the public in an accessible way while protecting privacy, proprietary information, and business confidential information. To enhance the Bureau's capabilities, BSEE has deployed eWell to all Regions, expanded eInspections functionality to include both platforms and rigs, and deployed the first module of the ePermits systems in FY 2018, which is used for the submission of BSEE oil spill response plans by industry users.

BSEE has incorporated the implementation of the Business Intelligence (BI) Tool to include the construction of an integrated BI environment, including software and hardware components that consolidate data from a broad spectrum of data repositories. The first phase of BI has been implemented into the production environment, which includes the data queries associated with BSEE reports around production and inspection information. The next phase will include the queries necessary to track the BSEE Vital Statistics. BSEE data will be presented through a logical data model that reflects business processes using a metadata-driven approach. This will allow the transition from a canned or custom report-driven approach to data analysis and discovery to give users the power to independently obtain the information. The metadata layer will allow for the development of a web-enabled, role-based dashboard built on Oracle's Business Intelligence Foundation Suite and the mapping of current users to the newly developed security model.

BSEE is transitioning to a data stewardship framework within the Bureau to facilitate the development and implementation of standards, policies and procedures, and to improve the quality and accessibility of data for analytical purposes. The Bureau works to protect proprietary and personally identifiable information (PII) through existing policies and procedures, and updates these to maintain compliance and provide individuals and organizations the necessary assurances regarding the integrity of critical information assets. Furthermore, BSEE is working in concert with the Department to make progress towards a comprehensive inventory of data assets as instructed by the Office of Management and Budget (OMB) in OMB M-13-13, *Open Data Policy – Managing Information as an Asset***.**

Human Capital Management: Critical to meeting BSEE's mission goals is the ability to recruit, develop, and retain a diverse workforce that is accountable, competent, and engaged. BSEE competes directly with industry, which can offer a higher salary structure, when recruiting for mission critical engineering and inspector positions. To be more competitive BSEE has taken several steps over the past several years to include obtaining special pay authorization for mission critical occupations, expanding the use of recruitment incentives, and executing a concerted hiring initiative focused on filling key vacancies. As a result of these efforts, BSEE now has the expertise and staffing levels to fully implement its mission. However, the Bureau expects that as competition within industry increases, it will again become difficult to recruit and retain highly qualified staff. To mitigate the risk of key staff losses, BSEE will continue to utilize all hiring and compensation flexibilities including recruitment and retention bonuses and student loan repayments. BSEE also plans to dedicate significant training resources to expand the skills of its workforce as well as focusing efforts to expand its employee engagement activities. In addition, in FY 2019 BSEE will focus on expanding the development of its Human Capital Operating Plan (HCOP) that aligns with DOI's Goal of *Building a 21st Century Workforce*, as well as BSEE's strategic vision to "sustain an accountable, competent and engaged workforce".

In response to the Bureau's growing need for inspector and engineering training to ensure that staff stays current with new technology and inspection techniques, BSEE continues to evolve its training programs through continual assessments of its programs. Furthermore, BSEE will focus on expanding the competency models of the mission critical positions to ensure training is modeled around developing key competencies.

Oil Spill Preparedness Verification: BSEE maintains its commitment to environmental stewardship and the responsible use and protection of the natural environment through conservation, enforcement, and sustainable practices. By ensuring offshore facility owners and operators meet the oil spill response preparedness standards set forth by the Clean Water Act, Oil Pollution Act of 1990, and 30 CFR §254, BSEE plays a key role in supporting the Nation's response posture for oil spills that can impact public health and the environment. The Oil Spill Response Plan (OSRP) is the key tool to provide assurance to the American public that offshore energy exploration and production is an activity that fosters environmental stewardship. BSEE approves OSRPs when an offshore facility has demonstrated the ability to quickly and effectively respond to a worst-case discharge to the maximum extent practicable.

In FY 2017, the Bureau conducted 207 plan review activities ensuring that 119 approved OSRPs remain up to date and in compliance with regulations. As such, BSEE ensures that the strategies and resources listed in OSRPs are regularly exercised. Exercises allow personnel from facility operators, spill response contractors, and regulatory officials to validate the efficacy of an OSRP. These exercises provide training and practice of strategic and tactical preparedness, protection, response, and recovery capabilities in a risk-reduced environment. In FY 2017, BSEE conducted 19 government-initiated unannounced exercises and audited 105 industry-led training and exercise activities. Additionally, BSEE manages the compliance process for monitoring the preparedness and readiness levels of oil spill response equipment owned or contracted by offshore facilities owners and operators. Therefore, BSEE personnel periodically verifies and ensures that equipment listed within the OSRP is properly maintained, ready to be operated, and performs as specified by the manufacturer. In FY 2017, the Bureau conducted 82 separate site visits to verify the location and condition of thousands of pieces of oil spill response equipment. In FY 2017,

BSEE personnel also attended 8 Regional Response Team meetings and 20 Area Committee meetings where information was shared regarding specific OSRP issues, joint industry exercise planning, and geographic-specific response subjects.

Table 5: Performance Overview Table - Operations, Safety and Regulation

Mission Area 2, Goal 1: Ensure Energy and Economic Security for America							
Strategic Objective Metrics **Strategic Plan Measure / Efficiency or other Bureau-Specific Measure**	**2014 Actual**	**2015 Actual**	**2016 Actual**	**2017 Actual**	**2018 CR Baseline**	**2019 Pres. Budget Request**
Strategic Plan Measures						
Amount (in barrels) of operational offshore oil spilled per million barrels produced (excluding Hurricane-related spills) (SP)	0.58 (303/521 million)	3.42 (1895/555 million)	3.66 (2141/585 million)	0.07 (41/630 million)	3.00	2.90
Comments:						
Contributing Programs: Operations, Safety and Regulation						
Number of Recordable Injuries per 200,000 Offshore Man Hours Worked (DOI-Regulated Activities ONLY) (SP)	0.342 (205/599)	0.385 (158/410)	0.273 (116/425)	0.245 (103/420)	0.400	0.400
Comments: This strategic plan measure is an incident rate of all Recordable Injuries (i.e., injuries that require medical treatment beyond first aid and fatalities) that occur during DOI-regulated activities in the fiscal year for every 200,000 offshore man hours worked (which is the approximate equivalent of 100 full-time workers). The value for FY 17 is an estimate as final data are not yet available.						
Contributing Programs: Operations, Safety and Regulation						
Percentage of high risk drilling rigs and well workover operations inspected (SP)	N/A	N/A	N/A	N/A	90%	90%
Comments: This strategic plan measure is being added under the Department's FY 2018-FY 2022 Strategic Plan. This measure is based on BSEE's Risk Based Inspection program which was recently revised, consequently, historical data is not available.						
Contributing Programs: Operations, Safety and Regulation						
Percentage of high risk production facilities and operations inspected (SP)	N/A	N/A	N/A	N/A	90%	90%
Comments: This strategic plan measure is being added under the Department's FY 2018-FY 2022 Strategic Plan. This measure is based on BSEE's Risk Based Inspection program which was recently revised, consequently, historical data is not available.						
Contributing Programs: Operations, Safety and Regulation						
Use a risk based methodology to observe proving of X% of oil royalty meters (SP)	N/A	N/A	N/A	N/A	6%	7%
Comments: This strategic plan measure is being added under the Department's FY 2018-FY 2022 Strategic Plan. This measure is based on recently developed risk based methodologies for conducting BSEE's meter inspections program, consequently, historical data is not available.						
Contributing Programs: Operations, Safety and Regulation						

FY 2019 PERFORMANCE BUDGET REQUEST

Administrative Operations Activity

Table 6: Administrative Operations Activity Budget Summary

		2017 Actual	2018 CR Baseline	Fixed Costs and Related Changes (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2019 Request	Changes from 2018 (+/-)
Administrative Operations	($000)	18,268	18,144	+21	-	-36	18,129	-15
	FTE	*218*	*247*	-	-	-	*247*	-

SUMMARY OF 2019 PROGRAM CHANGES

Request Component	Amount ($000)	FTE
General Program Activities	-36	-
Total Program Changes:	**-36**	**-**

The Administrative Operations Activity consists of the following Divisions and support teams: Acquisition Management Division, Equal Employment Opportunity Division, Finance Division, Human Resources Division, Management Support Division, Technology Services Division, Data Stewardship Team and Records, and Delegations and Directives Team. BSEE provides the full suite of administrative services to the Bureau of Ocean Energy Management (BOEM) through a reimbursable service agreement. The Bureau also provides a partial set of shared services to the Office of the Secretary under tailored shared services agreements. BSEE is continually working to advance its administrative support posture in order to improve services and provide the Bureaus' programs with the tools needed to meet mission requirements effectively. Through the use of program funding provided to meet targeted administrative initiatives to include human capital, data stewardship, and records management, and the utilization of shared service partnerships with BOEM, and other parts of the Department, the Office of Administration can continue to establish best practices and enhance efficiencies.

JUSTIFICATION OF 2019 PROGRAM CHANGES

General Program Activities (-$36,000; -0 FTE): In order to support BSEE's highest priority needs in FY 2019, the Bureau proposes a general reduction to this budget activity that will be achieved through administrative savings efforts, such as reducing non-essential travel expenses.

INTERNAL TRANSFERS

General Increase in Base Appropriated Funding to Offset Reduction in Offsetting Collections (+$1,000,000; +0 FTE): The proposed increase to appropriated funding offsets the estimated decrease in rental receipt and cost recovery revenue as discussed below. Although offsetting revenue is set to decline,

program requirements will not, and it is critically important for the Bureau to maintain adequate base program capacity to achieve its mission, as industry continues to move drilling and production operations into deeper waters and more hostile operating environments.

General Reduction – Changes in Offsetting Collections (-$1,000,000; -0 FTE):

- **Rental Receipts (-$909,000; -0 FTE):** Rental receipts are the second largest of three different offsetting collections credited to the BSEE OSEE account to help defray the cost of operations. While the number of active leases has been declining, overall OCS activity does not necessarily follow the same trend. Although activity in shallow water has declined in recent years, interest in deepwater operations continues, and – according to the U.S. Energy Information Administration – deepwater oil and natural gas production will continue to increase through the rest of this decade and account for a greater share of total OCS production.

- **Cost Recovery Fees (-$91,000; -0 FTE):** Cost recovery fees are the smallest of three different offsetting collections credited to the BSEE OSEE account to help defray the cost of operations. This reduction in revenue generated from cost recovery fees reflects the trend of actual collections.

PROGRAM OVERVIEW

Acquisition Management Division (AMD): The AMD is responsible for the execution and administration of BSEE and BOEM contracts and financial assistance agreements. By collaborating with its customer organizations, this Division can create quality business solutions that help to accomplish the mission goals of the Bureaus. The Division provides acquisition and financial assistance policy guidance, cost and price analysis, and advice to procurement and program personnel. AMD conducts acquisition management and other internal control reviews of procurement activities throughout the year. AMD administers the purchase line of the BSEE and BOEM charge card programs, as well as the competitive sourcing programs. In addition, the Business and Economic Development Program maximizes opportunities for small, disadvantaged, and women-owned businesses, as well as historically black colleges and universities as both prime contractors and subcontractors. Work includes overseeing and managing all career management programs for acquisition purposes.

Equal Employment Opportunity Division (EEOD): The EEOD develops, monitors, and operates the Equal Employment Opportunity (EEO) program for BSEE and BOEM in compliance with Title VII of the Civil Rights Act of 1964, as amended; the Equal Pay Act of 1963; the Age Discrimination in Employment Act of 1967, as amended; Section 501 and 505 of the Rehabilitation Act of 1973, as amended; Title II of the Genetic Information Nondiscrimination Act of 2008; Departmental directives; and other related statutes and orders. Its goal is to ensure that workforce activities are inclusive, and that they promote the full utilization and exchange of skills and talents.

The Division provides advice and guidance to managers, supervisors, employees, and applicants for employment regarding EEO policies and procedures. EEOD provides technical advice and consultation to managers on recruitment strategies for affirmative employment designed to improve low participation

rates of various groups in BSEE and BOEM. EEOD provides oversight of special initiative programs designed to involve more women, minorities, and people with disabilities throughout all levels of the Bureaus. Additionally, the Division also provides EEO counseling and mediation services, as well as formal EEO complaint processing.

Finance Division: The Finance Division provides a full range of accounting and financial management services to BSEE and BOEM. The Division manages and oversees the Chief Financial Officer audit as conducted by an independent audit firm with oversight from the Department's Office of Inspector General (OIG). The Finance Division develops Bureau financial policies, procedures, and guidelines. The Division liaises with Departmental policy offices, including the Office of Financial Management and the Office of Acquisition and Property Management, and other Federal agencies. It also coordinates with the Bureau's Office of Budget and with the Department's Office of Budget. Staff members may also represent the Bureau on a variety of Departmental and government-wide teams dealing with financial issues.

This Division is responsible for the administrative accounting operations of both BSEE and BOEM. The Finance Division manages the administrative accounting system; audits and schedules bills for payments; collects debts; develops financial data; prepares financial reports; provides advice and guidance on financial matters.

Human Resources (HR) Division: The HR Division develops and implements policies, procedures, guidelines, and standards relating to general personnel management, recruitment and employment, position management and classification, and employee development. Work includes performing all operational personnel services for BSEE, BOEM, and other client organizations including the Department of the Interior's Office of the Secretary, and providing assistance and guidance related to personnel matters for all regional and field installations.

HR also leads all BSEE workforce-analytics initiatives in support of larger workforce planning efforts, which include analyzing the current workforce, identifying future workforce needs, and preparing plans for building the workforce needed in the future. The Division also provides analytical support to BOEM, and tailors these services to meet the specific needs of its diverse customers. The long-term benefits of workforce-planning initiatives include the ability of BSEE to meet its mission and performance goals. As regulators, BSEE must be able to keep pace with the latest technological advances. In support of these efforts, the Division works with its customers to adopt a comprehensive recruitment and training system in order to attract the best talent to the public service, while continuing to provide the training and education necessary to keep its workforce at the leading edge of industry innovation. In addition, the Division is responsible for the oversight of a Bureau-wide Learning Management System that serves as a valuable workforce development tool. HR also coordinates all Department-mandated employee development initiatives for implementation in BSEE and BOEM. HR develops and oversees the ongoing implementation of a leadership development program, which focuses on training, mentoring, and shadowing (rotational assignment) opportunities for employees across varying levels, across three tracks.

The Division focuses on employee relations and services, including personnel program evaluation, labor/management relations, advising employees about conflict of financial interest and standards of

conduct, and administering incentive awards programs, family friendly programs, the Federal Equal Opportunity Recruitment Program, and Senior Executive Service program.

Management Support Division: The Management Support Division provides direct assistance to BSEE's Associate Director for Administration, as well as to BSEE and BOEM personnel. The Division's responsibilities include:

- Emergency management, physical security, personnel security;
- Evaluations and studies;
- Delegation of authority, directives management, program management, providing high-level administrative support; and management and organization analysis activities;
- Occupational safety and health;
- Support services, including facilities management, property management, space management, printing and publications activity, and general office services;
- Continuity of operations program; plans, implements, and directs the physical and personnel security programs, including development and implementation of policy, procedures, methods, and techniques for protection of proprietary and national security information;
- Budget planning, execution, and formulation for the administrative operations budget; and
- Maintains accountability records of all system-controlled property in the possession and control of custodial property officers and contractors; and manages the vehicle fleet and museum property, including the Arts and Artifacts program.

Technology Services Division (TSD): The TSD ensures the efficient and effective planning, management and acquisition of information technology (IT) and information resources within BSEE, BOEM, and ONRR. The Division ensures compliance with all Federal Information Technology Acquisition Reform Act (FITARA) requirements, as well as other government-wide and Departmental priorities. TSD clearly defines the information technology needs of the Bureaus' mission and enterprise functions, and fulfills those needs as appropriate.

The TSD provides a central foundation to manage the large volume of information and data used in the scientific, engineering, and management activities of BSEE's and BOEM's programs. The Technical Information Management System (TIMS) is the Bureau's core mission application, and provides the tools needed to manage the wide array of data and information needed to accomplish the Bureaus' day-to-day mission requirements effectively. TIMS automates the business and regulatory functions of BSEE and BOEM and brings diverse information into a central database. This enables BSEE and BOEM Regions and Headquarters to share and combine data; to standardize processes, forms, reports, and maps; to promote the electronic submission of data; to enforce data integrity through relational database technology; and to release accurate, consistent information to the public sector.

In support of the strategic goals of each Bureau, TSD through a collaborative effort with its customer base will redesign its information and knowledge management tools, and enhance the collection, standardization, accuracy, completeness, consistency, and storage of data. These efforts will increase the Bureau's ability to collaborate across current divisions of processes and software. Improved data management and analysis will allow the Bureau to better identify trends and statistics critical to assessing

broader indicators of risk. A more collaborative and streamlined knowledge management system will also better enable Bureau-wide innovation and adaptation in all aspects of offshore safety, response preparedness, and environmental protection.

The TSD also manages and maintains the Geological Interpretive Tools (GIT) system, which represents the basis of essentially all BOEM determinations requiring geoscience analysis. GIT allows BOEM to improve productivity by quantifying analyses, analyzing digital data in three-dimensions, fully integrating geophysical and geological data analysis, and reducing risks and uncertainty in decision-making processes. In addition, TSD has developed an extensive Geographic Information System (GIS) capability for nearly all BSEE and BOEM offshore maps and leasing processes, providing the means to define, describe, analyze, and account for every acre of Federal offshore-submerged lands.

The Division provides direction and coordination for Bureau-wide IT activities such as the IT Capital/Strategic Planning, with an emphasis on IT investment planning and monitoring through a rigorous governance process. They also provide support for the overall infrastructure, including the shared services budget, enterprise help desk, network management, and other essential infrastructure for office automation. The TSD implements and supports the Bureau's IT security program by working collaboratively with BSEE and BOEM offices as well as with the DOI's Office of the CIO to review and improve security plans, policies, procedures, and standards to reflect technological changes. The IT security efforts include participating in risk assessments and management reviews of systems and networks, identifying security issues, recommending mitigation, and promoting compliance with FITARA.

Data Stewardship Team: The Data Stewardship Team organizes and facilitates data sharing with program offices, Bureaus, and public stakeholders, as well as coordinates data stewardship activities with DOI data teams. In addition, the team works with the Programs and Divisions to develop and maintain overall data architecture, data resource model, data strategies, and manages the data as a corporate resource.

Records, Delegations, and Directives Team: The Records, Delegations, and Directives Team oversees the BSEE and BOEM records management programs under 36 CFR 1220.10(b), to provide effective management of the creation, maintenance, use, preservation, and disposition of BSEE and BOEM records. The team serves as the official liaison with the Department of the Interior for the eERDMS (eMail Enterprise Records and Document Management System) overseeing the development and maintenance of BOEM and BSEE email records classification as well as the Enterprise Content Management system for long-term compliant electronic records archival storage activities. The Team manages the Bureau's delegations of authority and directives programs, supporting the processing, dissemination, and filing of agency delegations and directives. The Team also manages the internal forms library and is the official liaison for BOEM and BSEE with the DOI Enterprise Forms System (EFS), to include processing EFS help tickets through the DOI software system, planning and processing newly automated forms.

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FY 2019 PERFORMANCE BUDGET REQUEST

Executive Direction Activity

Table 7: Executive Direction Budget Summary

		2017 Actual	2018 CR Baseline	Fixed Costs and Related Changes (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2019 Request	Changes from 2018 (+/-)
Executive Direction	($000)	18,236	18,112	+21	-	-36	18,097	-15
	FTE	*89*	*106*	-	-	-	*106*	-

SUMMARY OF 2019 PROGRAM CHANGES

Request Component	Amount ($000)	FTE
General Program Activities	-36	-
Total Program Changes:	**-36**	**-**

The Executive Direction Activity provides Bureau-wide leadership, direction, management, coordination, communications strategies, and outreach for the entire organization to carry out its primary mission. In FY 2019, the Executive Direction Activity will fund the Office of the Director, the Integrity and Professional Responsibility Advisor Unit, the Office of Budget, the Office of Policy and Analysis, the Office of Public Affairs, and the Office of Congressional and International Affairs.

JUSTIFICATION OF 2019 PROGRAM CHANGES

General Program Activities (-$36,000; -0 FTE): In order to support BSEE's highest priority needs in FY 2019, the Bureau proposes a general reduction to this budget activity that will be achieved through administrative savings efforts, such as reducing non-essential travel expenses.

INTERNAL TRANSFERS

Increase in Appropriated Funds to Offset Reduction in Offsetting Collections (+$462,000; +0 FTE): The proposed increase to appropriated funding offsets the estimated decrease in rental receipt and cost recovery revenue as discussed below. Although offsetting revenue is set to decline, program requirements will not, and it is critically important for the Bureau to maintain adequate base program capacity to achieve its mission, as industry continues to move drilling and production operations into deeper waters and more hostile operating environments.

General Reduction – Changes in Offsetting Collections (-$462,000; -0 FTE):

- **Rental Receipts (-$420,000; -0 FTE):** Rental receipts are the second largest of three different offsetting collections credited to the BSEE OSEE account to help defray the cost of operations. While the number of active leases has been declining, overall OCS activity does not necessarily follow the same trend. Although activity in shallow water has declined in recent years, interest in deepwater operations continues, and – according to the U.S. Energy Information Administration – deepwater oil and natural gas production will continue to increase through the rest of this decade and account for a greater share of total OCS production.

- **Cost Recovery Fees (-$42,000; -0 FTE):** Cost recovery fees are the smallest of three different offsetting collections credited to the BSEE OSEE account to help defray the cost of operations. This reduction in revenue generated from cost recovery fees reflects the trend of actual collections.

PROGRAM OVERVIEW

Office of the Director

The Office of the Director includes the Director, the Deputy Director, and their immediate staff. This office is responsible for providing general policy guidance and overall leadership within the BSEE organization, as well as managing all of the official documents of the Office of the Director.

Integrity and Professional Responsibility Advisor (IPRA) Unit

The IPRA is responsible for promptly and credibly responding to allegations or evidence of misconduct, unethical behavior, and unlawful activities by BSEE and BOEM employees. Investigations into the activities of private entities that BSEE regulates will be performed by the Safety and Incident Investigations Division. The IPRA refers internal misconduct cases to the DOI's Office of the Inspector General, when allegations meet the required criteria for referral.

Office of Budget

The Office of Budget provides budget analysis and guidance for the formulation, congressional and execution phases of the budget cycle. During the budget formulation cycle, the office develops and maintains all budgetary data to support BSEE's budget requests to the Department, the Office of Management and Budget (OMB), and Congress. During the congressional phase, the Office of Budget tracks the appropriations process, coordinates the preparation of capability and effect statements, and provides answers to House and Senate questions. Throughout the execution phase, the Budget Division tracks spending against line item budgets, analyzes budgetary and expense data, and provides regular updates to BSEE executives on the status of funds. The Office of Budget works closely with the Office of Policy and Analysis and program level performance staff to integrate performance data and information into all aspects of budget formulation and execution.

Office of Policy and Analysis

The Office of Policy and Analysis serves as the principal office to provide the Director with independent review and analysis of programmatic and management issues. Additionally, the office leads, coordinates, and monitors many cross-program initiatives, ensuring a consistent BSEE-wide implementation that directly supports congressional, presidential, and Departmental directives, laws, mandates and guidance. The Office of Policy and Analysis fulfills the Director's responsibilities in several critical areas, including strategic and performance planning, policy and program evaluation, enterprise risk management, and internal controls.

Associate Director of Strategic Engagement

This position serves as a senior advisor to the Director on key mission-critical issues, initiatives, and Bureau functions. The Office of Public Affairs, along with the Office of Congressional and International Affairs, reports to this position.

Office of Public Affairs (OPA)

OPA is responsible for BSEE's communication strategies and outreach. The goal of OPA is to inform the public, and ensure coordinated communication, consistent messages, and the effective exchange of information with all customers and stakeholders. OPA coordinates the implementation of an effective and inclusive outreach program to numerous target audiences, including state and local governments, the energy industry, related trade associations, the environmental community, Tribal Nations, other Federal agencies, energy consumer groups, and the general public.

Office of Congressional and International Affairs (OCIA)

OCIA serves as BSEE's primary point of contact for the U.S. Congress and BSEE's international counterparts. The OCIA is responsible for the coordination of all communication and engagements as well as ensuring consistent messaging and effective exchanges of information in these areas. OCIA manages and analyzes the Bureau's international programs and policies and include structuring international cooperation agreements; organization of technical exchanges; and, support of BSEE's engagement in international regulatory fora. OCIA coordinates with the Department's Office of International Affairs, the Department of State, and the international programs within all relevant U.S. agencies, such as the Department of Energy, the Department of Commerce, and the Department of the Treasury.

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Bureau of Safety and Environmental Enforcement

Summary of Requirements Table

(Dollars in Thousands)

Account	2017 Actual		2018 CR Baseline		Fixed Costs & Related (+/-)	Internal Transfers (+/-)	Program Changes (+/-)		2019 Request		Change from CY (+/-)	
	Amount	Total *FTE*	*FTE*	Amount			*FTE*	Amount	*FTE*	Amount	*FTE*	Amount
Oil Spill Research	**14,899**	**22**	**22**	**14,798**	-	-	-	-2,098	**22**	**12,700**	-	-2,098
TOTAL FUNDING, Oil Spill Research	**14,899**	**22**	**22**	**14,798**	-	-	-	**-2,098**	**22**	**12,700**	-	**-2,098**

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Bureau of Safety and Environmental Enforcement

Language Citations

Appropriations Language

Oil Spill Research Appropriation Account

For necessary expenses to carry out title I, section 1016, title IV, sections 4202 and 4303, title VII, and title VIII, section 8201 of the Oil Pollution Act of 1990, $12,700,000, which shall be derived from the Oil Spill Liability Trust Fund, to remain available until expended.

Note. A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2018 (Division D of P.L. 115-96, as amended). The amounts included for 2018 reflect the annualized level provided by the continuing resolution.

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FY 2019 PERFORMANCE BUDGET REQUEST

Oil Spill Research Appropriation

Table 8: Oil Spill Research Budget Summary

		2017 Actual	2018 CR Baseline	Fixed Costs and Related Changes (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2019 Request	Changes from 2018 (+/-)
Oil Spill Research	($000)	14,899	14,798	-	-	-2,098	12,700	-2,098
	FTE	*20*	*22*	-	-	-	*22*	-

SUMMARAY OF 2019 PROGRAM CHANGES

Request Component	Amount ($000)	FTE
Research Reduction	-2,098	-
Total Program Changes:	**-2,098**	**-**

This program supports research on the prevention and response to oil pollution as authorized by the Oil Pollution Act of 1990. The Oil Spill Research program plays a pivotal role in initiating applied research to support decision making on methods and equipment needed to prevent or mitigate oil spills, a critical component of the offshore permitting process. Funds are used to sponsor testing of new equipment or methods and to support the Ohmsett testing and training activities. Located in Leonardo, New Jersey, the Ohmsett testing facility is the only one of its type in the world, providing full-scale equipment and methodology testing for offshore spills in a safe, controlled environment. The 2019 request will address key knowledge and technology gaps in oil spill response, focusing on deepwater and Arctic environments.

JUSTIFICATION OF 2019 PROGRAM CHANGES

Research Reduction (-$2,098,000; -0 FTE): BSEE has developed the capability to conduct research projects with the Oil Spill Preparedness Division (OSPD) engineering staff by leading much of the research on traditional, alternative, and emerging spill response technologies at the Ohmsett facility. Through enhancement and operationalization of response technologies, spill cleanups can be done more effectively and efficiently resulting in safer field oil recovery and treatment activities, with less impact to the environment, and a quicker return of platforms to production operations. BSEE will focus on priority research activities that align with the OCS safety and environmental risk reduction goals and objectives of the Administration.

PROGRAM OVERVIEW

The Bureau derives funding from the Oil Spill Liability Trust Fund (OSLTF) to execute BSEE's delegated responsibilities in support of title I, section 1016; title IV, sections 4202 and 4303; title VII; and title VIII, section 8201 of the Oil Pollution Act of 1990 (OPA 90). The OSLTF is separate from the general revenue fund and use of the OSLTF does not affect the overall government budget or Federal deficits. BSEE carries out these responsibilities through its Oil Spill Preparedness (OSP) Program which

is administered by the OSPD. The OSP Program ensures that the Nation's offshore oil and gas exploration, development, and production activities in both State and Federal waters can succeed in a safe and environmentally responsible manner. This program supports the President's Executive Order policy of promoting "clean and safe development of our Nation's vast energy resources." The OSP Program uses its funds to support two primary focus areas: (1) oil spill preparedness contingency planning and verification activities focused on responding to spills from U.S. offshore facility owners and operators that handle, store, or transport oil; and (2) oil spill response research that includes management of Ohmsett (the National Oil Spill Response Research and Renewable Energy Test) facility.

PERFORMANCE OVERVIEW

The OSPD integrates all aspects of oil spill preparedness, response, and research activities in order to emphasize the Bureau's mission of ensuring that industry is prepared to respond to an offshore oil spill as quickly and effectively as possible. This integrated approach reduces impacts to offshore oil and gas production operations and the environmental and economic resources of the U.S.

The cornerstones of the Program are efforts to ensure operators have acceptable oil spill response plans (OSRPs) and verification that they maintain that level of preparedness through the life of their exploration and production operation. BSEE's verification activities involve plan reviews, equipment inspections, training audits, and exercises. The Bureau's research functions support the preparedness verification functions by developing, improving, and testing the response tools and approaches that are included in OSRPs and supports regulatory decision making. The research also provides better understanding of the operating parameters and limitations of different response strategies.

Two reviews of the OSP Program have budgetary implications for FY 2019. OSPD recently completed an internal review of the program's adequacy as part of the BSEE Change Management Action Plan (CMAP). Also, the Department of the Interior Office of Inspector General (OIG) conducted a detailed evaluation of the OSP Program and will publish final recommendations in early 2018. Both the CMAP assessment and the preliminary OIG evaluation results include recommendations that will need to be addressed in FY 2019. These will include: negotiations with States to update or develop new agreements; additional coordination with States on OSRP reviews, inspections, and exercises; and regulatory initiatives to address a significant list of necessary contingency planning updates, including the applicability of 30 CFR §254 to offshore renewable energy facilities.

Oil Spill Preparedness Verification: By ensuring offshore facility owners/operators meet the oil spill response preparedness standards set forth by the Clean Water Act as amended by OPA 90 and 30 CFR §254, BSEE plays a key role in supporting the Nation's response posture for oil spills that can affect public health, the environment, and energy production. While BSEE mitigates oil spill risks through a focused program on prevention, it equally emphasizes that the offshore community must be prepared with the best plans, equipment, and training to respond to oil spills when they occur. The fundamental elements of this preparedness posture include the following:

Oil Spill Response Plans: The OSRP is an important aspect of responsible development of the Outer Continental Shelf energy resources. An OSRP is required of each offshore facility and is approved when

the owner/operator of the facility has demonstrated the ability to quickly and effectively respond to a worst-case discharge to the maximum extent practicable. The Bureau must review numerous details within each section and appendices of the OSRPs to verify that the information is in compliance with the requirements of 30 CFR §254 and the contents are consistent with the National Contingency Plan (NCP) as well as the appropriate Regional and Area Contingency Plans (RCPs and ACPs).

In order to consistently make correct judgments on the validity of an OSRP, BSEE must stay abreast of the latest advances in oil spill response technologies, policies and procedures. This ongoing education is reinforced with regular field visits to plan-holders in order to carry out other regulatory responsibilities mandated by 30 CFR §254, such as materiel inspections of response equipment, observations of response exercises, and evaluations of the competencies of response personnel. Thus, BSEE personnel continually maintain a balance of time and resources between managing the Nation's OSRP library and operationally verifying the effectiveness of the OSRPs. In FY 2017, BSEE conducted 207 plan review activities to ensure that the 119 approved OSRPs remain up to date and in compliance with regulations.

BSEE will be diligently working with a newly launched major information technology initiative to enhance the efficiency and timeliness of OSRP submissions and reviews. In FY 2018, the Bureau completed a major information technology initiative to enhance the efficiency and timeliness of OSRP submission and review. The BSEE e-Permits new software design (coined eOSRP) allows plan holders to electronically submit their OSRPs to BSEE. In FY 2019 and beyond, the system will reduce the burden on operators by providing a more efficient method of submitting not only new updates to OSRPs, but notifications and correspondence as well.

Exercises: Exercises allow personnel from facility operators, spill response contractors, and regulatory officials to validate the efficacy of the OSRP. Additionally, exercises allow for training and practice of strategic and tactical preparedness, protection, response, and recovery capabilities in a risk-reduced environment. Exercises are the primary tool for assessing preparedness and identifying areas for improvement, while demonstrating the regulated communities' resolve to prepare for worst-case discharge incidents. Further, both industry-initiated and/or government-initiated unannounced exercises aim to help regulated offshore facilities gain objective assessments of their own capabilities so that gaps, deficiencies, and vulnerabilities are addressed prior to any real oil spill or discharge incident. In FY 2017, the Bureau conducted 19 government-initiated unannounced exercises and audited 105 training and industry exercise activities.

While BSEE manages its regulatory requirements for exercise under 30 CFR §254, it works closely with its counterparts in the U.S. Coast Guard (USCG), Environmental Protection Agency (EPA), and the Pipeline and Hazardous Materials Safety Administration (PHMSA) to execute and improve the National Preparedness for Response Exercise Program (PREP). PREP was developed to establish a workable exercise program that meets the intent of section 4202(a) of OPA 90. The program provides a mechanism for compliance with the exercise requirements, while being economically feasible for the government and the oil industry to adopt and sustain. The Bureau serves on the PREP Coordination, Consistency, and Compliance Committee (PREP 4C) to assist in development of national quadrennial exercise schedules; review and modify guidelines, as necessary; and participate in periodic public meetings on the PREP.

Equipment Inspections: BSEE manages the compliance process for monitoring the preparedness and readiness levels of oil spill response equipment owned or contracted by offshore facilities owners/ operators. The ability to respond quickly and effectively to an offshore worst-case discharge oil spill to the maximum extent practicable is directly related to the preparedness status of the equipment listed within each facility's OSRP. Therefore, equipment listed within the plan is verified on a periodic basis by BSEE personnel to ensure that it is properly maintained, ready to be operated, and performs as specified by the manufacturer. OSPD staff regularly travel across the Gulf of Mexico States, California, and Alaska to visit storage depots to review inventory lists and visually inspect response equipment assigned to the 119 OSRPs. In FY 2017, OSPD conducted 82 separate site visits to verify the location and evaluate the condition of thousands of pieces of oil spill response equipment.

BSEE further ensures the preparedness of the offshore community by assessing the quality and performance of response equipment listed in the plans, such as skimmers, pumps, booms, storage devices, and integrated fast response vessels. During annual training and exercises, BSEE requires that plan holders hone and demonstrate their understanding and skills in managing all aspects of a response, including how to mobilize both equipment and people quickly and safely.

Coordination with the National Response System: In support of the critical role that ACPs play within the National Response System (NRS) and their important ties to BSEE-managed OSRPs, the Bureau will be working closely with ten Area Committees (ACs) to review and update the Offshore Facility Worst-Case Discharge Scenario documentation in the Committees' respective ACPs. This initiative will leverage contract support and interagency coordination to ensure that realistic and informative guidance for responding to major spills from offshore facilities is properly recorded in these plans.

Preparedness coordination is an essential aspect to ensuring the success of a consistent national oil spill response preparedness program. Consequently, BSEE's oil spill preparedness program is a keystone component of the NRS as promulgated by the National Oil and Hazardous Substances Pollution Contingency Plan. The implementation of the NRS through the NCP provides a framework for coordination among Federal, State, and local responders and responsible parties to respond effectively to discharges of oil and hazardous materials. The framework includes four levels of contingency planning (Federal, regional, area, and local and site-specific industry) that guide response efforts. In the post-*Deepwater Horizon* regulatory environment, the importance of consistent planning and preparedness coordination cannot be understated.

The Bureau regularly attends meetings and support activities of the National Response Team (NRT), Regional Response Teams (RRTs), and ACs. The NRT convenes on a monthly basis and supports national level preparedness and response policies and programs. The Bureau also regularly supports the activities of several NRT subcommittees on response and preparedness issues. RRTs provide Federal On Scene Coordinators with regional contingency planning guidance. The ACs serve as focal points for regional interagency contingency planning guidance. Similarly, ACs serve as focal points for contingency planning at the local level and are comprised of members of Federal, State, and local agencies. In FY 2017, BSEE personnel attended 8 RRT meetings and 20 AC meetings where information was shared regarding specific OSRP issues, joint industry exercise planning, and geographic-specific response subjects.

BSEE continues to formally engage the USCG on a quarterly basis at both the regional and headquarters levels, and coordinates preparedness and response activities as established through the Memorandum of Agreement entitled "Oil Discharge Planning, Preparedness and Response." One of the items outlined in the MOA is the establishment of local subcommittees that would support the contingency planning efforts of the ACs for the offshore environment. A study sponsored by BSEE in 2016, the *Oil Spill Response Plan Equipment Capabilities Review*, found that ACPs generally lacked any detailed information about worst-case discharge scenarios, response strategies, environmentally sensitive indices, and response resources for the offshore environment. Through FY 2019, the offshore subcommittees, chaired by BSEE, will work to address these area-level contingency planning gaps. To assist the offshore subcommittees in this work, BSEE will be initiating a multi-year contract to review the existing ACPs, identify missing information on offshore worst-case discharge scenarios, response strategies, sensitive resources at risk, and available response equipment, and develop contingency planning to address these gaps. This initiative will leverage contract support and interagency coordination to ensure that realistic and informative guidance for responding to major spills from offshore facilities is properly recorded in the ACPs, and therefore will greatly assist regulators, oil spill removal organizations, and industry plan holders in ensuring that each OSRP is consistent with the appropriate ACPs.

BSEE will increase activity in FY 2019 to address findings in both the CMAP internal assessment and the OIG Evaluation of the OSP Program. This increased activity includes additional coordination with State agencies and the negotiation of new or updated Agreements with State agencies on oil spill preparedness planning. The four existing State Agreements are out of date and should be updated while new Agreements must be negotiated with two Gulf of Mexico States that have active oil and gas offshore facilities.

Oil Spill Response Research (OSRR): BSEE continues to implement a comprehensive, long-term research program dedicated to improving spill response countermeasures for oil spills in offshore environments, including the Arctic. The OSRR Program is based upon a strategic plan that recognizes the evolving risks in offshore exploration and production and the constant mission of protecting the environment. BSEE is focused on improving the methods and technologies used for oil spill detection from aerial and subsea platforms and vehicles, smart technologies, surface slick and subsurface plume measurement, characterization, and quantification, surface and subsea containment, treatment with dispersants, recovery using mechanical devices, oil and water separation systems, and clean up using various technologies including *in-situ* burning of the oil. The OSRR program also provides scientific support for BSEE's safety and environmental protection decision making by evaluating the efficacy and safety of different response tools and techniques.

During FY 2019, BSEE will continue its work advancing new technology for remote sensing tools for oil spill detection and thickness determination installed on subsea gliders, satellites, drones, and fixed wing platforms, integration of remote sensing data into command and control systems to support operational decision-making, and the development of "smart" skimming technologies to improve recovery rates and efficiencies.

In FY 2019, BSEE will also continue to advance new *in situ* burn techniques that will reduce carbon emissions, provide for burning of highly emulsified oil, and, reduce residues that can sink. These techniques will have profound impacts on Arctic spill preparedness in regions where disposal or transfer of collected oil is problematic due to remote locations, and soot and burn residue can harm the environment.

In FY 2017, BSEE implemented a Technology Readiness Levels (TRL) metric to measure progress of oil spill response equipment from concept to full commercialization and use in an actual spill response. BSEE will continue to use the TRL metric as a screening tool when evaluating the merits of proposed research initiatives. Through application of TRLs to research, BSEE will move technology forward in a measureable, methodical way while providing a visible means for the response community to monitor new technologies that may be ready for commercialization. Other agencies are in the process of adopting this metric for their oil spill research programs.

BSEE supports the foundational work to advance research and development projects into innovative new methods to respond to an oil spill and identify the best available technologies. Specific research efforts focused on geographic challenges include Arctic environments, high pressure wells, and the ever-challenging deep water areas of the Gulf of Mexico. Research conducted with appropriated funds is either: (1) awarded through a competitive process to academia, regulators, and qualified companies which possess scientific and engineering expertise necessary to meet the research goals of BSEE; or (2) conducted by BSEE staff utilizing the Ohmsett facility, with the ultimate goal of improving all phases of offshore oil spill preparedness and response.

Information derived from the OSRR program is directly integrated into BSEE's operations and is used in making regulatory decisions pertaining to plan approvals, safety and pollution prevention inspections, enforcement actions, and training requirements. Research results are also transferred to rule writers, investigators, plan reviewers, and others who need this information to ensure safe operations and assist BSEE in its efforts to independently keep pace with industry's fast paced technological advancements. Response technologies identified by the OSRR program focus on preventing offshore operational spills from reaching sensitive environments and habitats, or populated areas where health and the economy could be adversely affected.

In the pursuit of its research objectives, BSEE engages with other Federal research institutions such as the USCG Research and Development Center (RDC); the Department of Energy's (DOE) National Energy Technology Laboratory; the National Oceanic and Atmospheric Administration (NOAA); the EPA; the U.S. Navy; and the U.S. Army to leverage the subject matter expertise and facilities of these agencies. BSEE continues to work with these Federal partners and international organizations such as the Arctic Council's Emergency Prevention, Preparedness, and Response Working Group to engage in its continuous program of domestic and global information exchange to facilitate forward movement on oil spill research and the identification of the best technologies available worldwide. These interagency efforts help develop core understanding about offshore spill response, and enhance the skills that each agency can bring to an offshore spill response.

BSEE's oil spill response research mission involves coordination with other Federal partners in both ad-hoc and formal settings. Formal engagements are achieved through representation in groups such as the Congressionally-mandated Interagency Coordinating Committee on Oil Pollution Research (ICCOPR), which identifies national priorities for oil spill response research, provides a forum for Federal entities to engage in information transfer of the latest science and engineering related to oil spill prevention, preparedness, and response, and works with other research organizations such as the National Academy of Sciences' Gulf Research Program and the Gulf of Mexico Research Initiative. BSEE plays a crucial role in ICCOPR by serving as a committee Vice-Chair on a rotating basis, and routinely providing updates on research of importance to ICCOPR members, thereby facilitating awareness of new tools and strategies that can and should be used in offshore spill responses. The ICCOPR Oil Pollution Research and Technology Plan for FY 2015 to FY 2021 documented 25 Standing Research Areas and identified 150 priority oil spill research needs, 60 of which apply to the BSEE oil spill research program.

One on-going initiative pertinent to expanded Arctic drilling is the study of wellhead burning as a response strategy. BSEE completed the first phase of a project to assess the science supporting the contention that in the case of a loss-of-control incident on an Arctic gravel island, intentionally igniting the discharge flow would be an appropriate temporary response strategy. In FY 2019, this research will further investigate techniques to reduce safety hazards for workers when employing this technique.

In FY 2019, BSEE will continue research to:

- Develop experimentally-validated models on the feasibility of combustion-techniques as spill response measures for the Arctic;
- Test the potential for crude oils from reservoirs off the coast of California to ignite and sustain combustion;
- Develop, test, and evaluate enhanced mechanical recovery technologies;
- Develop methods to effectively recover oil in ice conditions;
- Refine capabilities to detect and recover oil in and under ice, including technological advances in remotely controlled operations to reduce risk to personnel and increase the operational window;
- Locate, track, and remove oil during low light conditions;
- Investigate enhancements to improve oil separation and demulsification processes;
- Optimize the temporary storage and disposal of recovered fluid in remote or harsh environments;
- Integrate and institutionalize the recently defined oil spill response TRLs to the technology development process for projects conducted under the OSRR program;
- Investigate options to advance/develop (near) real-time data transfer tools for prompt spill response;
- Develop tools or methods to determine the efficiency of surface dispersant delivery techniques/systems as a function of spill characteristics;
- Better understand the potential effectiveness of chemical dispersants and herders in various operational environments;
- Develop technology or techniques for optimum application of herders;
- Develop tools or methods to improve on *in situ* burning, by optimizing the burn efficiency, reducing soot and harmful emissions, and developing innovative and robust ignition systems

capable of withstanding extreme weather and harsh environments to expand the window of opportunity in which *in situ* burning can be employed;
- Develop tools or methods to quantify the amount of oil remediated by offshore *in situ* burning;
- Continue research on alternative methods to combust weathered, emulsified, and viscous oils; and
- Develop tools or methods to determine oil slick thickness.

BSEE disseminates the results of research and development projects as widely as possible in publications through appropriate scientific and technical journals, conferences, technical reports, public information documents, and publication on BSEE's website. The intent is to make this information widely available to oil spill response personnel and organizations worldwide.

Ohmsett - The National Oil Spill Response Research and Renewable Energy Test Facility:
BSEE manages the Ohmsett facility in Leonardo, New Jersey, where vital oil spill response research is conducted, as mandated by the OPA 90. Ohmsett, the largest outdoor testing facility of its type in North America, includes a 667 foot long saltwater tank, an on-site oil/water laboratory, staging and shop areas for special fabrication, training room facilities, and ancillary facilities and equipment to facilitate operations. Ohmsett provides the Bureau, as well as other facility users from around the world with a unique oil spill response training and testing environment that simulates real-world conditions in a safe and controlled environment. The facility provides equipment manufacturers, scientists, regulators, and first responders with the ability to test and train at a scale and with wave conditions that, to a great extent, mimic those encountered offshore. BSEE will continue to expand Ohmsett's capabilities to meet evolving and exacting needs of the offshore industry. In FY 2019, the expanding capabilities will include the first operational tests to be conducted in a new recirculating flume tank.

Ohmsett plays an important role in protecting our Nation's oceans by developing the most effective response technologies as well as preparing responders by using the most realistic training available. The facility provides testing and research capabilities to help the government fulfill its regulatory requirements and meet its goal of clean and safe operations. Many of today's commercially available oil spill cleanup equipment and products have been tested at Ohmsett and a considerable body of performance data and information on mechanical response equipment has been obtained there. Response planners use this information in reviewing and approving facility response and contingency plans. Ohmsett is also the premier training site for government agency and private industry oil spill response personnel to hone their techniques using full-scale equipment. Through classroom exercises and hands-on use of response equipment deployed in and near the test tank, students are able to learn and perform best practices in spill response.

Government agencies frequently rely on Ohmsett to conduct tests of their equipment, oil characteristics and behavior, and their response protocols. Recently, the EPA utilized the facility to evaluate the behavior of Bakken crude oil and its emissions as it pertains to responder safety. The USCG evaluated how the effectiveness of traditional oil recovery techniques and technologies changes as the oil is weathered over time. BSEE, NOAA, EPA, and the National Aeronautics and Space Administration collaborated on tests to assess the accuracy of remote sensing technologies to characterize spilled oil. Other recent testing activities included oil spill response equipment testing in a simulated Arctic environment, wave energy conversion device tests, skimmer and boom tests, and dispersant tests,

including the impact of undispersed oil's mechanical recoverability. The U.S. Army Night Vision Directorate utilizes Ohmsett to test advancements in their ability to remotely detect oil slicks and differentiate between oil slicks of different thicknesses.

BSEE must continuously maintain the Ohmsett tank, systems, and facilities. Ohmsett's tank water is maintained at open-ocean salinity for realistic testing, however, this harsh environment dictates that the tank's 2.6 million gallons of saltwater be drained every five years to allow for steel and concrete refurbishment, including painting more than one-acre of concrete. This effort is on the order of $4 million and is next scheduled for the summer of 2020, with needed preparatory work to begin in FY 2019. Ohmsett's Main Bridge, which is 40 years old, is also due for replacement at an estimated cost of $3 million.

In FY 2019, BSEE plans to address numerous important maintenance actions and upgrades to Ohmsett. These include:

- Improving the ventilation system in Ohmsett's oil/water laboratory,
- Upgrading the brakes on Ohmsett's movable bridges,
- Replacing the containment boom that has reached the end of its service life,
- Upgrading the platform for the remote sensing camera for greater stability and field of view,
- Upgrading the training room's audio/visual system, and
- Designing and fabricating a new wave attenuation/beach system to create more realistic wave conditions.

Additional information on Ohmsett can be found at www.ohmsett.com.

Figure 1: Ohmsett Facility in New Jersey

Figure 2: Ohmsett Facility in New Jersey

Table 9: Performance Overview Table - Oil Spill Research Appropriation

Mission Area 2, Goal 1: Ensure Energy and Economic Security for America							
Strategic Objective Metrics Strategic Plan Measure / Efficiency or other Bureau-Specific Measure	**2014 Actual**	**2015 Actual**	**2016 Actual**	**2017 Actual**	**2018 CR Baseline**	**2019 Pres. Budget Request**
Efficiency or other Bureau-Specific Measures						
Achieve a utilization rate of X% at Ohmsett, the national oil spill response test facility (BUR)	87% (201/231)	96% (228/237)	91% (219/240)	91% (213/234)	85%	85%
Comments: Ohmsett isThe National Oil Spill Response Research & Renewable Energy Test Facility located in New Jersey. At Ohmsett, clients can test oil spill response equipment in realistic conditions and have training in the use of the equipment. This measure evaluates the utilization level of the facility. The increased focus on oil spill response, as well as expanded uses for the facility such as dispersant training and renewable energy wave tests, have sustained overall utilization rates at around 90 percent.						
Contributing Programs: Oil Spill Research						

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Bureau of Safety and Environmental Enforcement

Appendix A - Section 403 Compliance

To fulfill legislative requirements for disclosure of program assessments used to support Government-wide, departmental, or agency initiatives or general operations. P.L. 115-31 includes the following:

> *SEC. 403. The amount and basis of estimated overhead charges, deductions, reserves or holdbacks, including working capital fund and cost pool charges, from programs, projects, activities and subactivities to support government-wide, departmental, agency, or bureau administrative functions or headquarters, regional, or central operations shall be presented in annual budget justifications and subject to approval by the Committees on Appropriations of the House of Representatives and the Senate. Changes to such estimates shall be presented to the Committees on Appropriations for approval.*

External Administrative Costs

To improve efficiency across the Department, BSEE offers a full array of administrative functions to Bureaus and Departmental offices to help meet their administrative needs. BSEE implements this shared services approach through reimbursable services agreements with each agency. Under these agreements, BSEE provides specific services to meet the agency's needs including acquisition management, equal employment opportunity, finance, human resources, information technology management, management support, personnel security, and facilities support services. Maintaining these critical administrative functions within the Department provides the following benefits:

- Minimizing duplication of administrative entities across multiple organizations while optimizing efficiency.
- Providing a centralized administrative function that can, over time, allow the Department to pursue additional efficiencies.

The Department has strongly supported the expansion of business cross-servicing for more than 30 years. These efforts have the added benefit of implementing standardized practices that will further increase the productivity for highly skilled resources, improve best practices and maximize the use of administrative funds in the future.

BSEE regularly evaluates these support arrangements jointly with each customer agency. BSEE's costs to provide these services are also carefully managed and jointly approved by the respective agencies. Changes between cost allocations to BSEE and the customer agency may change to reflect actual agreements signed annually, and these changes would not be presented as a reprogramming.

Bureau Administrative Costs

Funding is assessed for bureau-wide infrastructure support to BSEE. This includes costs associated with office space, security, utilities, and communications for all organizational needs to carry out the Bureau's primary missions. BSEE provides some of these services to BOEM through a reimbursable services agreement. Funding for shared activities and related support services is used for:

- Rent and utilities of office space
- Emergency Management, Security, and Safety & Occupational Health programs
- Workers' and Unemployment compensation
- Voice and data communications
- Annual building maintenance contracts
- Mail services
- Printing costs
- Records management
- IT Enterprise services and support

	2018 CR Baseline Dollars in Thousands ($000)	**BY 2019 Dollars in Thousands ($000)**
External Administrative Costs		
Various Activities		
Working Capital Fund Centralized Billing	4,231	4,192
Working Capital Fund Direct Billing	2,177	2,187
Subtotal	**6,408**	**6,379**
Internal Bureau Assessments for Administrative Costs		
Operations, Safety and Regulation	9,415	9,603
Administrative Operations	2,345	2,391
Executive Direction	2,152	2,216
Subtotal	**13,912**	**14,210**
Total Assessments of Bureau Programs	**20,320**	**20,589**

The Internal Bureau Assessment reported for 2019 reflects the alignment of the Bureau's administrative support requirements based on estimated FTE allocations between BSEE and its customers. Customer payments are recorded as reimbursable funding to BSEE.

Bureau of Safety and Environmental Enforcement

Appendix B – Employee Count by Grade

Bureau of Safety and Environmental Enforcement

Employee Count by Grade
(Total Employment)

	FY 2017 Actual	FY 2018 CR Baseline	FY 2019 Request
Executive Level V	1	1	1
SES	4	6	6
Subtotal	**5**	**7**	**7**
SL - 00	0	0	0
ST - 00	0	0	0
Subtotal	**0**	**0**	**0**
GS/GM -15	55	57	57
GS/GM -14	172	170	170
GS/GM -13	250	249	249
GS -12	125	129	129
GS -11	126	127	127
GS -10	4	5	5
GS - 9	43	49	49
GS - 8	12	14	14
GS - 7	31	37	37
GS - 6	13	13	13
GS - 5	17	20	20
GS - 4	2	4	4
GS - 3	1	0	0
GS - 2	0	0	0
GS - 1	0	0	0
Subtotal	**851**	**874**	**874**
Other Pay Schedule Systems	0	0	0
Total employment (actuals & estimates)	**856**	**881**	**881**

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Bureau of Safety and Environmental Enforcement

Offshore Safety and Environmental Enforcement (OSEE)

MAX Tables and Budget Schedules

Program and Financing *(dollars in millions)*				
Treasury Account ID: 14-1700		**2017 Actual**	**2018 CR Baseline**	**2019 Request**
Obligations by program activity				
0001	Environmental Enforcement	8	8	8
0002	Operations, Safety and Regulation	151	142	158
0003	Administrative Operations	18	19	20
0004	Executive Direction	17	17	18
0192	**Total direct program**	**194**	**186**	**204**
0799	**Total direct obligations**	**194**	**186**	**204**
0802	Reimbursable Service Agreements	47	40	44
0900	**Total new obligations, unexpired accounts**	**241**	**226**	**248**
Budgetary resources: Unobligated balance:				
1000	Unobligated balance brought forward, Oct 1	79	40	27
1021	Recoveries of prior year unpaid obligations	8	0	0
1050	**Unobligated balance (total)**	**87**	**40**	**27**
Budget authority: Appropriations, discretionary:				
1100	Appropriation	114	108	119
1131	Unobligated balance of appropriations permanently reduced	-25	-25	0
1160	**Appropriation, discretionary (total)**	**89**	**83**	**119**
Spending authority from offsetting collections, discretionary				
1700	Offsetting Collections (Cost Recovery)	4	4	4
1700	Offsetting Collections (Rental Receipts)	29	24	20
1700	Collected (Inspection Fee)	43	53	44
1700	Reimbursable Service Agreements	23	37	37
1700	Collected (Increase in Collections)	20	12	21
1701	Change in uncollected payments, Federal sources	-14	0	0
1750	**Spending authority from offsetting collections, discretionary (total)**	**105**	**130**	**126**
1900	**Budget authority (total)**	**194**	**213**	**245**
1930	**Total budgetary resources available**	**281**	**253**	**272**
Memorandum (non-add) entries:				
1941	**Unexpired unobligated balance, end of year**	**40**	**27**	**24**

Bureau of Safety and Environmental Enforcement
Offshore Safety and Environmental Enforcement (OSEE)

Program and Financing (continued)
(dollars in millions)

Treasury Account ID: 14-1700		2017 Actual	2018 CR Baseline	2019 Request
Change in obligated balance: Unpaid obligations:				
3000	Unpaid obligations, brought forward, Oct 1	151	138	122
3010	New obligations, unexpired accounts	241	226	248
3020	Outlays (gross)	-245	-242	-245
3040	Recoveries of prior year unpaid obligations, unexpired	-8	0	0
3041	Recoveries of prior year unpaid obligations, expired	-1	0	0
3050	**Unpaid obligations, end of year**	**138**	**122**	**125**
Uncollected payments:				
3060	Uncollected payments, Federal sources, brought forward, Oct 1	-38	-22	-22
3070	Change in uncollected payments, Federal sources, unexpired	14	0	0
3071	Change in uncollected payments, Federal sources, expired	2	0	0
3090	**Uncollected payments, Federal sources, end of year**	**-22**	**-22**	**-22**
Memorandum (non-add) entries:				
3100	Obligated balance, start of year	113	116	100
3200	Obligated balance, end of year	116	100	103
Budget authority and outlays, net: Discretionary:				
4000	Budget authority, gross	194	213	245
Outlays, gross:				
4010	Outlays from new discretionary authority	137	149	172
4011	Outlays from discretionary balances	108	93	73
4020	**Outlays, gross (total)**	**245**	**242**	**245**
Offsets against gross budget authority and outlays:				
Offsetting collections (collected) from:				
4030	Federal sources	-45	-37	-37
4033	Non-Federal sources	-76	-93	-89
4040	**Offsets against gross budget authority and outlays (total)**	**-121**	**-130**	**-126**
Additional offsets against gross budget authority only:				
4050	Change in uncollected payments, Federal sources, unexpired	14	0	0
4052	Offsetting collections credited to expired accounts	2	0	0
4060	Additional offsets against budget authority only (total)	16	0	0

Bureau of Safety and Environmental Enforcement

Offshore Safety and Environmental Enforcement (OSEE)

Program and Financing (continued)
(dollars in millions)

Treasury Account ID: 14-1700		2017 Actual	2018 CR Baseline	2019 Request
Memorandum (non-add) entries				
4070	Budget authority, net (discretionary)	89	83	119
4080	Outlays, net (discretionary)	124	112	119
4180	**Budget authority, net (total)**	**89**	**83**	**119**
4190	**Outlays, net (total)**	**124**	**112**	**119**
5090	Unexpired unavailable balance, SOY: Offsetting collections	6	6	6
5092	Unexpired Unavailable balance, EOY: Offsetting collections	6	6	6

Bureau of Safety and Environmental Enforcement
Offshore Safety and Environmental Enforcement (OSEE)

Object Classification
(dollars in millions)

Treasury Account ID: 14-1700		2017 Actual	2018 CR Baseline	2019 Request
OSEE (Direct Obligations)				
Personnel compensation:				
1111	Full-time permanent	74	75	76
1121	Civilian personnel benefits	24	23	24
1210	Travel and transportation of persons	2	2	2
1231	Rental payments to GSA	9	10	11
1251	Advisory and assistance services	12	9	12
1252	Other services from non-Federal sources	48	45	48
1253	Other goods and services from Federal sources	11	9	11
1255	Research and development contracts	3	4	7
1257	Operation and maintenance of equipment	8	7	11
1260	Supplies and materials	1	1	1
1310	Equipment	2	1	1
1990	**Subtotal, obligations, Direct Obligations**	**194**	**186**	**204**
OSEE (Reimbursable Obligations)				
Personnel compensation:				
2111	Full-time permanent	12	12	12
2121	Civilian personnel benefits	4	4	4
2231	Rental payments to GSA	7	7	7
2251	Advisory and assistance services	7	3	5
2252	Other services from non-Federal sources	4	4	4
2253	Other goods and services from Federal sources	2	2	2
2257	Operation and maintenance of equipment	9	7	9
2310	Equipment	2	1	1
2990	**Subtotal, obligations, Reimbursable obligations**	**47**	**40**	**44**
9999	**Total new obligations, unexpired accounts**	**241**	**226**	**248**

Bureau of Safety and Environmental Enforcement
Oil Spill Research (OSR)

Program and Financing *(dollars in millions)*				
Treasury Account ID: 14-8370		**2017 Actual**	**2018 CR Baseline**	**2019 Request**
Obligations by program activity				
0001	Oil Spill Research (Direct)	15	16	16
0900	**Total new obligations, unexpired accounts**	**15**	**16**	**16**
Budgetary Resources : Unobligated balance:				
1000	Unobligated balance brought forward, Oct 1	5	6	5
1021	Recoveries of prior year unpaid obligations	1	0	0
1050	**Unobligated balance (total)**	**6**	**6**	**5**
Budget Authority: Appropriations, discretionary				
1101	Appropriation (special or trust fund)	15	15	13
1160	**Appropriation, discretionary (total)**	**15**	**15**	**13**
1930	**Total budgetary resources available**	**21**	**21**	**18**
Memorandum (non-add) entries:				
1941	**Unexpired unobligated balance, end of year**	**6**	**5**	**2**
Change in obligated balance: Unpaid obligations:				
3000	Unpaid obligations, brought forward, Oct 1	17	17	17
3010	New obligations, unexpired accounts	15	16	16
3020	Outlays (gross)	-14	-16	-16
3040	Recoveries of prior year unpaid obligations, unexpired	-1	0	0
3050	**Unpaid obligations, end of year**	**17**	**17**	**17**
Memorandum (non-add) entries:				
3100	Obligated balance, start of year	17	17	17
3200	Obligated balance, end of year	17	17	17
Budget authority and outlays, net: Discretionary:				
4000	Budget authority, gross	15	15	13
Outlays, gross:				
4010	Outlays from new discretionary authority	3	8	6
4011	Outlays from discretionary balances	11	8	10
4020	**Outlays, gross (total)**	**14**	**16**	**16**

Bureau of Safety and Environmental Enforcement
Oil Spill Research (OSR)

Program and Financing (continued) *(dollars in millions)*				
Treasury Account ID: 14-8370		**2017 Actual**	**2018 CR Baseline**	**2019 Request**
Budget authority and outlays, net: Discretionary				
4070	Budget authority, net (discretionary)	15	15	13
4080	Outlays, net (discretionary)	14	16	16
4180	**Budget authority, net (total)**	**15**	**15**	**13**
4190	**Outlays, net (total)**	**14**	**16**	**16**

Object Classification *(dollars in millions)*				
Treasury Account ID: 14-8370		**2017 Actual**	**2018 CR Baseline**	**2019 Request**
OSR (Direct Obligations)				
Personnel compensation:				
1111	Full-time permanent	2	2	2
1121	Civilian Personnel Benefits	1	1	1
1252	Other services from non-Federal sources	6	6	6
1255	Research and development contracts	6	7	7
9999	**Total new obligations, unexpired accounts**	**15**	**16**	**16**

Bureau of Safety and Environmental Enforcement

Authorizing Statutes

Outer Continental Shelf (OCS) Lands Program

43 U.S.C. 1331, et seq.	The Outer Continental Shelf (OCS) Lands Act of 1953, as amended, extended the jurisdiction of the United States to the OCS and provided for granting of leases to develop offshore energy and minerals.
P.L. 109-432	The Gulf of Mexico Energy Security Act of 2006 required leasing certain areas in the Central and Eastern Gulf of Mexico Planning Areas within one year of enactment (December 20, 2006); and established a moratoria on leasing in remaining areas in the eastern planning area and a portion of the central planning area until 2022.
P.L. 109-58	The Energy Policy Act of 2005 amended the OCS Lands Act to give authority to the Department of the Interior to coordinate the development of an alternative energy program on the OCS and also to coordinate the energy and non-energy related uses in areas of the OCS where traditional oil and natural gas development already occur.
P.L. 113-067	The Bipartisan Budget Act of 2013 contained provisions which approved the Agreement between the U.S. and the United Mexico States concerning Transboundary Hydrocarbon Reservoirs in the Gulf of Mexico, and amended the OCS Lands Acts to authorize the Secretary of the Interior to implement the U.S.-Mexico Agreement and any future transboundary hydrocarbon reservoir agreements entered into by the President and approved by Congress.
43 U.S.C. 4321, 4331-4335, 4341-4347	The National Environmental Policy Act of 1969 required that federal agencies consider in their decisions the environmental effects of proposed activities and that Agencies prepare environmental impact statements for Federal actions having a significant effect on the environment.
16 U.S.C. 1451, et seq.	The Coastal Zone Management Act of 1972, as amended, established goals for ensuring that Federal and industry activity in the coastal zone be consistent with coastal zone plans set by the States.
16 U.S.C. 1531-1543	The Endangered Species Act of 1973 established procedures to ensure interagency cooperation and consultations to protect endangered and threatened species.

42 U.S.C. 7401, et seq.	The Clean Air Act, as amended, was applied to all areas of the OCS except the central and western Gulf of Mexico. OCS activities in those non-excepted areas will require pollutant emission permits administered by the EPA or the States.
P. L. 112-42, Section 432	Consolidated Appropriations Act of 2012, amended the Clean Air Act by transferring air quality jurisdiction from the EPA to DOI for OCS activities in the Beaufort Sea and Chukchi Sea OCS Planning Areas of the Arctic OCS.
16 U.S.C. 470-470W6	The National Historic Preservation Act established procedures to ensure protection of significant archaeological resources.
30 U.S.C. 21(a)	The Mining and Minerals Policy Act of 1970 set forth the continuing policy of the Federal Government to foster and encourage private enterprise in the orderly and economic development of domestic mineral resources and reserves.
30 U.S.C. 1601	The Policy, Research and Development Act of 1970 set forth the continuing policy et seq. of the Federal Government to foster and encourage private enterprise in the orderly and economic development of domestic mineral resources and reserves.
33 U.S.C. 2701, et seq.	The Oil Pollution Act of 1990 established a fund for compensation of damages resulting from oil pollution and provided for interagency coordination and for the performance of oil spill prevention and response research. It also expanded coverage of Federal requirements for oil spill response planning to include State waters and the transportation of oil. The Act also addressed other related regulatory issues.
43 U.S.C. 1301	The Marine Protection, Research, and Sanctuaries Act of 1972 provided that the Secretary of Commerce must consult with the Secretary of the Interior prior to designating marine sanctuaries. BSEE provides oversight and enforcement for potential impacts from all OCS activities that may be located in or in proximity to marine sanctuaries and protected areas.
16 U.S.C. 1361-1362, 1371-1384, 1401-1407	The Marine Mammal Protection Act of 1972 provides for the protection and welfare of marine mammals.
P.L. 104-58	The Deepwater Royalty Relief Act provides royalty rate relief for offshore drilling in deepwater of the Gulf of Mexico (GOM).
31 U.S.C. 9701	Fees and Charges for Government Services and Things of Value. It establishes authority for Federal agencies to collect fees for services provided by the Government. Those fees must be fair and based on the costs to the Government; the value of

	the services or thing to the recipient; public policy or interest served; and other relevant facts.

General Administration

31 U.S.C. 65	Budget and Accounting Procedures Act of 1950
31 U.S.C. 3901-3906	Prompt Payment Act of 1982
31 U.S.C. 3512	Federal Managers Financial Integrity Act of 1982
5 U.S.C. 552	Freedom of Information Act of 1966, as amended
31 U.S.C. 7501-7507	Single Audit Act of 1984
41 U.S.C. 35045	Walsh Healy Public Contracts Act of 1936
41 U.S.C. 351-357	Service Contract Act of 1965
41 U.S.C. 601-613	Contract Disputes Act of 1978
44 U.S.C. 35	Paperwork Reduction Act of 1980
44 U.S.C. 2101	Federal Records Act 1950
40 U.S.C. 4868	Federal Acquisition Regulation of 1984
31 U.S.C. 3501	Privacy Act of 1974
31 U.S.C. 3501	Accounting and Collection
31 U.S.C. 3711, 3716-19	Claims
31 U.S.C. 1501-1557	Appropriation Accounting
5 U.S.C. 1104 et seq.	Delegation of Personnel Management Authority
31 U.S.C. 665-665(a)	Anti-Deficiency Act of 1905, as amended
41 U.S.C. 252	Competition in Contracting Act of 1984
18 U.S.C. 1001	False Claims Act of 1982
18 U.S.C. 287	False Statements Act of 1962
41 U.S.C. 501-509	Federal Grant and Cooperative Agreement Act of 1977
41 U.S.C. 253	Federal Property and Administrative Services Act of 1949
41 U.S.C. 401	Office of Federal Procurement Policy Act of 1974, as amended

15 U.S.C. 631	Small Business Act of 1953, as amended
15 U.S.C. 637	Small Business Act Amendments of 1978
10 U.S.C. 137	Small Business and Federal Competition Enhancement Act of 1984
15 U.S.C. 638	Small Business Innovation Research Program of 1983
10 U.S.C. 2306(f)	Truth in Negotiations Act of 1962 Authorization
Secretarial Order No. 3299	Directed the creation of the Bureau of Ocean Energy Management, the Bureau of Safety and Environmental Enforcement, and the Office of Natural Resources Revenue in May 2010, under the authority provided by Section 2 of Reorganization Plan No. 3 of 1950 (64 Stat. 1262).
Secretarial Order No. 3302	Changed the Name of the Minerals Management Service to the Bureau of Ocean Energy Management, Regulation and Enforcement in June 2010, under the authority provided by Section 2 of Reorganization Plan No. 3 of 1950 (64 Stat. 1262).

Oil Spill Research

33 U.S.C. 2701, et seq.	Title VII of the Oil Pollution Act of 1990 authorizes the use of the Oil Spill Liability Trust Fund, established by Section 9509 of the Internal Revenue Code of 1986 (26 U.S.C. 9509), for oil spill research.
33 U.S.C. 2701, et seq.	Title I, Section 1016, of the Oil Pollution Act of 1990 requires a certification process which ensures that each responsible company, with respect to an offshore facility, has established, and maintains, evidence of financial responsibility in the amount of at least $150,000,000 to meet potential pollution liability.
43 U.S.C. 1331, et seq.	Section 21(b) of the Outer Continental Shelf Lands Act, as amended, requires the use of the best available and safety technologies (BAST) and assurance that the use of up-to-date technology is incorporated into the regulatory process.
Executive Order 12777	Signed October 18, 1991, assigned the responsibility to ensure oil spill financial responsibility for OCS facilities to the Secretary of the Interior (Bureau of Safety and Environmental Enforcement).