BUDGET JUSTIFICATIONS

The United States Department of the Interior

and Performance Information
Fiscal Year 2022

BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT

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BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT

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Director's Preface

The Bureau of Safety and Environmental Enforcement (BSEE) promotes safe and environmentally responsible oil, gas, and renewable energy through vigorous regulatory oversight and enforcement operations that protect the environment and conserve natural resources offshore. BSEE's strategic goals reflect the Bureau's commitment to safety, environmental stewardship, energy security, organizational agility, people, data-driven decision making, transparency, and engagement.

BSEE's FY 2022 Budget Request fully supports President Biden's priority for tackling the climate crisis as well as taking steps to safely and responsibly increase renewable energy production, with the goal of deploying 30 gigawatts of offshore wind production capacity by 2030. The FY 2022 request includes $4.0 million to support the expansion of BSEE's Renewable Energy Program, which will enable timely and rigorous industry plan/permit reviews, the creation of a robust compliance verification and assurance program, and demonstrates BSEE's commitment and leadership in driving safety performance and protecting environmental, cultural, and biological resources on the Outer Continental Shelf (OCS). While not addressing the total estimated costs of decommissioning orphaned infrastructure to include structures, BSEE's request includes $30.0 million to reduce the risk of pollution by addressing the immediate and urgent need to properly plug and abandon (i.e., cutting 15 feet below mudline) currently orphaned wells and properly decommission the associated orphaned pipelines. In addition, the FY 2022 request includes $5.0 million for additional renewable energy research projects. Research outcomes in the three primary areas of risk identification and reduction, technology development, and policy will support BSEE and the Department of the Interior (DOI) in the promotion and development of safer and more reliable technology, increase the Bureau's ability to analyze and provide solutions to systemic problems, provide leadership with factual data for decision-making, and identify and resolve potential safety issues before incidents occur. Finally, BSEE's request includes $1.4 million to replace the Bureau's hydrocarbon powered vehicles with zero emission vehicles (ZEVs).

BSEE must adapt and be agile as new technologies in oil and gas exploration, conventional and renewable energy development, and production on the OCS emerge. FY 2020 saw the installation of the first offshore wind (OSW) turbine in Federal waters of the Atlantic OCS. BSEE is ready to meet the need for safe and environmentally responsible operational oversight of these types of projects that create American jobs and are responsive to climate change, equity, and community engagement.

The Bureau must also be prepared for the new risks these new technologies and frontiers pose. BSEE utilizes expertise to develop deliberate policy and procedures and utilizes technical subject matter experts to engage with industry in a continuous effort to minimize injuries to workers, protect the environment, and support climate resilience. BSEE will also continue to take a whole-of-government approach with Federal partners such as the Bureau of Ocean Energy Management (BOEM) and the United States Coast

Guard (USCG) and leverage industry and stakeholder cooperation to promote safety and environmentally responsible exploration, development, and production throughout the OCS.

BSEE's FY 2022 budget will continue to focus attention on priority areas that foster safe and environmentally responsible energy exploration, development, and production of offshore resources, activities to decommission orphan wells and infrastructure and prepare for the advancement of offshore wind.

FY 2022 BUDGET JUSTIFICATION

Bureau of Safety and Environmental Enforcement

Executive Summary

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

Account Activity	2020 Actual	2021 Enacted	2022 Request
Offshore Safety & Environmental Enforcement (OSEE)			
Environmental Enforcement	4,758	4,758	5,508
Operations, Safety and Regulation	151,811	152,811	164,147
Administrative Operations	18,150	18,150	20,175
Executive Direction	18,093	18,093	18,443
Offshore Decommissioning			30,000
Subtotal, OSEE (before rescission/cancellation)	***192,812***	***193,812***	***238,273***
Rescission/Cancellation of Prior Year Balances	*-4,788*	*-10,000*	
Total, OSEE (after rescission/cancellation)	**188,024**	**183,812**	**238,273**
Offsetting Collections			
Offsetting Rental Receipts	-18,636	-26,000	-24,110
Cost Recovery Fees	-3,000	-4,647	-4,647
Inspection Fees	-31,601	-43,000	-43,443
Total, Offsetting Collections	**-53,237**	**-73,647**	**-72,200**
Net, OSEE	**134,787**	**110,165**	**166,073**
Net, OSEE (without rescission/cancellation)	***139,575***	***120,165***	***166,073***
Oil Spill Research (OSR)	**14,899**	**14,899**	**15,099**
Current BSEE Funding	**149,686**	**125,064**	**181,172**
Total BSEE Funding	**202,923**	**198,711**	**253,372**
Full Time Equivalents (FTE)			
Total Direct FTE	660	756	781
Total Reimbursable FTE (Reimbursable Agreements)	102	125	125
Total FTE	**762**	**881**	**906**

As the United States' regulator of offshore energy exploration, production, and development, the Bureau of Safety and Environmental Enforcement (BSEE) promotes safety, protects the environment, and promotes the conservation of natural resources offshore through vigorous regulatory oversight and enforcement, within its jurisdictional and regulatory responsibilities defined by the Outer Continental Shelf Lands Act (OCSLA), which outlines Federal responsibility over the submerged lands of the Outer Continental Shelf (OCS). BSEE also ensures compliance with provisions of other Federal laws, including, but not limited to, 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 uses the full range of authorities, policies, and tools to ensure safety, oil spill response preparedness, environmental stewardship, and appropriate development of offshore oil, natural gas, and renewable energy resources. Key functions include:

- An offshore regulatory program that establishes critical standards and regulations and emphasizes a culture of safety and environmental stewardship in all offshore activities.
- A robust inspection program employing an annual inspection strategy that includes Risk-Based Inspections (RBIs).
- Evaluations of operator safety management system performance, audit plans and corrective actions to inform an inspection strategy to promote safety and protect the environment efficiently and effectively.
- A technical review process for planned operations and emerging technology that ensure that risks are properly identified and mitigated.
- Oil spill preparedness through industry oil spill response plan evaluations, response equipment inspections, operator and contractor training and exercise audits, government-initiated unannounced exercises to ensure regulatory compliance, oil spill response research and development to develop and refine new and existing technologies; and management of Ohmsett - the National Oil Spill Response Research and Renewable Energy Test Facility.
- Funding technical and scientific research to enhance the information and technology needed to build and sustain the organizational, technical, and intellectual capacity within and across BSEE's key functions that can keep pace with industry's technological improvements, encourage innovation in regulation and enforcement, and reduce risks through systematic assessment and regulatory enforcement actions.
- Investigation of incidents and allegations of unsafe and/or illegal conduct during offshore operations.
- Compliance verification and enforcement of all applicable environmental and operational regulations, as well as regulations related to the conservation of natural resources (e.g., maximizing ultimate recovery of oil and gas) and proper measurement by ensuring that operators adhere to the stipulations of their approved leases, plans, and permits.

Table 2: Oil and Natural Gas Terminology

Term	Definition
Barrel (Oil)	Equivalent to 42 U.S. Gallons. One barrel of oil (BBL) produces about 19 gallons of gasoline as well as a long list of other valuable petroleum products.
Cubic Foot (Natural Gas)	Equivalent to approximately 1,000 British thermal unit(s) (BTUs). The average home in the United States uses the energy equivalent of 168 cubic feet of natural gas per day.

Term	Definition
BOE (Barrels of Oil Equivalent)	A unit of energy approximately equal to the energy contained in a barrel of oil. This measure is used to combine or compare energy from both oil and natural gas. 5.62 thousand cubic feet of natural gas equals one BOE.

The energy resources and activities under BSEE's jurisdiction are vast, as the OCS is a major source of energy for the U.S, with significant oil and gas production and a developing offshore wind industry. In calendar year (CY) 2020, OCS leases offshore Alaska, California, and in the Gulf of Mexico produced approximately 612 million barrels of oil and over 811 billion cubic feet of natural gas. This accounted for approximately 15 percent of domestic oil production and 4 percent of domestic natural gas production. The vast majority of offshore oil and gas production, 99 percent, occurred in the Gulf of Mexico. Deepwater wells (those in greater than or equal to 1,000 feet water depth) accounted for 88 percent of all OCS production (BOE).

The Gulf of Mexico operates as two distinct hydrocarbon sections – one active and one in sharp decline. Development in the shallow water areas of the Gulf of Mexico, first drilled in 1947, is mature and is experiencing drastic reductions in the number of wells drilled and the oil and gas resources produced. As a result, this area of the Gulf of Mexico continues to experience significant infrastructure removal. To ensure timely decommissioning, BSEE issues violations (Incidents of Non-Compliance (INCs)) to operators that have failed to decommission all lease facilities and wells within one year of the lease termination as prescribed by regulation and lease stipulation. Additionally, BSEE issues orders to operators to decommission facilities and wells on active leases that no longer have future utility. BSEE continues to track infrastructure that is required to be decommissioned and enforces such requirements consistent with timelines provided by regulation and/or notice to lessees (NTL). Such enforcement actions also help to reduce safety and environmental concerns that may exist while the infrastructure remains to be decommissioned. Despite the progress in recent years, the decommissioning rate appears to have slowed, likely because of low oil and gas prices and to some degree, the COVID-19 pandemic. Generally, operators prefer to commit capital to exploration, development, and production activities instead of decommissioning obligations. BSEE works to hold operators accountable for these obligations.

In addition to regulating oil and gas operations on the OCS, the Bureau continues to take actions to support the development of a safe, robust, and sustainable offshore renewable energy industry in the United States. In anticipation of rapid industry growth, BSEE is engaging with offshore wind developers to identify and promote best practices for ensuring worker safety and environmental protection. Engagement with industry, Federal partners including the Bureau of Ocean Energy Management (BOEM), the United States Coast Guard (USCG), and other stakeholders continues to inform the development of renewable energy program functions to: (1) promote safe and environmentally responsible facility design, fabrication, installation, operation, and decommissioning; (2) implement a performance-based safety approach through a focus on Safety Management Systems; and (3) enforce compliance with all applicable safety, environmental, and conservation laws and regulations.

The Administration understands the urgency and magnitude of the climate challenge. Through Executive Order 14008: Tackling the Climate Crisis at Home and Abroad, this Administration has made it a priority for the Department of the Interior (DOI) to review its siting and permitting processes on public lands and in offshore waters to identify steps that can be taken to increase renewable energy production, with the goal of deploying 30 gigawatts of offshore wind production capacity by 2030 and creating well-paying, family supporting jobs. BSEE will support this effort while ensuring robust protection for the Nation's lands, waters, and biodiversity.

BOEM and BSEE have also initiated a review of existing OCS oil and gas leasing and permitting programs in response to the President's directive in E.O. 14008. This E.O. directs the Secretary of the Interior to complete a comprehensive review and reconsideration of Federal oil and gas permitting and leasing practices and pause new oil and gas leases while the review is underway. This directive is limited to leasing; it does not impact production or plans or permit applications submitted under valid, existing leases; such applications continue to be reviewed and approved. The review will consider ways to improve the stewardship of these public resources as the Nation transitions to a clean, just, and equitable energy future that supports sustainable, good-paying jobs with a free and fair chance to join a union.

E.O. 14008 (Sec. 209) also calls on agencies to ensure that Federal funding no longer directly subsidizes fossil fuels. BSEE will evaluate the various ways in which it facilitates offshore oil and gas development to identify appropriate actions the Bureau can take to support this policy objective. This will include a review of inspection and other cost recovery fees that may be adjusted to reduce or eliminate the potential for subsidies.

Providing for safe and environmentally responsible energy exploration and production and ensuring conservation of resources are central to BSEE's mission. To fulfill its mission, BSEE must adapt, and respond to changes in both the renewable energy and oil and gas sectors, throughout the lifecycle of offshore energy development. BSEE is committed to the continual advancement of the effectiveness of its safety management systems program and compliance assurance functions such as the inspection program, enhancing its permitting processes around greater quality assurance and consistency, ensuring high levels of preparedness in the event of oil spills, and addressing requirements for an expanded OCS renewable energy program. BSEE's work supports Administration efforts to create good paying jobs, with a free and fair chance to join a union, as the Nation transitions to a clean energy future.

FY 2022 BUDGET REQUEST

BSEE was established on October 1, 2011, to ensure the safe and environmentally responsible exploration, development, production, and conservation of the Nation's offshore energy resources. BSEE is taking the necessary steps to provide effective oversight of oil, natural gas, and renewable energy development on the OCS, promoting a culture of safety and environmental protection and ensuring industry compliance with Federal regulations. The Bureau continues to improve 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 oil and gas infrastructure, exploration in offshore frontier areas, development of new reservoirs with characteristics that challenge the latest advances in completion and production technologies, and rapidly evolving offshore wind technology.

To promote the integration of private sector investment into technology advancement, in collaboration with its partner stakeholders, BSEE undertakes technical assessments and sponsors targeted, cost-effective research on new technologies that could potentially decrease the risks associated with offshore oil, gas, and wind energy development. These new technology assessments will assist the Bureau in staying current with expanding operations and evaluating technological advances such as those that allow for deeper oil and gas drilling at higher temperatures and pressures, and new offshore wind energy production, and also development in frontier environments, such as the Atlantic OCS (renewable energy).

Additionally, BSEE executes an Oil Spill Preparedness Program that ensures owners and operators are prepared to mitigate substantial threats of and to respond to actual oil spills from offshore facilities. The Program emphasizes quality training, equipment testing, periodic unannounced drills, research and development endeavors, and stakeholder engagement – all critical elements for improving spill preparedness, threat mitigation, and response measures. While BSEE mitigates oil spill risks through a program focused 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 lessen damage to environmental and economic resources.

Fostering Safe and Environmentally Responsible Energy Development

As offshore operations continue to expand into emerging frontier areas that require new technologies, BSEE must continuously adapt. Building on work performed in prior years, BSEE will continue to analyze its activities to ensure its programs reflect the risks and account for the evolution of new technologies in oil and gas exploration, conventional and renewable energy development, and production on the OCS. With FY 2020 seeing the installation of the first offshore wind (OSW) turbines on the Atlantic OCS (Coastal Virginia Offshore Wind Pilot), BSEE has been preparing to meet the need for safety, environmental, and operational oversight of offshore wind energy projects that are responsive to climate change and utilize clean energy principles. During FY 2019, FY 2020, and FY 2021, BSEE coordinated with BOEM on multiple renewable energy activities to assess safety concerns and assist with environmental compliance verification and enforcement efforts. A Memorandum of Agreement (MOA) was also developed between BOEM and BSEE in FY 2021, which confirms Bureau responsibilities for OCS renewable energy activities and outlines how BSEE will assist BOEM with safety, environmental compliance, oil spill preparedness, inspections, enforcement, and investigation functions. Within the Bureau, an Instructional Memorandum was also developed and signed by all program leads in FY 2021, outlining and agreeing to a distributed governance model to allow for expertise and resources throughout BSEE to support renewable energy efforts. BSEE will work to implement these priority responsibilities. As the domestic renewable energy sector grows, the industry's need for regulatory certainty becomes more acute.

Assessing and managing risk is the lens through which BSEE views the interaction among 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 clean energy resources on the OCS. During FY 2019 and FY 2020, BSEE developed new programs to increase the Bureau's effectiveness in managing safety and environmental standards on the OCS.

In FY 2022, BSEE will continue to execute its Risk-Based Inspection (RBI) Program, which allows for the targeted inspections of higher-risk operations and facilities, with increased focus on areas such as:

1) Crane safety;
2) Fired vessel (a vessel in which the temperature of a fluid is increased by the addition of heat supplied by a flame within the vessel) operations;
3) The implementation of a Quality Assurance program for ensuring core Bureau functions, such as those related to inspections and permitting, are carried out effectively and with sufficient controls to mitigate risk; and
4) The continued evaluation of risks associated with high-pressure and high-temperature (HPHT) equipment.

In FY 2022, BSEE will continue to refine and update its first Environmental Compliance Handbook, and further integrate environmental compliance inspections into the overall inspection strategy. In FY 2020, BSEE also began integrating renewable energy program needs into its Environmental Compliance Program (ECP) to address growing activity levels. In FY 2019, BSEE established a Risk Analysis Committee development program to ensure that the risks to human health and the environment related to offshore drilling, production, and transportation of oil and gas, as well as renewable energy sources, are properly identified and reduced through prevention and mitigation measures. FY 2022 budgetary resources will be used to continue and, where appropriate, expand these important programs by effectively engaging with stakeholders to assess existing risk and identify additional safety and environmental initiatives that address high-risk concerns.

One initiative that will assist the Risk Analysis Committee is BSEE's expansion of the Safety Performance Enhanced by Analytical Review (SPEAR) Program with the goal of surfacing new, innovative data analytic tools and strategic, Bureau-wide process(es). SPEAR will enable BSEE subject matter experts to thoroughly analyze data to identify current and emerging safety and environmental hazards during OCS energy operations. The SPEAR Program will: (1) Explore the potential use of advanced data analytic tools to support the aforementioned process(es); and, (2) Establish a world class approach to analyzing and communicating data and information throughout the Bureau and to external stakeholders, as the need may arise.

In FY 2022, the Bureau will also continue formal efforts to research the application of Best Available and Safest Technologies (BAST) across equipment subject to the BAST requirement in section 21(b) of OCSLA, as amended. BSEE will continue its effort to update its policies, processes, and regulations to ensure the financial and technical challenges of developing new technology are recognized and addressed in a manner that encourages long-term investment of capital on the OCS.

In FY 2022, BSEE will continue the review of its permitting and inspection strategies including their impact on operational costs for the Bureau and industry. In FY 2020, the inspection strategy review focused on annual planning and incorporated regulatory compliance, risk management systems, and performance-based techniques or methodologies. In FY 2022, BSEE will continue to evaluate the results of the completed inspection strategy review and, if needed, adjust course to ensure that program resources are focused on appropriate scrutiny of the highest risk activities. Permitting processes are also being regularly reviewed to support timely development and accurately reflect the risks and phases of

development of the OCS. In FY 2022, BSEE plans to continue to refine its current permitting and inspection strategies to better reflect the actual risks and phases of development on the OCS. Implementation of BSEE's revised inspection strategy approach began in FY 2019, with the roll out of a tiered approach to ensure the Bureau meets its requirements, fulfills regional and national priorities, and uses its workforce effectively. Implementation of the refined inspection strategy allows BSEE's inspectors to conduct more efficient, thorough, and critical physical inspections of components ensuring the safety of personnel and the protection of the environment, during the COVID-19 pandemic and beyond. The Bureau plans to continue pursuing systematic improvements for its inspection program in FY 2022.

The continuation of robust stakeholder technical and procedural workshops along with other engagement efforts is critical to the success of these modernization and reform efforts. BSEE will continue to hold stakeholder engagement meetings, including meetings with industry association groups, to provide updates on permitting procedures. Such meetings are important for providing updates on BSEE's "e-permitting" modules.

In accordance with the National Technology Transfer and Advancement Act (NTTAA), BSEE frequently uses standards developed through a consensus process by Standards Development Organizations (SDOs), with input from the oil and gas industry, as a means of establishing requirements for activities on the OCS. The NTTAA advised, with few exceptions, that "all Federal agencies and departments shall use technical standards that are developed or adopted by voluntary consensus standards bodies, using such technical standards as a means to carry out policy objectives or activities determined by the agencies and departments." BSEE subject matter experts actively participate on multiple standards committees for the oil and gas industry and in seven working groups developing the first industry consensus U.S. offshore wind standards, covering technical design and health and safety. The Bureau currently incorporates by reference over 130 industry standards in its regulations. BSEE subject matter experts are also involved in the development of five new U.S. offshore wind industry design standards and two health and safety standards.

The role of information sharing, sound science, and the independent verification and validation of processes and practices must continue to grow as the Bureau expands its collaborative efforts. These efforts will include validation of activities for BSEE's programs and personnel. BSEE incorporates best practices and performance requirements for energy-related 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 works closely with operators as they shift their attention from designing to implementing their critical Safety and Environmental Management Systems (SEMS) processes. Through this approach, BSEE leverages the capabilities and expertise of government, industry, and independent third parties to continually advance

safety and environmental outcomes. BSEE utilizes Directed Audits, Corrective Action Plans focused on underlying causes, and Action Plan follow-up to accomplish its SEMS efforts.

Since its inception in 2015, BSEE's SafeOCS Program, an initiative aimed at collecting and analyzing near-miss and safety data and mandatory failure reporting for well-control equipment and other safety and pollution prevention equipment has seen participation increase to include operators who account for approximately 85 percent of OCS production. Increasing participation in SafeOCS and sharing safety data across industry are critical for generating meaningful analysis with the goal of the program being able to identify proactive steps to mitigate risks and to ensure offshore operations are safe, reliable, and environmentally responsible. Specifically, the first Industry Safety Data (ISD) Phase 1 report was published in the final quarter of FY 2019. Prior to the publication of this report, BSEE created and implemented a procedure to review all conclusions provided by such SafeOCS reports to consider impacts on BSEE's programs and operations. Additionally, the 2018 Blowout Preventers and Safety and Pollution Prevention Equipment (SPPE) Failure Reports have been published and may be found on the following site (https://www.safeocs.gov/resources.htm). These were shared with industry stakeholders to further maintain safe and efficient operations on the OCS. Given its success, BSEE sees deep value in continuing this effort in FY 2022. BSEE included the provision for a dashboard with weekly updates in its latest Interagency Agreement with the Bureau of Transportation Statistics (BTS) to ensure timely conveyance of relevant information. BSEE will continue to obtain statistical advice on the evaluation of daily notifications of safety events through its partnership with BTS.

In FY 2019, BSEE launched a safety initiative to bring critical safety information directly to offshore workers on the OCS. The BSEE!Safe program uses text messaging notification technology to send links for its published Safety Alerts, a tool used to inform the offshore oil and gas industry of the circumstances surrounding an incident or near miss. The alerts contain recommendations to help prevent the recurrence of such an incident on the OCS. BSEE!Safe notifications supplement the long-standing practice of issuing Safety Alerts to share lessons learned and recommendations from incidents and near misses with industry representatives. BSEE!Safe is part of the Bureau's strategy to supplement regulation with innovative programs, expanding the available toolbox of methods for driving safety performance and environmental stewardship improvements, and is the first instance in which a safety regulator has communicated directly with the industry workforce to ensure the distribution of critical safety information. As of March 2021, more than 7,100 subscribers have signed up for the service.

In addition, BSEE uses INCs as a tool to notify operators that they have violated regulations. INCs align with the regulations BSEE developed for the Potential Incident of Non-Compliance (PINC) list to manage communications on regulations violations through the inspection process. BSEE conducts analysis of INC's issued to gauge operator performance and identify more systemic issues that occur on the OCS. The evolution of the PINC list also allowed for the generation of the General PINC category. In order to conduct further analysis of the General PINC category and G-INCs issued, BSEE leadership has awarded a contract to perform an in-depth analysis into how the General category of INCs is being applied in the field. A greater analysis into G-INCs will help the agency better identify specific risks.

BSEE provides technical training to field personnel, inspectors, scientists, and engineers to ensure staff have the tools needed to safely streamline permitting, while at the same time promote responsible energy

development. BSEE's training programs provide staff with the most up-to-date, relevant training available that addresses the technological advances the Bureau's workforce experiences in the field.

The Bureau's National Offshore Training Center (NOTC) provides cutting-edge, comprehensive, multi-tiered training, and professional development opportunities for BSEE's inspectors, engineers, and scientists to ensure safe and environmentally-sound offshore energy operations. The NOTC supports Bureau goals by providing structured training opportunities that integrate the latest science, technical expertise, and industry practices, with prudent and rigorous safety and environmental compliance mandates. Beginning in FY 2021 and continuing through FY 2022, BSEE plans to invest significant resources to implement a multi-phased approach to assess the current program to identify training gaps, develop and implement curriculum, develop and implement an accreditation plan, and perform annual curriculum reviews. This investment will demonstrate the Bureau's commitment to building a "best in class" technical training program and will allow BSEE to appropriately capture and track the costs associated with the program.

In recent years, BSEE has worked with both the private sector and academia to advance the use of emerging technologies and to review methodologies especially in HPHT equipment, including technology gaps in deepwater HPHT drilling. In FY 2022, BSEE will continue research in an effective and cost-efficient manner to enhance coordination and collaboration on joint industry–government research projects with the goal of ensuring that new technology developments designed to overcome frontier area challenges can be implemented safely. In FY 2022, BSEE will continue its efforts with the industry and other national experts to establish standard risk methodology for assessing new technology with the goal of bringing the most advanced and safest technology to market in a manner that enhances industries ability to harness America's natural resources on the OCS. Additionally, in FY 2022 BSEE will continue to support the ongoing operations of the Ocean Energy Safety Institute (OESI). OESI leverages cooperative efforts between academia, government, industry, and other non-governmental organizations to improve offshore worker safety and environmental sustainability.

Among the Department's strategic goals are ensuring the public receives fair market value for resources and that fees and cost recovery are fair and reasonable. In coordination with the Office of Natural Resources Revenue (ONRR), BSEE's specially trained production measurement inspection team helps ensure that production volumes are accurately measured and 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. This important work will continue in FY 2022.

Through FY 2021 and continuing into FY 2022, BSEE will continue to enhance its collaborative efforts internationally. BSEE engages regularly with its international counterparts 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 forums 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. The Bureau is taking a leadership role to better understand the viabilities of traditional oil spill cleanup strategies in different environments.

Additionally, BSEE places a priority on maintaining strong bilateral relationships with several international partners.

BSEE will continue to work with OCS stakeholders, to provide forums for dialogue, shared learning, and cooperative research in support of BSEE's mission on behalf of the American public. As with all endeavors, BSEE strives to achieve a strong return for the American taxpayer using all available mechanisms.

BSEE is committed to securing environmental justice and spurring economic opportunity for disadvantaged communities that have been historically marginalized and overburdened by pollution and experience underinvestment in essential services. In line with EO 14008, BSEE will take proactive actions to work towards ensuring 40 percent of the benefits of climate and clean energy investments are directed to disadvantaged communities. These actions will include an examination of the activities of key programs to determine whether those programs' benefits have accrued to disadvantaged communities. BSEE will also begin to track program expenditures that impact disadvantaged communities and consider metrics that will help track how applicable covered program benefits accrue at specific disadvantaged communities.

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 in FY 2020 updated a memorandum of collaboration with the Department of Energy to work more on safety and research-related efforts. 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). In FY 2021, BSEE served the second year of a two-year term as a rotating Vice Chair in the 15-agency Interagency Coordinating Committee on Oil Pollution Research (ICCOPR), which establishes the Nation's oil spill research priorities and 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. As conventional and renewable energy operations mature, the decommissioning of offshore infrastructure that are no longer useful for operations will be a growing portion of BSEE's oversight activities. In FY 2019, BSEE revised its guidance to industry on the timeliness of decommissioning activities to reduce the environmental and financial risk of idle infrastructure being damaged by a changing climate, which frequently increases the intensity of severe weather, such as hurricanes. Implementation of the revised guidance includes BSEE communicating with operators about their idle infrastructure and ordering that further decommissioning actions be taken, if necessary. A focus in FY 2021 and continuing into FY 2022, is strengthening the organization's decommissioning oversight capabilities to meet end-of-life cycle demands.

Operator bankruptcies are a growing concern for both the Bureau and taxpayers. When the responsible parties for offshore infrastructure go bankrupt, the obligation for decommissioning may fall to the Federal

Government. Consequently, maintenance of sufficient funds to cover the proper decommissioning of infrastructure is essential to avoid passing the burdensome cost to taxpayers. Although BOEM tracks the financial health of OCS operators, lower energy prices have increased the frequency of operator bankruptcies. In these cases, BSEE inspectors perform inspections of the operator's assets to ensure that appropriate monitoring of safety equipment is maintained, while other BSEE and BOEM personnel work within the bankruptcy proceeding to ensure funds are set aside for decommissioning. Since establishing the team in FY 2019, BSEE and BOEM continue the work of its inter-Bureau National Bankruptcy Coordination Team to enhance communication and administration of bankruptcy-related matters. BSEE plans to begin issuing contracts to perform decommissioning services on oil and gas infrastructure orphaned by bankrupt operators where there were no other jointly or severally liable parties.

Enhancing Mission Capacity and Accountability

In FY 2022, BSEE will continue strengthening its mission capacity and ensuring accountability through ongoing implementation of key management tools. This includes continued efforts by BSEE to build on its Enterprise Risk Management (ERM) framework to better integrate management initiatives such as internal control reviews, program evaluations, audits, risk assessments, policy/procedure compliance, a formal vital statistics program and performance measures. Enhanced integration of these initiatives supports stronger communication and informed decision making within the Bureau. BSEE's regular review of internal policies and procedures further supports the need to track training, compliance, and accessibility of key policies and procedures that support achievement of Bureau strategic goals. In FY 2021, BSEE shifted from an annual to a quarterly review to better support programs in their assessment of compliance and training needs. In FY 2022, BSEE's policy program will continue to improve as a program that emphasizes consistency, accuracy, and accountability. In FY 2021, BSEE advanced its program evaluation capacity through continuation of ERM efforts, targeted program reviews, and piloting several quality assurance reviews that provided both findings on the programs reviewed, as well as lessons learned for strengthening these types of reviews. BSEE will continue to build on these evaluation efforts in FY 2022 to ensure continued mission support and accountability.

BSEE understands that creating a diverse and inclusive workforce with employees who are accountable, competent, and engaged is 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, under the oversight of the Human Capital Council, BSEE uses its Human Capital Operating Plan (HCOP) process to develop goals, strategies, and initiatives for effective human capital management. Some of the more notable initiatives currently in progress are succession planning for priority positions, providing formal and informal leadership development across the workforce, and developing useful analytics that inform the Human Capital planning and strategy.

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 the Bureau and its people rely on is information technology (IT). BSEE continues to modernize its systems to provide additional capabilities that can be used internally as well as by external stakeholders. The efforts have allowed a significant portion of BSEE's workforce to work remotely during the COVID-19 pandemic with uninterrupted service.

Oil Spill Preparedness and Research

BSEE's Oil Spill Preparedness Program ensures that the offshore community must be prepared with the best plans, equipment, and training to respond to oil spills when they occur. The Oil Spill Preparedness Program consists of three primary and interdependent roles: Preparedness Verification, Oil Spill Response Research, and Management of Ohmsett.

Preparedness Verification (PV): The Oil Spill Response Plan (OSRP) is a critical component of responsible development of the OCS energy resources. BSEE requires each offshore facility to be covered by an OSRP, which is approved when the owner/operator of the facility has demonstrated the ability to respond to a worst-case discharge quickly and effectively to the maximum extent practicable. 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 plan holders to 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 employs Government-Initiated Unannounced Exercises (GIUEs) to verify owners/operators' ability to implement their approved OSRPs and respond to a simulated incident. The exercises allow the Bureau to witness and evaluate, on a no-notice basis, a plan holder's capabilities to use public and private equipment, resources, and staff to safely respond to a hypothetical oil spill. OSPD regularly plans and executes these exercises in close coordination with other BSEE offices, Federal partners, such as the USCG, National Oceanic and Atmospheric Administration (NOAA), and the DOT's PHMSA, and State government partners – all of whom have key roles in offshore oil spill preparedness and response. In May 2020, BSEE published its first annual Government Initiated Unannounced Exercise (GIUE) Lessons Learned Summary Report for calendar years 2018 and 2019. The annual report documented key findings from GIUE evaluations conducted within a given calendar year and releases these findings to the public. Summarizing and publishing key lessons learned from GIUEs helps planners and emergency responders improve their processes and deliverables for addressing oil spills. Over time, the annual summaries will also provide BSEE with data to identify trends and emerging issues for oil spill preparedness.

BSEE supports the critical role that Area Contingency Plans (ACP) play within the National Response System (NRS) and their important ties to BSEE-managed OSRPs, the Bureau continues to work closely with ten Area Committees and four Regional Response Teams to review and update the Offshore Facility Worst Case Discharge Scenario documentation in the Committees' respective ACPs and RCPs. This initiative will leverage contract support and interagency coordination to ensure the plans contain realistic and informative guidance for responding to major spills from offshore facilities. Similarly, the Bureau will update four existing agreements and explore additional agreements with State agencies on cooperation in overseeing compliance with 30 CFR Part 254. As offshore renewable energy projects continue to develop, BSEE has begun to reach out to appropriate Area Committees and Regional Response teams to ensure interagency coordination and integration of these facilities into the appropriate NRS contingency plans.

Oil Spill Response Research: BSEE continues to implement a comprehensive, cost-effective, long-term research role dedicated to improving response countermeasures for oil spills offshore, including the

Arctic. The research role 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 focuses its oil spill response research on advancing the state of the art of improving the methods and technologies for oil spill detection using aerial and subsea platforms and vehicles; remote sensing and artificial intelligence technologies; surface slick and subsurface plume measurements; oil spill characterization, quantification, and modeling; the use of dispersants and herders; surface and subsurface containment techniques; recovery using mechanical devices; oil and water separation systems; and clean up using various technologies including *in-situ* burning of the oil.

In FY 2022, BSEE will continue to advance technologies for detecting oil spills and determining oil slick thickness using remote sensing tools, integration of remote sensing data 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 better understand innovative response measures proposed for use in the Arctic. BSEE will also continue to work with Federal partners such as the USCG Research and Development Center and NOAA, the National Aeronautics and Space Administration (NASA), the U.S. Army Cold Regions Research and Engineering Laboratory, and international organizations such as the Arctic Council's Emergency Prevention, Preparedness, and Response Working Group and Canada's Multi-Partner Research Initiative (MPRI) to engage in its continuous program of domestic and global information exchange facilitating forward movement on oil spill research. In FY 2022, 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 sinking residues. These techniques will have profound impacts on Arctic spill preparedness, where disposal or transfer of collected oil is problematic due to remote locations, and soot and burn residue can harm the environment.

Management of Ohmsett, the National Oil Spill Response Research and Renewable Energy Test Facility: BSEE manages the Ohmsett facility where a variety of oil spill response research projects are conducted by the Bureau and researchers from around the globe. Ohmsett is the largest outdoor testing facility of its type in North America, comprised primarily of a 667-foot long saltwater tank. Located at Naval Weapons Station Earle in 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 conduct tests with real crude oil, equipment manufacturers, scientists, regulators, and responders can test and train using full-scale equipment in wave conditions that, to a great extent, mimics those encountered offshore. Ohmsett's capabilities will continue to be expanded to meet the exacting needs of the offshore industry and will include electrical substation upgrades to enable construction of a new recirculating flume tank. In FY 2021, BSEE initiated the construction phase of pre-scheduled major renovations of the tank. These renovations are needed periodically to address corrosion issues resulting from the use of saltwater in the test tank. In FY 2022, BSEE intends to initiate two major renovations at the facility: (1) design a new moveable bridge system to better serve its customers' IT and space needs; and (2) design a separate flume tank resource that will provide customers a meso-scale experiment apparatus.

FY 2022 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 and operational support required to manage compliance verification and enforcement of environmental standards placed on OCS operations; ensures BSEE's compliance with NEPA, the Endangered Species Act (ESA), and the National Historic Preservation Act (NHPA) for Bureau permitting; conducts specialized inspections of air and water quality requirements, and other environmental mitigation measures; and oversees coordination and engagement for Tribal consultation requirements, and other environmental acts, regulations, and policies.

- The ***Operations, Safety and Regulation*** Activity funds: OCS oil and gas permit application reviews and offshore wind industry submittals; 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 and development activities; and technical training.

- The ***Administrative Operations*** Activity funds: general administration programs, equal employment opportunity services (EEO), 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. This 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.

- The ***Offshore Decommissioning*** Activity supports: according to regulatory standards, the proper maintenance, monitoring, and decommissioning of orphaned wells, pipelines, and structures left on the OCS for which there is no remaining liable party.

It is critically important for the Bureau to maintain adequate base program capacity to achieve its mission, as the oil and gas industry continues to drill and produce in ultra-deep water and operate in more challenging environments.

In FY 2022, the following BSEE budget changes are proposed:

OSEE Appropriation:

Fixed Costs (+$3,593; +0 FTE): Funding for fixed costs includes items such as rent, salary increases, central billing, IT in the Department's Working Capital Fund, and other items that are fully funded by this request.

Renewable Energy Research ($4,800; +3 FTE): BSEE is requesting $4.8 million and 3 FTE in FY 2022 to support renewable energy research. BSEE is responsible for initiating, supporting, and promoting science-based research to fulfill the Bureau's mission through the identification and evaluation of critical energy equipment and technology to reduce risk, support safe operations, and promote environmental stewardship on the OCS. These additional FTE are necessary to ensure that BSEE can effectively manage the planned increase in renewable energy related research projects in support of the Administration's focus on tackling the climate crisis.

Renewable Energy Program ($4,000; +20 FTE): BSEE is requesting $4.0 million and 20 FTE in FY 2022 for the Renewable Energy Program. These resources are necessary to meet expected near and mid-term program requirements based on the Administration's goal to deploy 30 gigawatts (GW) of offshore wind production capacity in the United States by 2030. The requested FTE will form the foundation of BSEE's Renewable Energy Program, and will enable timely and rigorous industry plan/permit reviews, the creation of a robust compliance verification and assurance program, and demonstrate BSEE's commitment and leadership in driving safety performance and protecting environmental, cultural, and biological resources on the OCS.

Inspection Fees (+$443; +0 FTE): BSEE's FY 2022 budget request includes an inflation adjustment to its current inspection fees. While the non-rig fees that BSEE currently assesses have only been in place since FY 2020, the current facility and rig fees that BSEE charges operators have remained unchanged and in place since FY 2012 (P.L. 112-74). BSEE calculated the inflation adjustment by utilizing the Bureau of Economic Analysis (BEA) Table 1.19, Implicit Price Deflators for Gross Domestic Product for the period of 2012 through 2020. This inflation adjustment has been applied uniformly to all fees with the exception for non-rig fees since they have only been in place since FY 2020. Factoring in anticipated collections which declined in 2020 as well as the inflation adjustment, the net change to estimated fee collections is an increase of $443,000. There are no additional changes to the inspection fee schedule in FY 2022.

Diversity, Equity, Inclusion, and Accessibility Initiative (+$200; +1 FTE): The BSEE budget includes $200,000 as part of a Departmentwide Diversity, Equity, Inclusion, and Accessibility budget initiative to address identified high-priority needs in support of Executive Order 13985, Advancing Racial Equity and Support for Underserved Communities Through the Federal Government, and Executive Order 13988, Preventing and Combating Discrimination on the Basis of Gender Identity and Sexual Orientation. As part of this initiative, the Department, Bureaus, and offices will jointly conduct a review of the Diversity, Equity, Inclusion, and Accessibility program across Interior to identify gaps, challenges, and best practices and to examine Department and Bureau roles, responsibilities, and governance.

Zero Emission Vehicles and Charging Infrastructure ($1,425; +0 FTE): In support of the President's goal of transitioning to a fully Zero Emission Vehicle Federal fleet, BSEE's budget includes $1.4 million

for zero emission vehicle (ZEV - battery electric, plug-in electric hybrid, and hydrogen fuel cell vehicles) acquisitions and deploying necessary vehicle charging and refueling infrastructure. These acquisitions are a significant step towards eliminating tailpipe emissions of greenhouse gases (GHG) from the BSEE fleet and aligning BSEE's fleet operations with the goal of achieving a fully ZEV Federal fleet. This action is important because tailpipe emissions are currently the leading source of GHG emissions that threaten the planet and harm U.S. communities.

BSEE ZEV acquisitions may include vehicles for both its agency-owned and GSA-leased segments of its vehicle fleet, including incremental costs of leased vehicles and lease payments to GSA for conversion of agency-owned vehicles to GSA's leased fleet where appropriate. To ensure effective and efficient deployment of ZEVs, BSEE will undertake preparation and planning for arriving ZEVs at its facilities, properly prioritizing transition to ZEVs where it is simplest and allow time for additional planning where mission demands pose a challenge to transitioning based on current technologies. Integral to this preparation is growth in the number of agency-accessible re-fueling points (vehicle charging stations). In installing this infrastructure on-site to support acquired ZEVs, BSEE will take the long-term view to ensure efficiencies and thereby ensure wise infrastructure decisions that limit total expenditures. Using its experienced personnel and lessons learned in the fleet arena, BSEE will undertake a process that relies on a cross-functional team of staff from fleets, operations, facilities, finance, and acquisition departments with executive leadership support. The collaboration will not stop with initial deployment, as the BSEE fleet and facility managers will work closely and employ existing training and tools to control utility costs by managing the overall charging load and thereby ensuring a seamless operation that now will involve building systems and vehicles together. Further, BSEE will ensure proper training of personnel to address any initial shortcomings in terms of any necessary ZEV knowledge and operations as the advanced vehicle technologies roll into the BSEE fleet.

BSEE is coordinating all these efforts to meet or exceed the ZEV-related goals set forth in the comprehensive plan developed pursuant to E.O. 14008, Section 205(a). Funds for these BSEE ZEV activities are part of a $600 million request in the President's Budget for ZEVs and charging infrastructure that is contained within the individual budgets of 18 Federal agencies, including ZEV Federal fleet dedicated funds at the General Services Administration. This investment will be complemented by Department of Energy funding to provide technical assistance to agencies through the Federal Energy Management Program as BSEE builds and grows its ZEV infrastructure. This investment serves as a down payment to support a multiyear, whole-of-government transformation to convert the Federal motor vehicle fleet to ZEVs and thereby reduce carbon emissions.

Offshore Decommissioning (+$30,000; +0 FTE): The Administration is committed to addressing the hundreds of thousands of orphan oil and gas wells and abandoned mines that pose serious safety hazards and cause ongoing air, water, and other environmental damage across the U.S., much of which is in rural communities that have suffered from years of disinvestment. As part of this Reclamation Jobs initiative, BSEE is requesting the creation of a new budget activity and $30.0 million in FY 2022 to properly plug and abandon (i.e., cutting 15 feet below mudline) orphaned wells and properly decommission the associated orphaned pipelines. While this funding, along with the funding currently available from proceeds collected through BOEM's Financial Assurance Program and bankruptcy proceedings, is not sufficient to address the structures associated with these wells and pipelines, it does fund the most immediate and urgent need to help reduce the risk of pollution. This BSEE funding complements other

orphaned well cleanup investments included in the President's American Jobs Plan as well as other FY 2022 discretionary funding within DOI, such as the new Departmentwide Energy Community Revitalization Program.

General Change in Base Appropriated Funding to Offset Offsetting Collections (+$1,890; +0 FTE): The proposed change to appropriated funding offsets the estimated decrease in Offsetting Collections as discussed below. Although offsetting revenue is set to change, 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 drill and produce in ultra-deep waters and operate in more hostile environments.

Changes in Offsetting Collections (-$1,890; +0 FTE): Rental Receipts are estimated to decrease by a total of $1.89 million based on the latest projections provided by BOEM. There are no programmatic changes associated with this shift.

OSR Appropriation:

Renewable Energy Research (+$200; +1 FTE): BSEE is requesting $200,000 and 1 FTE in FY 2022 for renewable energy research. As renewable energy solutions such as offshore wind and marine hydrokinetic energy gain wider acceptance and emphasis, BSEE is forging ahead to enact its related mission and responsibilities. The Bureau's Oil Spill Preparedness Program is forecasting important resource needs to ensure that offshore renewable energy operations are conducted in a safe and environmentally sustainable manner.

Performance

In FY 2022, BSEE will continue to focus attention on priority areas that foster safe and environmentally responsible energy exploration, development, and production of offshore resources, as well as those areas that promote conservation of resources, ensure accurate production measurement, and prepare for the advancement of offshore wind. 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 2021, BSEE continued to build on its expanded portfolio of measures to better demonstrate how the Bureau achieves results in implementing its mission. Additionally, the Bureau's "vital statistics committees" continue to support the integration of these measures into informed decision making by providing the forum to discuss trends in the data, as appropriate. 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 ability to measure performance and to assess effectiveness and priorities. These efforts include the continued implementation of an enterprise-wide risk-management system to help identify and prioritize areas of risk for the Bureau. In FY 2021, BSEE continued progress made with the integration of enterprise risk management with other management tools to better support decision making. This integration of management tools, including performance-related data, will continue into FY 2022.

By assessing and comparing organizational risks, as well as strengths, weaknesses, and opportunities; the Bureau can 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 (OIG), and external organizations, as well as internal program reviews undertaken or overseen by the Bureau's Office of Policy and Analysis (OPAA) Evaluation Branch, will continue to provide input to BSEE's science-based 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 2022, 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 the following priority categories:

- Incidents – including injuries, fatalities, fires, explosions, gas releases, lifting events, collisions, hazmat, oil spills, and loss of well control.
- Operations – including offshore activity, inspections, Incidents of Noncompliance (INCs), investigations, violations, and enforcement.
- Systems and subsystems – including accurate measurement of hydrocarbons and production reconciliation to ensure proper accounting of revenues, environmental stewardship, oil spill preparedness plans, and permitting.
- Safety culture – including a maturing SEMS program with increased attention on improving the third-party audit results, monitoring corrective actions that are focused on systemic causes, as well as increasing operator focus on situational awareness and operational discipline in all offshore activities.
- Regulatory reform – including revisions to existing rules and the incorporation of updated industry standards based on sound scientific principles.
- Decommissioning – including oversight of end-of-life facilities and strengthening decommissioning/idle iron compliance.

This enhanced suite of meaningful performance metrics is expected to be monitored through BSEE's Business Intelligence (BI) 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.

Good Accounting Obligation in Government Act Report

The Good Accounting Obligation in Government Act (GAO-IG Act, P.L. 115-414) enacted January 3, 2019, requires that Agencies report the status of each open audit recommendation issued more than one year prior to the submission of the Agency's annual budget justification to Congress. The Act requires Agencies to include the current target completion date, implementation status, and any discrepancies on closure determinations.

The Department of the Interior leadership takes audit follow-up very seriously and considers our external auditors, to include the Government Accountability Office (GAO) and Office of the Inspector General, valued partners in not only improving the Department's management and compliance obligations but also enhancing its programmatic and administrative operations. As stewards of taxpayer resources, the Department applies cost-benefit analysis and enterprise risk management principles in recommendation implementation decisions. The Department's GAO-IG Act Report is available at the following link: https://www.doi.gov/cj.

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Bureau of Safety and Environmental Enforcement

Budget at a Glance

Bureau of Safety and Environmental Enforcement **Budget at a Glance** Dollars in Thousands ($000)	**2020 Actual**	**2021 Enacted**	**Fixed Costs (+/-)**	**Internal Transfers (+/-)**	**2022 Request Program Changes (+/-)**	**2022 Request**
Appropriation: Offshore Safety and Environmental Enforcement						
Environmental Enforcement Activity	**4,758**	**4,758**	**+350**		**+400**	**5,508**
Renewable Energy Program					*+400*	
Operations, Safety and Regulation Activity	**151,811**	**152,811**	**+2,493**		**+8,843**	**164,147**
Renewable Energy Research					*+4,800*	
Renewable Energy Program					*+3,600*	
Change in Offsetting Collections (Inspection Fees)					*+443*	
Administrative Operations Activity	**18,150**	**18,150**	**+400**		**+1,625**	**20,175**
Zero Emission Vehicles					*+1,425*	
Diversity, Equity, Inclusion, and Accessibility Initiative					*+200*	
Executive Direction Activity	**18,093**	**18,093**	**+350**			**18,443**
Offshore Decommissioning Activity					**+30,000**	**30,000**
Offshore Decommissioning					*+30,000*	
SUBTOTAL, Offshore Safety and Environmental Enforcement	**192,812**	**193,812**	**+3,593**		**+40,868**	**238,273**
Rescission/Cancellation of Prior Year Balances	**-4,788**	**-10,000**			**+10,000**	
TOTAL, Offshore Safety and Environmental Enforcement	**188,024**	**183,812**	**+3,593**		**+50,868**	**238,273**
Appropriation: Oil Spill Research						
Oil Spill Research	**14,899**	**14,899**			**+200**	**15,099**
Renewable Energy Research					*+200*	
TOTAL, Oil Spill Research	**14,899**	**14,899**				**15,099**
TOTAL, Bureau of Safety and Environmental Enforcement	**202,923**	**198,711**	**+3,593**		**+51,068**	**253,372**

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Bureau of Safety and Environmental Enforcement

Summary of Requirements - Offshore Safety and Environmental Enforcement
(Dollars in Thousands)

Offshore Safety and Environmental Enforcement	FY 2020 Actual	*FY 2021 Enacted FTE*	FY 2021 Enacted Amount	Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (+/-) FTE	Program Changes (+/-) Amount	*FY 2022 Request FTE*	FY 2022 Request Amount	*Change from 2021 (+/-) FTE*	Change from 2021 (+/-) Amount
Offshore Safety and Environmental Enforcement											
Environmental Enforcement											
Direct Appropriations	2,070	*30*	1,590	+350	-	*+2*	+400	*32*	2,340	*+2*	+750
Offsetting Collections	2,688	-	3,168	-	-	-	-	-	3,168	-	-
Total, Environmental Enforcement	**4,758**	***30***	**4,758**	**+350**	-	***+2***	**+400**	***32***	**5,508**	***+2***	**+750**
Operations, Safety and Regulation											
Direct Appropriations	111,951	*476*	94,931	+2,493	+1,890	*+21*	+8,400	*497*	107,714	***+21***	+12,783
Offsetting Collections	39,860	-	57,880	-	-1,890	-	+443	-	56,433	-	-1,447
Total, Operations, Safety and Regulation	**151,811**	***476***	**152,811**	**+2,493**	**-**	***+21***	**+8,843**	***497***	**164,147**	***+21***	**+11,336**
Administrative Operations											
Direct Appropriations	10,829	*247*	9,521	+400	-	*+1*	+1,625	*248*	11,546	*+1*	+2,025
Offsetting Collections	7,321	-	8,629	-	-	-	-	-	8,629	-	-
Total, Administrative Operations	**18,150**	***247***	**18,150**	**+400**	**-**	***+1***	**+1,625**	***248***	**20,175**	***+1***	**+2,025**
Executive Direction											
Direct Appropriations	14,725	*106*	14,123	+350	-	-	-	*106*	14,473	-	+350
Offsetting Collections	3,368	-	3,970	-	-	-	-	-	3,970	-	-
Total, Executive Direction	**18,093**	***106***	**18,093**	**+350**	**-**	-	-	***106***	**18,443**	-	**+350**
Offshore Decommissioning											
Direct Appropriations	-	-	-	-	-	-	+30,000	-	30,000	-	+30,000
Offsetting Collections	-	-	-	-	-	-	-	-	-	-	-
Total, Offshore Decommissioning	-	-	-	-	-	-	**+30,000**	-	**30,000**	-	**+30,000**
TOTAL, OSEE Before Rescission/Cancellation	**192,812**	***859***	**193,812**	**+3,593**	**-**	***+24***	**+40,868**	***883***	**238,273**	***+24***	**+44,461**
Rescission/Cancellation of Prior Year Balances	**-4,788**	-	**-10,000**	-	-	-	**+10,000**	-	-	-	**+10,000**
TOTAL, OSEE	**188,024**	***859***	**183,812**	**+3,593**	**-**	***+24***	**+50,868**	***883***	**238,273**	***+24***	**+54,461**

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Bureau of Safety and Environmental Enforcement

Fixed Costs and Internal Realignments

(Dollars in Thousands)

Fixed Cost Changes and Projections	2021 Total	FY 2022 Change	Description
Change in Number of Paid Days	-432	+0	This column reflects changes in pay associated with the change in the number of paid days between FY 2021 and FY 2022, which is the same number of paid days in both FY 2021 and FY 2022.
Pay Raise	+1,740	+2,606	The President's Budget includes one quarter of a planned 1.0% pay raise and three quarters of a planned 2.7% pay raise for FY 2022.
Employer Share of Federal Employee Retirement System	+1,046	+906	The change reflects a 1.1% (and 1.8% for Law Enforcement) increase in the employer contribution to the Federal Employee Retirement System.
Departmental Working Capital Fund	+4,328	-276	The change reflects the final FY 2022 Central Bill approved by the Working Capital Fund Consortium.
Worker's Compensation Payments	+172	-13	The amounts reflect final chargeback costs of compensating injured employees and dependents of employees who suffer accidental deaths while on duty. Costs for FY 2022 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.
Unemployment Compensation Payments	+17	-8	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.
Rental Payments	+9,401	+378	The amounts reflect changes in the costs payable to 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 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.

Fixed Cost Changes and Projections	2021 Total	FY 2022 Change	Description
Baseline Adjustments for O&M Increases	+0	+0	In accordance with space maximization efforts across the Federal Government, this adjustment captures the associated increase to baseline operations and maintenance 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.

Internal Realignments and Non-Policy/Program Changes (Net-Zero)	FY 2022 (+/-)	Description
General Change in Base Appropriated Funding to Offset Offsetting Collections	+1,890	The proposed change to appropriated funding offsets the estimated decrease in Offsetting Collections as discussed below. Although offsetting revenue is set to change, 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 drill and produce in ultra-deep waters and operate in more hostile environments.
Changes in Offsetting Collections	-1,890	Rental Receipts are estimated to decrease by a total of $1.89 million based on the latest projections provided by the Bureau of Ocean Energy Management (BOEM). There are no programmatic changes associated with this shift.

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, [$150,812,000]*$194,830,000*, of which [$120,165,000]*$136,073,000* is to remain available until September 30, [2022]*2023*, and of which [$30,647,000]*$58,757,000* is to remain available until expended*, including $30,000,000 for offshore decommissioning activities*: *Provided*, That this total appropriation shall be reduced by amounts collected by the Secretary of the Interior 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 [2021]*2022* appropriation estimated at not more than [$120,165,000: *Provided further*, That of the unobligated balances from amounts made available under this heading, $10,000,000 is permanently rescinded: *Provided further*, That no amounts may be rescinded from amounts that were designated by the Congress as an emergency requirement pursuant to the Concurrent Resolution on the Budget or the Balanced Budget and Emergency Deficit Control Act of 1985] *$166,073,000*.

For an additional amount, [$43,000,000]*$43,443,000*, 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 [2021]*2022*, as provided in this Act: *Provided*, That to the extent that amounts realized from such inspection fees exceed [$43,000,000]*$43,443,000*, the amounts realized in excess of [$43,000,000]*$43,443,000* shall be credited to this appropriation and remain available until expended: *Provided further*, That for fiscal year [2021]*2022*, 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. *(Department of the Interior, Environment, and Related Agencies Appropriations Act, 2021.)*

General Provisions

(See General Provisions chapter of the Office of the Secretary 2022 budget justification.)

OUTER CONTINENTAL SHELF INSPECTION FEES

SEC. 107.

(a) In fiscal year [2021]*2022*, 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 [2021]*2022* shall be

(1) [$10,500]$*11,725* for facilities with no wells, but with processing equipment or gathering lines;

(2) [$17,000]$*18,984* for facilities with 1 to 10 wells, with any combination of active or inactive wells; and

(3) [$31,500]$*35,176* 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 [2021]*2022*. Fees for fiscal year [2021]*2022* shall be

(1) [$30,500]$*34,059* per inspection for rigs operating in water depths of 500 feet or more; and

(2) [$16,700]$*18,649* 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 [2021]*2022*. Fees for fiscal year [2021]*2022* shall be

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

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

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

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

Justification for Program Language Changes

Purpose: SEC. 107, subsections (b) Facility and (c) Rig Inspection Fees: BSEE's facility inspections fees were initially established in FY 2010 (P.L. 111-88). In FY 2012 (P.L. 112-74), the facility fee amounts increased, and new rig inspection fees were included. Since that time, the current facility and rig fees that BSEE charges operators have remained unchanged.

In FY 2022, BSEE's budget request includes an inflation adjustment to its current inspection fees. BSEE calculated the inflation adjustment by utilizing the Bureau of Economic Analysis (BEA) Table 1.19,

Implicit Price Deflators for Gross Domestic Product for the period of 2012 through 2020. This inflation adjustment has been applied uniformly to all fees with the exception for non-rig fees since they have only been in place since FY 2020. Factoring in anticipated collections which declined in 2020 as well as the inflation adjustment, the net change to estimated fee collections is an increase of $443,000. There are no additional changes to the inspection fee schedule in FY 2022.

DISCLOSURE OF DEPARTURE OR ALTERNATE PROCEDURE APPROVAL

[SEC. [117]

(a) Subject to subsection (b), beginning no later than 180 days after the enactment of this Act, in any case in which the Bureau of Safety and Environmental Enforcement or the Bureau of Ocean Energy Management prescribes or approves any departure or use of alternate procedure or equipment, in regards to a plan or permit, under 30 C.F.R. 585.103, 30 C.F.R. 550.141; 30 C.F.R. 550.142; 30 C.F.R. 250.141, or 30 C.F.R. 250.142, the head of such bureau shall post a description of such departure or alternate procedure or equipment use approval on such bureau's publicly available website not more than 15 business days after such issuance.

(b) The head of each bureau may exclude confidential business information.]

Justification for Program Language Changes

Purpose: SEC. 117: In FY 2022, BSEE is proposing to strike the above General Provision since the provision results in an unnecessary administration burden. Additionally, this proposal has no budgetary or scoring impact, nor does it reflect any change in policy or program strategy.

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Bureau of Safety and Environmental Enforcement

Mandatory Budget and Offsetting Collections Proposals

This chapter describes proposals related to changes in offsetting collections. For a complete, detailed discussion of the Department's proposals and revenue estimates, please refer to the General Provision section of the Office of the Secretary FY 2022 Budget Justification.

INSPECTION FEES

BSEE's facility inspections fees were initially established in FY 2010 (P.L. 111-88). In FY 2012 (P.L. 112-74), the facility fee amounts increased, and new rig inspection fees were included. Since that time, the current facility and rig fees that BSEE charges operators have remained unchanged.

In FY 2022, BSEE's budget request includes an inflation adjustment to its current inspection fees. While the non-rig fees that BSEE currently assesses have only been in place since FY 2020, the current facility and rig fees that BSEE charges operators have remained unchanged and in place since FY 2012 (P.L. 112-74). BSEE calculated the inflation adjustment by utilizing the Bureau of Economic Analysis (BEA) Table 1.19, Implicit Price Deflators for Gross Domestic Product for the period of 2012 through 2020. This inflation adjustment has been applied uniformly to all fees with the exception for non-rig fees since they have only been in place since FY 2020. Factoring in anticipated collections which declined in 2020 as well as the inflation adjustment, the net change to estimated fee collections is an increase of $443,000. There are no additional changes to the inspection fee schedule in FY 2022.

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FY 2022 BUDGET JUSTIFICATION

Environmental Enforcement Activity

Table 3: Environmental Enforcement Activity Budget Summary

Environmental Enforcement	2020 Actual	2021 Enacted	Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2022 Request	Change from 2021 (+/-)
Environmental Enforcement	**4,758**	**4,758**	**+350**	**-**	**+400**	**5,508**	**+750**
FTE	*22*	*30*	-	-	*+2*	*32*	+2

Summary of 2022 Program Changes for Environmental Enforcement

Request Component	($000)	FTE
Program Changes:		
Renewable Energy Program	+400	+2
TOTAL Program Changes	**+400**	**+2**

The Environmental Enforcement Activity funds the Environmental Compliance Program (ECP) staff and their operational needs required to: manage compliance verification and enforcement of environmental standards placed on Outer Continental Shelf (OCS) operations; ensure BSEE's compliance with the National Environmental Policy Act (NEPA), the Endangered Species Act (ESA), and the National Historic Preservation Act (NHPA) for Bureau permitting programs; conduct specialized inspections of air and water quality requirements and other environmental mitigation measures; and oversee the coordination and engagement needed for Tribal consultation requirements and other environmental acts, regulations, and policies. BSEE has the statutory authority and regulatory responsibility to ensure that the OCS energy industry operates safely and environmentally responsible from exploration to energy production through to decommissioning.

As an environmental steward, BSEE exercises prevention, compliance, and preparedness activities to minimize the negative impact on natural, cultural, and economic resources during offshore energy and marine mineral operations. Specifically, BSEE's ECP works to ensure Bureau compliance with requisite environmental laws, regulations, and policies, and encourages a receptive stewardship culture within the regulated community through innovative engagement, science-based decision-making, and the consistent application of standards.

Funding in FY 2022 will be used to maintain support for and improve BSEE's ECP through application of proven verification methodologies, reliance on the best available science, and the continual development and improvement of environmental policies and procedures. Funding in FY 2022 will also support the Administration's and the Department's renewed focus on climate science, environmental

justice, and renewable energy (REN) projects. These provisions are especially critical as BSEE incorporates added responsibilities in coordination with the Bureau of Ocean Energy Management (BOEM) on the expanding REN program and associated activities on the Federal OCS.

JUSTIFICATION OF 2022 PROGRAM CHANGES

Renewable Energy Program (+$400; +2 FTE): BSEE is requesting $400,000 and 2 FTE in FY 2022 for the Renewable Energy Program. These resources are necessary to meet expected near and mid-term program requirements based on the Administration's goal to deploy 30 gigawatts (GW) of offshore wind production capacity in the United States by 2030. The requested FTE will help form the foundation of BSEE's Renewable Energy Program, and will enable timely and rigorous industry plan/permit reviews, a robust compliance assurance and enforcement program, and demonstrate BSEE's commitment and leadership in driving safety performance and protecting environmental, cultural, and biological resources on the OCS. Specifically, these FTE will conduct environmental compliance verification reviews, develop environmental compliance guidance, conduct site clearance verification, conduct NEPA compliance reviews, and review plans/submissions in accordance with environmental laws.

In anticipation of large-scale development of offshore wind energy on the OCS, BSEE is preparing to take on new responsibilities with respect to renewable energy workplace and process safety management, environmental protection, and decommissioning and site restoration. It is critically important that the Bureau establish an adequate base program, to include environmental reviews and environmental compliance required by DOI's renewable energy regulations. With this funding, BSEE will be positioned to support DOI in investing in a clean energy future.

PROGRAM OVERVIEW

BSEE's ECP is responsible for ensuring that the Bureau and the OCS energy industry are complying with applicable environmental laws, regulations, and conditioned protection measures. Program directives and responsibilities within ECP include environmental field/site inspections/office compliance verification reviewing, NEPA compliance coordination and documentation, and interagency consultation/coordination. Through this program, the Bureau establishes policies and procedures for compliance with environmental regulations, maintains environmental compliance performance standards through national program goals and a program vision that directly supports the Bureau's mission. The Bureau promotes proactive and regular engagement with energy and marine mineral stakeholders; Federal, State, Tribal, and local agencies; non-governmental organizations (NGOs); international partners; the general public; and government to government consultations with federally recognized tribes.

As subject matter experts (SMEs), ECP staff ensures that the offshore energy industry and marine mineral groups comply with established environmental standards for the protection of and minimization of impacts on air quality, coastal and marine water quality, archaeological/cultural resources, benthic resources, and habitat, fish and the associated fisheries, and, protected species. Environmental SMEs also oversee the Bureau's Marine Trash and Debris (MT&D) reduction program, support artificial reef development through the active Rigs-to-Reefs Program, and work to reduce unnecessary conflicts between the regulated community and other OCS users.

Compliance Verification and Enforcement

The ECP is engaged in all stages of OCS energy operations; Geological and Geophysical (G&G) surveying, exploration drilling, development activities, production, and decommissioning. The program is responsible for compliance verification and enforcement associated with BOEM's regulated G&G and marine mineral activities and BSEE's managed well, pipeline, and structure operations. Over the past decade, ECP has conducted an average of 750 environmental compliance inspections and reviews annually. The program has also prepared an average of 500 NEPA compliance documents for BSEE permitting programs each year to ensure that adequate mitigation measures and conditions of approval were applied to limit and/or negate environmental impacts.

Decommissioning

With regards to decommissioning of the approximately 1,885 active oil and gas production platforms on the OCS, more than 60 percent of these facilities are more than 25 years old. Over the past decade, the offshore energy industry has averaged 200 platform removals per year within the Gulf of Mexico OCS Region (GOMR). The program will continue its long-term commitment to ensuring decommissioning activities in GOMR are carried out in compliance with all environmental standards. Similarly, the Pacific OCS Region (POCSR) anticipates decommissioning of several facilities off California to occur in the next few years. This region has an active environmental community and stringent local requirements that must be considered during permitting. Staff within ECP are actively assisting BOEM with the preparation of a Programmatic Environmental Impact Statement (PEIS) for POCSR needs, which will be the first time such an analysis has been prepared for that region.

Renewable Energy

The Bureau, in coordination with BOEM, is also supporting the rapidly expanding REN program and associated offshore wind industry with much of the coordination, compliance, and enforcement efforts being managed by ECP. In FY 2020, the REN technical team coordinated the review of over 50 renewable energy projects. Program leads from BSEE are continuing their coordination with BOEM to help establish BSEE as the sole regulator for workplace safety on REN facilities. The team hopes to simplify the regulatory landscape for the REN lessees and contractors, considering that the program is expected to expand exponentially over the next decade and span to all the OCS regions. To assist, BSEE has drafted offshore wind health, safety, and environmental guidelines and concept papers for a safety and environmental compliance assurance program that includes industry conducted government oversight audits which will document systemic improvement of the OCS renewable energy industry Safety Management System, and a self-inspection program.

To support REN needs, a Memorandum of Agreement (MOA) was developed between BOEM and BSEE in FY 2021, which confirms Bureau responsibilities for OCS REN activities and outlines how BSEE will assist BOEM with safety, environmental compliance, inspections, enforcement, and investigation functions. Within the Bureau, an Instructional Memorandum (IM) was also developed and signed by all program leads in FY 2021, outlining and agreeing to a distributed governance model to allow for expertise and resources throughout BSEE to support renewable energy efforts.

Program Management

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. Organizational groups within BSEE that support ECP include:

- The Environmental Compliance Division (ECD), which serves as the headquarters office under ECP National Program Manager, is responsible for coordination with the regional SMEs/management to develop policies and procedures for BSEE's collaborative oversight of environmental compliance responsibilities associated with OCS energy activities and across all BSEE's programs. ECD focuses on increasing the accuracy, effectiveness, and consistency of BSEE's environmental compliance operations in the regions.
- The Office of Environmental Compliance (OEC) – Program Office managed by the Regional Environmental Officer (REO) for the Gulf of Mexico and Atlantic OCS Regions. The REO reports to the Gulf of Mexico Office's Regional Director and is supported by SMEs within the Coordination and Review Unit (CRU) and the Environmental Monitoring Unit (EMU).
- The Pacific Region REO – reports to the Pacific Regional Office's Regional Director and oversees ECP responsibilities for Pacific activities seaward of California, Oregon, Washington, Hawaii, and the Pacific U.S. Trust Territories.
- The Alaska Region REO – reports to the Alaska Regional Office's Regional Director and oversees ECP responsibilities for activities in the Beaufort and Chukchi Seas, the Bering Sea, Cook Inlet, and the Gulf of Alaska.

Responsibilities

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 effectiveness and adequacy for environmental compliance education and enforcement.
- Serving as lead for outreach to stakeholders, engagement with government, Tribal Nations, non-governmental organizations, and industry regarding environmental issues.
- Executing regional environmental compliance verification, NEPA coordination, impact assessments, enforcement and other appropriate environmental compliance activities as prescribed by program goals and policy.
- Overseeing adaptive management coordination with BOEM and other BSEE leads to improve NEPA analyses, mitigation measures, compliance verification and enforcement actions (when appropriate).
- Participating in the National Response Systems contingency planning activities (cultural resources) and incident response practices.

Management and staff within ECP operate under the Bureau's National Environmental Compliance Policy (Bureau Manual Chapter 550.1). In coordination with auditing teams and other offices, ECP management also ensures BSEE performs continuous programmatic reviews of ECP to identify best practices, areas of risk and suggestions for improving effectiveness and efficiency. The Bureau remains committed to partnering with the regulated industry, State and local governments, non-governmental organizations, and Departmental and interagency working groups on environmental compliance-focused efforts.

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FY 2022 BUDGET JUSTIFICATION

Operations, Safety and Regulation Activity

Table 4: Operations, Safety and Regulation Activity Budget Summary

Operations, Safety and Regulation	2020 Actual	2021 Enacted	Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2022 Request	Change from 2021 (+/-)
Operations, Safety and Regulation	**151,811**	**152,811**	**+2,493**	**-**	**+8,843**	**164,147**	**+11,336**
FTE	*459*	*476*	-	-	*+21*	*497*	+21
Major Program IT Investments:							
Technical Information Management System (TIMS) [1/]	[11,222]	[12,574]	-	-	[+1,339]	[13,913]	[+1,339]

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

Summary of 2022 Program Changes for Operations, Safety and Regulation

Request Component	($000)	FTE
Program Changes:		
Renewable Energy Research	+4,800	+3
Renewable Energy Program	+3,600	+18
Change in Offsetting Collections (Inspection Fees)	+443	-
TOTAL Program Changes	**+8,843**	**+21**

The Operations, Safety and Regulation activity funds Outer Continental Shelf (OCS) permit application reviews and process tracking, 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, oil and gas production level verifications (to help ensure a fair public return), research supporting emerging technology analysis and activities, cybersecurity, standards and regulatory review activities, DOI renewable energy safety and environmental compliance program efforts, and technical training.

BSEE is committed to ensuring that its inspection program operates at the highest level of effectiveness, while continuously exploring opportunities to increase overall program efficiency through vital statistics, business intelligence, and various status and process management tools. FY 2022 funding will allow BSEE to promote a robust culture of safety, while reducing risk in the offshore energy industry through inspections, permitting, incident and equipment failure investigations, data analytic tools and processes development, regulatory development, enforcement, and cybersecurity program development.

BSEE is committed to enhancing its inspection program through an annual inspection strategy that includes Risk-Based Inspections (RBIs) as well as strengthening permitting strategies considering risk to proper development, production, and the assessment of integral Bureau processes. Funding in FY 2022 will allow BSEE to continue to address areas of highest risk.

Overall, the objective and scope of the BSEE RBI Program is to assist the Bureau in developing inspection tasks and techniques to enhance the Bureau's focus on offshore oil and gas facilities that exhibit a number of distinguishing risk factors including minimizing redundant inspection efforts and costs, shifting from a reactive to a proactive oversight regime, and implementation of a risk management tool.

With FY 2022 funding, BSEE will also continue its efforts to engage with the oil, gas, and renewable energy industries, and other stakeholders to identify the appropriate safety initiatives to address or mitigate higher-risk concerns. These initiatives will be designed to proactively prevent unsafe incidents from occurring and promote efficient and effective compliance based on critical analysis and use of existing data. In collaboration with stakeholders, BSEE will update its policies, processes, and regulations to ensure that the financial and technical challenges of developing new technologies or implementing new control strategies are recognized and addressed in a manner that encourages the long-term investment of capital on the OCS.

It is critically important for the Bureau to maintain adequate base program capacity to achieve its mission, as industry continues to drill and produce in ultra-deep waters, operate in hostile environments and move into frontier areas such as the Atlantic OCS with offshore wind energy. BSEE will continue to pursue the necessary personnel and program resources to support oil, gas, and renewable energy operations.

JUSTIFICATION OF 2022 PROGRAM CHANGES

Renewable Energy Research (+$4,800; +3 FTE): BSEE is requesting $4.8 million and 3 FTE in FY 2022 to support renewable energy research. BSEE is responsible for initiating, supporting, and promoting science-based research to fulfill the Bureau's mission through the identification and evaluation of critical energy equipment and technology to reduce risk, support safe operations, and promote environmental stewardship on the OCS. These additional FTE are necessary to ensure that BSEE can effectively manage the planned increase in renewable energy related research projects in support of the Administration's focus on climate change.

Research is an essential component of the evaluation and decision-making process and is essential to shaping appropriate regulatory policy and practices within emerging programs. As renewable energy continues to rapidly expand along the Atlantic Coast, BSEE's renewable energy research will play a crucial role in ensuring that national policies are scientifically sound and robust. Research outcomes in the three primary areas of risk identification and reduction, technology development, and policy will support BSEE and DOI in the promotion and development of safer and more reliable technology, increase the Bureau's ability to analyze and provide solutions to systemic problems, provide leadership with factual data for decision-making, and identify and resolve potential safety issues before incidents occur.

In addition to meeting new and innovative renewable energy research requirements, expansion of traditional oil and gas research topics include areas critical to renewable energy such as turbine foundation structural health monitoring, digital twin technologies, advanced fire protection systems, remote inspection, and maintenance technologies. Potential benefits for expanded research in these areas includes, but is not limited to, providing tangible information to guide predictive maintenance and decision-making for optimal offshore wind turbine asset management.

Renewable Energy Program (+$3,600; +18 FTE): BSEE is requesting $3.6 million and 18 FTE in FY 2022 for the Renewable Energy Program. These resources are necessary to meet expected near and mid-term program requirements based on the Administration's goal to deploy 30 gigawatts (GW) of offshore wind production capacity in the United States by 2030. The requested FTE will form the foundation of BSEE's Renewable Energy Program, and will enable timely and rigorous industry plan/permit reviews, the creation of a robust compliance verification and assurance program, and demonstrates BSEE's commitment and leadership in driving safety performance and protecting environmental, cultural, and biological resources on the OCS. Staffing will include a mix of engineers, safety specialists, performance management system audit specialists and enforcement staff, to ensure the renewable energy industry incorporates safety and environmental compliance measures throughout the installation and operation of offshore renewable facilities. In addition, BSEE's request also includes funding to support training, inspection program equipment and transportation, safety management system (SMS), and incident investigation resources.

In anticipation of large-scale development of offshore wind energy on the OCS, BSEE is preparing to take on new responsibilities with respect to renewable energy workplace and process safety management, environmental protection, and decommissioning and site restoration. It is critically important that the Bureau establish an adequate base program, to include engineering and environmental reviews; oversight of the SMS and oil spill preparedness requirements; environmental compliance; enforcement of regulations, lease terms, and technical conditions of plan approvals; incident reporting; and investigations, enforcement, and oversight of the industry inspection plans required by DOI's renewable energy regulations.

Change in Offsetting Collections (Inspection Fees) (+$443,000; +0 FTE): BSEE's FY 2022 budget request includes an inflation adjustment to its current inspection fees. While, the non-rig fees that BSEE currently assesses have only been in place since FY 2020, the current facility and rig fees that BSEE charges operators have remained unchanged and in place since FY 2012 (P.L. 112-74). BSEE calculated the inflation adjustment by utilizing the Bureau of Economic Analysis (BEA) Table 1.19, Implicit Price Deflators for Gross Domestic Product for the period of 2012 through 2020. This inflation adjustment has been applied uniformly to all fees with the exception for non-rig fees since they have only been in place since FY 2020. Factoring in anticipated collections which declined in 2020 as well as the inflation adjustment, the net change to estimated fee collections is an increase of $443,000. There are no additional changes to the inspection fee schedule in FY 2022.

INTERNAL TRANSFERS

General Change in Base Appropriated Funding to Offset Offsetting Collections (+$1,890; +0 FTE): The proposed change to appropriated funding offsets the estimated decrease in Offsetting Collections as

discussed below. Although offsetting revenue is set to change, 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 drill and produce in ultra-deep waters and operate in more hostile environments.

Changes in Offsetting Collections (-$1,890; +0 FTE):

- **Rental Receipts (-$1,890; +0 FTE):** Rental Receipts are estimated to decrease by a total of $1.89 million based on the latest projections provided by the Bureau of Ocean Energy Management (BOEM). There are no programmatic changes associated with this shift.

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 energy operations, from engineering specifications and operating standards to encouraging and supporting the development of a strong OCS safety culture. 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. BSEE will maintain its commitment to review and update regulatory requirements and facilitate regulation development in compliance with all applicable laws, statutes, and orders. BSEE will additionally focus on streamlining the incorporation of new and updated industry standards into regulations and will continue to coordinate its regulatory efforts with the U.S. Coast Guard (USCG) and other agencies to avoid unnecessary duplication and to maximize consistent and efficient OCS activities regulation.

In FY 2022, BSEE will continue to actively participate with external Standards Development Organizations (SDOs) in the development of new or revised standards for OCS safety and environmental protection consistent with the 1995 National Technology Transfer and Advancement Act. The activity objective is to optimize the use of national and international standards in regulations for safe and environmentally-sound OCS resources development; collaborate with SDOs to expedite the development of industry best practices; increase BSEE's knowledge and awareness of OCS oil, gas, and renewable energy standards development 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 continuous improvement of industry best practices. For more information, please visit https://www.bsee.gov/what-we-do/offshore-regulatory-programs/regulations-standards.

Engineering Technology Assessment Center

The Engineering and Technology Assessment Center (ETAC) is located near the epicenter of oil and gas technology and standards development within BSEE's Houston office. In partnership with Bureau-wide subject matter experts, Houston personnel research developing technology, collaborate with equipment manufacturers, academia, research laboratories, and support the standards development process with a focus on technology. In past fiscal years and into FY 2022 subject matter experts continue to play a key role in providing support to the Bureau on issues involving complex technology as well as conducting engagement efforts with oil, gas, and renewable industry stakeholders. The ETAC location additionally

ensures that BSEE staff is available to participate in industry activities and to assist in the inspection of offshore facilities via visits to original equipment manufacturers (OEM) offices, offshore operators, academia, and research facilities to enhance BSEE's visibility amongst its external stakeholders. Please visit https://www.bsee.gov/what-we-do/offshore-regulatory-programs/etac for information on study topics.

Assessing Probabilistic and Permitting Risk

BSEE and the National Aeronautics and Space Administration (NASA) are collaborating to apply probabilistic risk assessment (PRA) in the offshore energy industry, when desired by the industry, to evaluate a challenging scenario. The goal of this BSEE-NASA collaboration activity is to evaluate PRA as a potential risk assessment tool for evaluating technology operations in frontier offshore environments. PRA is a quantitative risk assessment technique, initially developed within the nuclear energy industry, used by NASA to model risk for human spaceflight in major initiatives including the International Space Station and the Orion deep space exploration spacecraft. The technique enables identification and mitigation of low-probability sequences of events that can lead to high-consequence outcomes. BSEE believes this technique may have similar utility when applied to energy development operations in lesser-understood offshore environments, particularly for complex scenarios where quantification of risk is important for regional or national leadership decisions. This relationship will allow industry to continue the development of a standard assessment methodology in cases where it desires to submit PRAs for BSEE consideration. The efforts with NASA are especially for collaborating on safety, reliability, risk management, and engineering activities that are deemed to advance the mission of the Bureau to allow BSEE and the industry to better define and interpret the risks associated with scenarios and ensure that any issues are identified and addressed early in the technology life cycle. Not every situation requires a quantitative approach; however, PRA is appropriate for complex engineering hardware that has critical human interaction and multiple pathways to catastrophic failure.

The foundation of safe OCS operations 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, including the FY 2018-2020 environmental analysis mandated by NEPA, BSEE continues working to focus permit review efforts on ensuring that review processes focus on areas of highest risk.

BSEE actively tracks permit reviews from a management oversight level with permit processing remaining relatively stable for almost all permitting categories. BSEE established control limits for these processes and regularly tracks any anomalies early in the process to influence outcomes in a positive direction. Additionally, BSEE has identified the permit review areas with other agencies that impact permit timing and is working to influence a reduction in processing times for permits not under the Bureau's direct control. The Vital Stats Permitting Committee, which cuts across regions and permit areas, is actively engaged in this process of tracking efficiency and areas for improved industry training for all permits for which BSEE assesses a fee and certain additional categories where additional visibility is desired in the interest of management.

In FY 2022, BSEE will continue streamlining the review process and implementing new electronic permitting and reporting modules (ePermits) in BSEE's Technical Information Management System Web

system (TIMSWeb). The ePermits modules allow BSEE to track and review the submission of permits, reports, and notifications and provide industry with access to monitor the review and approval of their submissions. In FY 2022, BSEE will also continue incremental improvements to increase functionality to operators and BSEE's permit review personnel.

Energy Inspections, Investigations, and Risk Management

BSEE is committed to continually improving its inspection approach. In FY 2019, BSEE adopted a new inspection strategy and subsequently initiated its first Annual Inspection Plans. The team tasked with developing this strategy includes representatives from the regions as well as headquarters. They continue to 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 using a hybrid of inspection techniques, risk assessment tools, and Safety and Environmental Management Systems (SEMS) processes or performance-based assessments. The team also regularly tracks the completed inspections against the targets in the annual inspection plan and reports performance to Senior BSEE Leadership enabling BSEE to quickly adjust inspection activities as necessary to ensure all goals are met. Having an RBI protocol as part of BSEE's strategy will move the Bureau further down the road toward safe and environmentally sustainable operations.

BSEE's performance-based SEMS Program, in collaboration with BSEE's Inspection Program, is the cornerstone in BSEE's progress toward a hybrid regulatory approach. SEMS focuses on driving the safety and environmental performance of OCS oil and gas operators and contractors through assessing the effectiveness of the operators' internal safety and environmental policies, programs, procedures, and behaviors. In conjunction with an RBI approach, SEMS seeks to measure both full compliance and the degree to which BSEE's regulatory expectations and intent are incorporated into the OCS workplace. Modeled after international programs for quality, safety, and environmental management systems, BSEE's SEMS regulation incorporates by reference the 3rd edition of the American Petroleum Institute's (API) Recommended Practice 75 (RP 75), issued March 2004. In FY 2021, BSEE will begin a process to evaluate the benefits of updating the regulation to now incorporate the recently published 4th edition, released December 2019. The 4th edition emphasizes human factors (such as situational awareness and operational discipline) as key elements for sustaining a safe workplace. Through adopting a SEMS program that aligns with their business model and company culture, operators will more effectively utilize their resources, design their safety initiatives to ensure effective implementation, and promote continuous safety and environmental performance improvement. In 2020, a cross-functional, team-driven, safety improvement initiative was established to improve the safety performance of offshore lifting activities. This BSEE-led initiative incorporates many aspects of SEMS related to human factors including safe work procedures and risk recognition to promote opportunities to raise awareness and communications around work plans and decision making. One such example is the exploration of opportunities to strengthen training and management oversight of crane operations. This collaboration between BSEE and industry represents a new safety improvement approach which can serve as a model for driving safety performance in other high-risk activities or areas.

Implementing an inspection strategy that allows the Bureau to direct resources toward the riskiest facilities and safety components is a key goal for BSEE. Planning the inspections, facility selection, and the inspection criteria for verification and validation are essential to a successful program. Inspection

planning utilizes information from third party SEMS audits, annual compliance inspections, and lessons learned from BSEE's incident investigations or industry-led incident investigations to identify safety trends and concerns. These RBIs, conducted by multi-disciplinary teams consisting of engineers and inspectors, include both a compliance review and performance and risks of comprehensive safety audits. These inspections evaluate facilities with a focus on the safety critical equipment operation and maintenance; SEMS implementation and effectiveness; 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, which is a partnership with the Bureau of Transportation Statistics (BTS), collects near-miss, safety, and equipment component failure system data from OCS operators and contractors to identify gaps and closes those gaps through risk management of blowout prevention equipment, well control equipment, and safety and pollution prevention equipment. The voluntary near-miss data that is collected is analyzed by subject matter experts and presented to the public, the Bureau, and industry in an easily digestible format. BSEE also uses BTS because the Confidential Information Protection and Statistic Efficiency Act (CIPSEA) affords protection of data supplied to BTS for both its voluntary and non-voluntary programs. With CIPSEA protection, greater confidence is extended to industry submitters to promote more detailed reporting on safety, near miss, and equipment failures. To see the greatest benefit, maximum participation among operators is paramount. Therefore, BSEE undertook change initiatives to improve the rate of participation, for the voluntary safety data and near miss reporting program, so that now 85 percent of offshore production is represented; in 2021 this now totals 24 companies, 17 of which have executed Memoranda of Agreement.

BSEE will continue to work closely with the International Association of Drilling Contractors (IADC), the Offshore Operators Committee (OOC), the Center for Offshore Safety (COS), the operators, and critical service providers to develop, maintain, and improve the framework for OCS data collection, analysis, and reporting. 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 Outer Continental Shelf Lands Act (OCSLA), BSEE is required to conduct investigations and prepare an investigation report for each major incident associated with OCS activities. Every OCS incident receives 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 Part 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 to inform the offshore energy 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. In FY 2019, BSEE launched a safety initiative to bring critical safety information directly to OCS offshore workers. The BSEE!Safe Program uses text messaging notification technology to send links for its published Safety Alerts and Bulletins, a tool used to inform the offshore oil and gas industry of the circumstances surrounding an incident or near miss. The alerts and bulletins also contain recommendations to help prevent the recurrence of such an OCS incident. BSEE!Safe notifications supplement the long-standing practice of issuing Safety Alerts and Bulletins sharing lessons learned and recommendations from incidents and near misses with industry representatives. BSEE!Safe is part of the Bureau's New Era of Management strategy to supplement regulation with innovative and collaborative programs, expanding the available methods for driving safety performance and environmental stewardship improvements. As of January 2021, there are over 7,000 subscribers to this safety messaging service. 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.

In addition, BSEE uses Incidents of Non-Compliance (INCs) notifications as a tool to notify operators that they have violated regulations. INCs align with the regulations BSEE developed for the Potential Incident of Non-Compliance (PINC) list to manage communications on regulations violations through the inspection process. BSEE conducts analysis of INC's issued to gauge operator performance and identify more systemic issues that occur on the OCS. The evolution of the PINC list also allowed for the generation of the General PINC category. To conduct further analysis of the General PINC category and G-INCs issued, BSEE leadership has awarded a contract to perform an in-depth analysis into how the General category of INCs is being applied in the field. A greater analysis into G-INCs will help the agency better identify specific risks.

BSEE's Risk Analysis Committee (RAC) annually reviews targeted offshore operations to identify process safety exposures, regulatory program gaps, and quantify risk. With FY 2022 funds, the RAC will utilize findings from BSEE's ongoing activities that analyze incidents, events, safety data, and non-compliance information for trends and relationships to identify causal factors and conditions that give rise to safety concerns and offer insights for safety improvements.

Supporting the RAC is BSEE's establishment of the Safety Performance Enhanced by Analytical Review (SPEAR) Program. The Program's goal is to surface new data analytic tools and strategic Bureau-wide process(es) to enable BSEE subject matter experts throughout the organization to thoroughly analyze data and other pieces of information to identify current and emerging safety and environmental hazards related to energy operations on the OCS. In FY 2021, the SPEAR Program pursued an interagency agreement with the NASA Advanced Supercomputing Division for the purpose of collaborating on the assessment of machine learning techniques and tools for use in helping BSEE determine precursors to significant incidents on the OCS. The SPEAR Program intends to continue this collaborative agreement in FY 2022. Additionally, in FY 2022, the SPEAR Program will continue to: (1) Explore the potential use of advanced data analytic tools to support the aforementioned process(es); and, (2) Establish a world class approach to analyzing and communicating data and information throughout the Bureau and to external stakeholders, as the need may arise.

Technical Training

The Bureau supports training and other efforts aimed at field personnel, inspectors, and engineers to ensure that staff have the tools needed to streamline permitting, while at the same time promoting responsible energy development. These programs will provide the most up-to-date training available to address the technological advances to which the Bureau's workforce is exposed and utilize new and emerging tools available to them.

The Bureau's National Offshore Training Center (NOTC) provides comprehensive, multi-tiered, professional development opportunities for BSEE inspectors, engineers, and scientists to assist in providing safe and environmentally-sound offshore operations. The training program supports the Bureau's goals by identifying and providing up-to-date training and development opportunities to staff involved in inspecting or approving the use of new technologies for offshore oil and gas operations and renewable energy operations. The more than 50 courses are taught by renowned subject matter experts to ensure continued education and development that enhances professional competence and personal satisfaction.

Conventional Energy Program 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 several tools, including issuance of INCs, civil 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 to address recurring safety and environmental concerns.

Through the identification and quantification of risk, BSEE actively seeks to identify key leading and lagging indicators while also developing a better gauge of operator effectiveness in employing redundant physical controls (barrier analysis). Using data and trend analysis to identify higher-risk operations and facilities, BSEE focuses inspection resources on these targets as a supplement to BSEE's existing schedule of inspections on production facilities and active drilling operations. In CY 2020, BSEE conducted Performance Based Risk Inspections (PBRI) (Real Time Monitoring, Pandemic Mitigation, Hurricane Preparedness, and Subsea Leak Detection) on a total of 24 operators on the OCS of the Gulf of Mexico. Due to the findings of these inspections, BSEE published three Safety Alerts (No. 401, 403, 407) with 36 recommendations to improve performance. As a result of the Real Time Monitoring PBRI, BSEE met with industry subcommittees to address gaps and is in the process of releasing an NTL to clarify regulations. BSEE also conducted three Facility Based Risk Inspections. 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 is guided by safety and environmental protection performance goals related to the Strategic Plan to advance the Bureau's mission. The program strives to improve its functions by promoting a culture of professionalism throughout the workforce and

establishing consistent, transparent, and clear processes that will guide the implementation of program initiatives.

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. 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 to promote conservation. In FY 2020, BSEE and the BOEM issued a joint research report, "*Gulf of Mexico Data and Analysis/Leasing, Drilling and Production, Gulf of Mexico Shallow Water Potential Stranded Assets,*" which evaluated the contributing factors for the decline in shallow water production.

Production Measurement and Verification

Oil production in the Gulf of Mexico increased from 1.1 million barrels per day (MMBopd) in June 2013 to about 1.8 MMBopd in February 2021. 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 the Office of Natural Resources Revenue (ONRR), BSEE's specially trained production measurement inspection team will continue to ensure that production volumes are accurately measured and 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.

Emerging Technologies and Research

BSEE initiates, supports, and promotes science-based research to fulfill the Bureau's mission. BSEE identifies and evaluates critical equipment and technology to reduce risk, support safe operations, and promote environmental stewardship on the OCS. Detailed technology and equipment evaluations include those that impact the utilization and reliability of safety-critical components, equipment, and systems. BSEE performs technical assessments, performs detailed risk evaluation, and conducts research on both new and existing technologies to determine feasibility, investigate potential utilization risks, and identify regulatory gaps related to their use. These activities help identify and resolve potential safety issues before incidents occur and ensure that existing and emerging technologies can be reviewed and approved. For example, BSEE is investigating the use of Autonomous Unmanned Vehicles (AUVs) for conducting safety-critical operations. AUVs are self-propelled vehicles that navigate 3-dimensional missions for extended periods. AUVs may be used to inspect oil and gas infrastructure along the seafloor and fixed and floating facilities located hundreds of miles offshore in water depths of 8000^{+} feet. AUVs can operate 365 days a year, are invulnerable to inclement weather, inspect traditionally inaccessible locations, and remove the risk of harm to personnel. AUVs could potentially allow access to previously inaccessible or difficult spaces where equipment failure could result in a significant event. Utilization examples may include early indications of pipeline corrosion, structural fatigue, and subsurface broaching (e.g., small methane bubbles outside a wellhead). BSEE continues to support research on the long-term

and short-term Arctic Ice movement trends. The study allows for navigable Arctic water predictions. Reliable prediction of ice movement benefits numerous industries beyond oil and gas; long-term and short-term Arctic Ice movement predictability are essential for emergency response readiness, Arctic commerce, and national defense. Climate change trend data and direct environmental observation of new ice and old ice movement are critical inputs to trend prediction. BSEE's technical assessment of failures of subsea bolts and connectors has resulted in significant improvements in industry standards and manufacturing practices. BSEE continues to be actively involved in bolting activities in efforts to identify gaps and reduce risk.

Future BSEE research expands beyond traditional oil and gas activities. Expanded research includes renewable energy topics, such as turbine foundation structural health monitoring, floating turbine design and stabilization, digital twin technologies, advanced fire protection systems, remote inspection, and maintenance technologies that would provide tangible information to guide predictive maintenance and decision-making for optimal offshore wind turbine asset management. BSEE is also potentially pursuing operational studies focused on unmanned facility inspection optimization processes, SMS robustness, offshore wind health safety and environment (HSE) practices and training to help ensure safe and orderly offshore development as this U.S. wind industry grows.

In FY 2021, BSEE will execute technical contracts that focus on both renewable energy and traditional oil and gas operations. Renewable efforts are focused on offshore wind fire protection systems, remote inspection technologies, and a contract regarding HSE and training best practices, built within robust SMSs, that promote the health and safety of both people and the environment. Oil and gas efforts include investment in research focused on reducing overall risk. Oil and gas research efforts include, but are not limited to, critical system and barrier management assessments, well integrity assurance projects, advanced blowout response tools, and well construction. In FY 2022, the focus for renewables includes research in structural health monitoring, self-inspection programs, SMS robustness, and methods for optimizing efficiency for the Atlantic metocean conditions as essential areas of focus for the continued advancement of the renewable program. For oil and gas, the focus will continue to be pursuing risk-reducing research. Additionally, research topics will cover life extension for offshore structures, carbon reduction technologies, remote inspections, and risk categorization and evaluation. Products of the Bureau's technology assessments and collaborations are posted at: https://www.bsee.gov/what-we-do/research/tcp.

Best Available and Safest Technology (BAST)

The OCSLA has a statutory requirement in its Section 21(b), Amendments of 1978, determining "on all new drilling and production operations and, wherever practicable, on existing operations, the use of the BAST which the Secretary determines to be economically feasible, wherever failure of equipment would have a significant effect on safety, health, or the environment, except where the Secretary determines that the incremental benefits are clearly insufficient to justify the incremental costs of utilizing such technologies." In FY 2020, BSEE focused the initiative to target critical equipment used to prevent or mitigate a high consequence event. This process identifies and analyzes safety critical equipment used on the OCS and evaluates the regulatory requirements to determine regulatory gaps and potential closure actions. This evaluation process will be done on an annual basis and will ensure that risks involved in low-probability high-consequence events are properly mitigated using BAST. This is an example of how

the implementation of the OCSLA BAST statuary requirement can be operationalized to identify and reduce risk. More information on the BAST process can be found at: https://www.bsee.gov/what-we-do/offshore-regulatory-programs/emerging-technologies/BAST.

Renewable Energy Safety and Environmental Compliance

In coordination with BOEM, BSEE supports the Executive Order that calls on our Nation to build a new American infrastructure and clean energy economy that will create millions of new jobs. In December 2020, Department leadership directed the transfer of the safety and environmental oversight and compliance functions, including inspection and enforcement, for the Department's offshore renewable energy program from BOEM to BSEE. Also, in December 2020, BSEE and BOEM agreed to a framework for coordination in regulating renewable energy activities on the OCS. The Memorandum of Agreement (MOA) clarifies the Bureaus' roles and responsibilities and promotes the efficient use of resources to enhance the Nation's renewable energy production.

The Administration recognizes that a thriving offshore wind industry will drive new jobs and economic opportunity up and down the Atlantic Coast, in the Gulf of Mexico, and in Pacific waters. The industry will also spawn new supply chains that stretch into America's heartland, as illustrated by the 10,000 tons of domestic steel that workers in Alabama and West Virginia are supplying to a Texas shipyard where Dominion Energy is building the Nation's first Jones Act compliant wind turbine installation vessel. However, achieving these benefits is not risk free. The Global Offshore Wind Health and Safety Organization (G+) reported a total recordable injury rate of 5.5 injuries per 1 million hours worked in 2019. By comparison, the FY 2019 recordable injury rate for the U.S. offshore oil and gas industry was 2.82 injuries per million hours worked.

In anticipation of large-scale development of offshore wind energy on the OCS, BSEE is preparing to take on new responsibilities with respect to renewable energy workplace and process safety management, environmental protection, and decommissioning and site restoration as well as assume safety and environmental enforcement operational functions for Federal OCS offshore renewable energy development. Working collaboratively with BOEM, BSEE has initiated work on the safety and environmental enforcement operational functions necessary for DOI's renewable energy program. This includes oversight of project SMSs which in turn promotes the safety of operations, safety, and environmental compliance, including enforcement of regulations and lease terms, incident reporting and investigations, and oversight of the industry inspection plans required by DOI's renewable energy regulations. HSE guidelines are being drafted to establish, along with a SMS framework, a solid, performance-based foundation that will support the design, operation, and decommissioning of offshore wind facilities.

BSEE currently utilizes an interdisciplinary team of technical and policy experts to conduct technical plan reviews and develop policies and procedures to ensure workplace safety and environmentally responsible offshore renewable energy development. In FY 2020, BSEE reviewed over 50 renewable energy plans/permits/reports. BSEE is actively involved in the development of consensus U.S. design standards for offshore wind turbines and standards working groups to address offshore workplace occupational safety and worker training.

Funding in FY 2022 is critical for BSEE to establish a core foundational program to support the development of a safe, robust, and environmentally responsible offshore wind industry in the United States. The funding will enable timely and rigorous industry plan reviews, initiate a robust compliance assurance program, and demonstrate BSEE's commitment and leadership in driving safety performance in the offshore wind industry. BSEE will also be better positioned to garner cooperation from other Federal Agencies given mandated permitting timelines and differing priorities, mandates, and attitudes towards offshore wind development. DOI's performance-based regulatory approach provides the offshore wind industry with flexibility to adopt appropriate existing U.S. and/or international standards and best practices to ensure worker safety and health. BSEE will adopt its risk assessment strategies and data analytics capabilities developed for the conventional energy program to address the hazards unique to worker health and safety on wind farms, in order to drive safety performance and environmental sustainability as this industry provides safe and reliable offshore wind facilities to serve the U.S. electric supply.

Information Technology (IT) and Data Stewardship

BSEE has been working to develop and maintain 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, and make data available to the public in an accessible way while protecting privacy, proprietary information, and confidential business information. To enhance the Bureau's capabilities, BSEE has deployed eWell to all Regions. During FY 2018, BSEE expanded eInspections functionality to include both platforms and rigs and deployed the ePermits 1.0 system. In FY 2021 and FY 2022, BSEE will continue working with industry to promote wider use of ePermits for the submission of industry Oil Spill Response Plans (OSRPs) to BSEE.

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 focused on queries for tracking BSEE's internal Vital Statistics Program, which assesses key data points to better inform program activities and decisions. 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 will continue to work within DOI and with Federal partners throughout FY 2022 to promote the development and implementation of an effective cybersecurity and infrastructure security on the offshore assets it regulates, with a particular focus on Industrial Control System (ICS) security and program resource build out to support the development, implementation, and sustainment of a program that will reduce OCS cybersecurity risk.

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, geoscientist, 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 2022 BSEE will continue to 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 (PV)

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 CWA, OPA 90, and 30 CFR Part 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 respond to a worst-case discharge quickly and effectively to the maximum extent practicable.

BSEE employs and monitors exercises to enable 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. 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 verify and ensure that equipment listed within the OSRP is properly maintained, ready to be operated, and performs as specified by the manufacturer.

In FY 2022, BSEE will continue efforts begun in FY 2020 to promote oil spill preparedness for offshore renewable energy facilities. Renewable energy facilities present their own unique oil pollution issues

based on their construction and operations. Consequently, BSEE is working with BOEM and USCG-led Area Committees and Regional Response Teams with renewable energy lease jurisdictions to ensure contingency plans incorporate appropriate oil spill preparedness measures. These efforts include working with BOEM and the Area Committees and Regional Response Teams with renewable energy leases to ensure contingency plans incorporate appropriate oil spill preparedness measures for the offshore energy system. BSEE will conduct its OSRP reviews, GIUEs, inspections, and audits on renewable energy facilities in FY 2022 as they reach the proper stage in their development.

In FY 2022, BSEE also expects to continue its efforts with owners and operators, co- and prior-lessees responsible for decommissioning, decommissioning contractors, and the USCG to ensure that the government and all potential responsible parties are prepared to respond to discharges that could occur from decommissioning activities.

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FY 2022 BUDGET JUSTIFICATION

Administrative Operations Activity

Table 5: Administrative Operations Activity Budget Summary

Administrative Operations	2020 Actual	2021 Enacted	Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2022 Request	Change from 2021 (+/-)
Administrative Operations	**18,150**	**18,150**	**+400**	**-**	**+1,625**	**20,175**	**+2,025**
FTE	*188*	*247*	*-*	*-*	*+1*	*248*	*+1*

Summary of 2022 Program Changes for Administrative Operations

Request Component	($000)	FTE
Program Changes:		
Zero Emission Vehicles	+1,425	-
Diversity, Equity, Inclusion and Accessibility Initiative	+200	+1
TOTAL Program Changes	**+1,625**	**+1**

The Administrative Operations Activity funds the full suite of administrative services for BSEE. This includes Finance, Procurement, Human Resources, Information Technology and Data, Equal Employment Opportunity, Management Support, Freedom of Information Act, and Records and Directives. In addition, BSEE's Office of Administration provides administrative services to the Bureau of Ocean Energy Management (BOEM), as well as more limited services to other clients, such as the Office of the Secretary, Office of Natural Resources Revenue (ONRR), and others, on a reimbursable basis.

BSEE's Office of Administration, in partnership with leadership, 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. The Office of Administration will continue to establish best practices and enhance efficiencies using program funding provided to meet targeted administrative initiatives including human capital, data stewardship, and records management, as well as the utilization of shared service partnerships with BOEM, and other parts of the Department.

BSEE is committed to maintaining a diverse workforce that is accountable, competent, engaged, and held to a high standard of integrity. BSEE upholds this standard through commitments to ethics, accountability, training, professional development, and mutual respect and recognition between the Bureau's regions and headquarters.

JUSTIFICATION OF 2022 PROGRAM CHANGES

Zero Emission Vehicles (+$1,425; +0 FTE): Zero Emission Vehicle Fleet Conversions (+$1,425, +0 FTE) – The 2022 budget includes funding to convert approximately 63 percent of BSEE sedan fleet to

zero emission vehicles (ZEVs) and provide approximately 13 charging stations and hydrogen fueling stations to support those vehicles and future ZEVs. This conversion will immediately reduce the Interior's contributions to greenhouse gas emissions and dependence upon hydrocarbons. The investment in infrastructure will support these new vehicles and ensure charging infrastructure is available for subsequent ZEVs. This project is being coordinated across Interior and with other agencies to maximize utility of charging and hydrogen fueling stations in areas where multiple agencies operate. The funding also supports a small planning and coordination function to effectively deploy the fleet and charging infrastructure.

Diversity, Equity, Inclusion, and Accessibility Initiative (+$200; +1 FTE): The BSEE budget includes $200,000 as part of a Departmentwide Diversity, Equity, Inclusion, and Accessibility budget initiative to address identified high-priority needs in support of Executive Order 13985, Advancing Racial Equity and Support for Underserved Communities Through the Federal Government, and Executive Order 13988, Preventing and Combating Discrimination on the Basis of Gender Identity and Sexual Orientation. As part of this initiative, the Department, bureaus, and offices will jointly conduct a review of the Diversity, Equity, Inclusion, and Accessibility program across Interior to identify gaps, challenges, and best practices and to examine Department and bureau roles, responsibilities, and governance.

PROGRAM OVERVIEW

Acquisition Management Division (AMD):

By collaborating with its customer organizations, AMD can create quality business solutions that help to accomplish the mission goals of the Bureaus. AMD is responsible for the execution and administration of BSEE and BOEM contracts and financial assistance agreements. 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. They also manage the Small and Disadvantaged Business Utilization and Development program maximizing 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):

EEOD develops, monitors, and operates the 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. In addition, the Division also provides EEO counseling and mediation services, as well as formal EEO complaint processing.

Finance Division (FD)

FD provides a full range of accounting and financial management services to BSEE and BOEM. These services include processing commercial and intergovernmental payments, auditing travel payments, collecting fees and administrative debts, preparing financial reporting requirements, and maintaining financial systems and tools that support these functions. The Division is the primary Bureau audit liaison for the Chief Financial Officer audit as conducted by an independent audit firm with oversight from the Department's Office of Inspector General (OIG). FD administers the travel line of the BSEE and BOEM charge card programs and maintains the program of internal controls over financial reporting. In addition, the FD develops and implements financial policies, procedures, and guidelines and provides advice and guidance related to financial matters. 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 BSEE's and BOEM'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.

Human Resources Division (HRD)

HRD develops and implements policies, procedures, guidelines, and standards relating to general personnel management, recruitment and employment, position management and classification, employee relations, employee benefits, incentive awards program, retirement, and employee development. Work includes performing all operational personnel services for BSEE, BOEM, and other client organizations and providing assistance and guidance related to personnel matters for all regional and field installations.

Additionally, the HRD works on several strategic human capital initiatives for the Bureau, including partnering with Office Heads and Regional Directors on workforce and succession planning efforts. The Division also manages human capital analytics, including the Vital Statistics on Human Capital published quarterly. HRD provides a robust Leadership Development Program for all workforce levels through formal and informal programs. They have an engagement strategy for new employees from their first day through their first year. HRD also handles the Federal Employee Viewpoint Survey administration, analysis of results, and any targeted focus groups or action planning needed. HR also offers various facilitation services, including meeting facilitation, certified facilitation, focus groups, organization development, and action planning.

BSEE'S HR has a strong presence in several relevant DOI workgroups, communities of practice, councils, and boards, contributing to various Personnel Bulletins and Departmental Manuals. Recognized by the Department for several best practices in staffing, BSEE HR has partnered with the Department on administering internal accountability reviews across DOI's HR offices. HRD provides all Executive Resources services for all levels of SES and Political Appointees in the DOI Office of the Secretary.

Management Support Division (MSD)

MSD provides direct assistance to BSEE's Associate Director for Administration, as well as to all BSEE and BOEM personnel. The Division provides a full suite of management support services including organizational management, budget, occupational safety and health, physical security, emergency management, personnel security, and support services.

Organizational management includes delegations of authority, directives management, program management, providing high-level administrative support, and management and organization analysis activities. MSD is responsible for planning, formulating, and executing the Office of Administration budget and coordinates the processing of Administration's inter/intra-agency agreements.

MSD manages the joint BSEE/BOEM Safety and Occupational Health Program, including the development and coordination of safety program policies, directives, and alternate or supplemental standards and guidelines. To ensure the security of employees in all BSEE facilities MSD provides oversight and expertise on physical security requirements ensuring compliance with Federal and Department policies, guidelines, and directives. The Bureaus' emergency management program is managed by MSD. This includes the Continuity of Operations Plan (COOP) to ensure mission critical functions continue during times of emergency or catastrophic events. MSD 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.

The Support Services Branch (SSB) is responsible for providing day-to-day facility and support services to the BOEM and BSEE Directors, program managers, and employees. SSB performs printing and publications activity, space management, and graphics services. SSB 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)

TSD ensures the efficient and effective planning, management, and acquisition of 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 IT needs of the Bureaus' mission and enterprise services and fulfills those needs as appropriate.

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. TSD is undertaking a

long-term modernization effort for TIMS. This modernization is following a four-phased approach led by government FTEs in partnership with the service contract partner. Ongoing efforts include development of a Modernization Business Case, a 5-year Modernization Roadmap and Strategic Plan, and establishment of an Integrated Project Team (IPT) to support identified tasks.

In support of the strategic goals of each Bureau and ONRR, TSD continues to collaborate with its customer base to redesign its information and knowledge management tools, and enhance the collection, standardization, accuracy, completeness, consistency, and storage of data. These efforts will increase the Bureaus' ability to collaborate across current process and software divisions. 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.

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. It also provides support for the overall infrastructure, including the shared services budget, enterprise help desk, network management, and other essential infrastructure for office automation. 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 Chief Information Officer (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.

The Division also 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 an overall data architecture, data resource model, data strategies, and manages the data as a corporate resource.

Records, Delegations, and Directives Team (RDDT)

RDDT Team oversees BSEE's records management program under 36 CFR Part 1220.10(b) to provide effective management of the creation, maintenance, use, preservation, and disposition of BSEE records. The staff leads a BSEE Records Liaison Network and serves as the official liaison with DOI for the eMail Enterprise Records and Document Management System (eERDMS). The Directives Processing unit services all BSEE to ensure the controlled processing of Bureau directives. The staff update and manage

the dissemination of the BSEE Manual of Directives, leads the BSEE Directives Liaison Network, develops processes, procedures, formats, templates, and coordination of DTS routings to support Directives processing, and maintains the official directives file set. The Office of Document Management is responsible for processing the BSEE Director's controlled correspondence, coordination with the Executive Secretariat and other offices to ensure timely attention to official correspondence and document reviews. The unit also manages the BSEE-wide document tracking system (DTS), leads the BSEE Correspondence Network, supports other document management and future Controlled Unclassified Information markings activities. The staff manages and coordinates the Director's autopen (signature machine) and supports bulk letter mail processing.

Freedom of Information Act (FOIA) Team

The FOIA Team improves the quality, efficiency, and consistency of BSEE's FOIA processes consistent with Secretarial Order No. 3371. The Headquarters' FOIA staff administer BSEE's FOIA program at the Headquarters-level and provide collaboration and support BSEE-wide. The Office is responsible for providing guidance to BSEE's regional FOIA programs and staff, processing FOIA Requests and coordinating with Department-level FOIA staff per Secretarial Order 3378.

FY 2022 BUDGET JUSTIFICATION

Executive Direction Activity

Table 6: Executive Direction Budget Summary

Executive Direction	2020 Actual	2021 Enacted	Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2022 Request	Change from 2021 (+/-)
Executive Direction	**18,093**	**18,093**	**+350**	**-**	**-**	**18,443**	**+350**
FTE	*75*	*106*	*-*	*-*	*-*	*106*	*-*

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

BSEE will continue to make informed decisions by improving knowledge sharing, data use, and collaboration with internal and external stakeholders. This goal is accomplished through consistently documented policies and procedures; robust internal controls to verify implementation of policies and procedures; and making available and shareable consistent, reliable data.

PROGRAM OVERVIEW

Office of the Director

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

Integrity and Professional Responsibility Advisor (IPRA)

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. The IPRA refers internal misconduct cases to the DOI's OIG 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 Office of Budget

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 is also responsible for managing BSEE's Activity-Based Costing program, which tracks direct and indirect costs by activity.

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, research coordination, scientific integrity, enterprise risk management, and internal controls.

Office of Public Affairs (OPA)

OPA is responsible for BSEE's internal and external communication strategies as well as outreach with stakeholders, employees, and the media. The goal of OPA is to inform the public, ensure coordinated communication, consistent messages, and the effective exchange of information with all stakeholders. The office coordinates the implementation of an effective and inclusive outreach program to numerous target audiences, including State and local governments, Tribal Nations, other Federal agencies, the energy industry, related trade associations, the environmental and conservation communities, energy consumer groups, the general public, and the press.

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. 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 provides technical and drafting assistance to congressional staff on legislative proposals that could impact the Bureau. OCIA also manages and analyzes the Bureau's international programs and policies and includes 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 Congressional and Legislative Affairs and 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.

FY 2022 BUDGET JUSTIFICATION

Offshore Decommissioning

Table 7: Offshore Decommissioning Activity Budget Summary

Offshore Decommissioning	2020 Actual	2021 Enacted	Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2022 Request	Change from 2021 (+/-)
Offshore Decommissioning	**-**	**-**	**-**	**-**	**+30,000**	**30,000**	**+30,000**
FTE	**-**	**-**	-	-	**-**	**-**	**-**

Summary of 2022 Program Changes for Offshore Decommissioning

Request Component	($000)	FTE
Program Changes:		
Offshore Decommissioning	+30,000	+0
TOTAL Program Changes	**+30,000**	**+0**

The Offshore Decommissioning Activity funds an important role in the Bureau of Safety and Environmental Enforcement's (BSEE's) authorizing legislation that exploration, development, and production activities undertaken and pursuant to the Outer Continental Shelf Lands Act (OCSLA) are properly secured and removed (i.e., decommissioned) to ensure the long-term protection of the resource and the surrounding environment. As conventional and renewable energy operations mature, the decommissioning of offshore orphaned infrastructure that are no longer useful for operations will be a growing portion of BSEE's oversight activities. Orphaned infrastructure (i.e., wells, structures, or pipelines) is infrastructure left on the Outer Continental Shelf (OCS) following termination of the underlying lease or right of way (ROW), without having been decommissioned to regulatory standards and for which there is no remaining liable party(ies) capable of performing decommissioning. The maintenance, monitoring, and decommissioning costs associated with such orphaned infrastructure, less and except any financial assurance proceeds, is called orphaned liability.

In FY 2019, BSEE revised its guidance to industry on the timeliness of decommissioning activities to reduce the environmental and financial risk of idle infrastructure being damaged by a changing climate, which frequently increase the intensity of severe weather, such as hurricanes. Implementation of the revised guidance includes BSEE communicating with operators about their idle infrastructure and ordering that further decommissioning actions be taken, if necessary. A focus in FY 2020, 2021, and continuing into FY 2022, is strengthening the organization's decommissioning oversight capabilities to meet end-of-life cycle demands.

JUSTIFICATION OF 2022 PROGRAM CHANGES

Offshore Decommissioning (+$30,000; +0 FTE): The Administration is committed to addressing the hundreds of thousands of orphan oil and gas wells and abandoned mines that pose serious safety hazards and cause ongoing air, water, and other environmental damage across the U.S., much of which is in rural communities that have suffered from years of disinvestment. As part of this Reclamation Jobs initiative, BSEE is requesting the creation of a new budget activity and $30.0 million in FY 2022 to properly plug and abandon (i.e., cutting 15 feet below mudline) orphaned wells and properly decommission the associated orphaned pipelines. While this funding, along with funding currently available from proceeds collected through BOEM's Financial Assurance Program and bankruptcy proceedings, is not sufficient to address the structures associated with these wells and pipelines, it does fund the most immediate and urgent need to help reduce the risk of pollution. This BSEE funding complements other orphaned well cleanup investments included in the President's American Jobs Plan as well as other FY 2022 discretionary funding within DOI, such as the new Department-wide Energy Community Revitalization Program.

Unplugged or poorly plugged wells are an environmental hazard, as they provide potential conduits for fluids to migrate between formations and potentially into OCS and State waters. Hurricane forces toppling structures and wells in the OCS pose risks to unplugged wells. Although some wells are equipped with downhole safety valves, leakage from these wells can occur. This is especially true for orphaned wells where the downhole valves are not routinely tested and verified. Proper decommissioning of orphaned pipelines reduces the risk of spills to the environment from the oil inventory in these pipelines.

PERFORMANCE OVERVIEW

Decommissioning obligations are addressed in 30 CFR 556.604(d) - "Every current and prior record title owner is jointly and severally liable, along with all other record title owners and all prior and current operating rights owners, for compliance with all non-monetary terms and conditions of the lease and all regulations issued under OCSLA, as well as for fulfilling all non-monetary obligations, including decommissioning obligations, which accrue while it holds record title interest." BOEM oversees the program for obtaining general bonds and supplemental bonds (i.e., financial assurance) to cover decommissioning obligations to protect the American public in cases such as bankruptcy.

BSEE has the responsibility to ensure all offshore energy infrastructure is decommissioned when no longer useful for operations. By regulation, conventional energy infrastructure is required to be decommissioned within one year after lease expiration. In addition, BSEE's "Idle Iron" Program targets inactive wells and facilities that have no future utility on active leases and requires companies to dismantle and responsibly dispose of infrastructure after they plug non-producing wells. It is in the best interest of the taxpayer that assets with no future utility be decommissioned in a timely manner to ensure the infrastructure does not pose a safety or environmental threat and is not an obstruction to other users of the OCS.

Currently, BSEE estimates there is at least $38 billion in decommissioning liability for all conventional energy leases on the OCS; most, with the exception of as much as $93 million in the Pacific Region, of

this decommissioning liability, is managed by BSEE's Gulf of Mexico Regional Office. Additionally, BSEE has been collecting actual decommissioning expenditure data from conventional energy OCS operators since 2016. BSEE's analysis of these actual expenditure data continues to strengthen the BSEE algorithms used to estimate decommissioning costs which are then used by BOEM to ensure the proper financial assurance is in place. Also, while bankruptcies do not change the process for estimating decommissioning costs, they are prioritized and become a critical and urgent part of BSEE's workload.

Starting in FY 2021, BSEE will begin issuing contracts to perform decommissioning services on conventional energy infrastructure orphaned by bankrupt operators when there were no other jointly or severally liable parties. These activities will continue into FY 2022.

Opportunities and Challenges

The offshore oil and gas industry working in the OCS has made progress in the amount of infrastructure decommissioned over recent years. For example, in the 1990s and early 2000s, approximately 4,000 platforms existed; currently, there are roughly 1,800 platforms. Similarly, the number of wells peaked in the mid-1990s at approximately 15,000, and now there are about 9,600. However, many of these facilities are still on production and are not yet due for decommissioning.

To ensure timely decommissioning, BSEE issues violation notices (Incidents of Non-Compliance) INCs to responsible parties that have failed to decommission all lease facilities and wells within one year of the lease termination as prescribed by regulation and lease stipulation. Additionally, BSEE issues orders to operators to decommission facilities and wells on active leases that no longer have future utility. BSEE continues to track infrastructure that is required to be decommissioned and enforces such requirements, consistent with timelines provided by regulation and/or notice to lessees (NTL). Such enforcement actions also help to reduce safety and environmental concerns that may exist while the infrastructure remains to be decommissioned.

Despite the progress in recent years, the decommissioning rate appears to have slowed, likely because of low oil and gas prices and, to some degree, the COVID-19 pandemic. Generally, operators prefer to commit capital to exploration, development, and production activities instead of decommissioning obligations.

BSEE revised its policies for enforcing decommissioning timelines in FY 2019 and began issuing orders to address idle infrastructure. In FY 2019 and FY 2020, BSEE ordered a total of 30 operators to decommission over 400 "idle iron" wells. BSEE continues to analyze operator decommissioning performance and is taking additional steps, as needed, to balance compliance, safety, conservation, and environmental stewardship. In FY 2021, BSEE initiated a review of current decommissioning enforcement processes and began developing a framework using existing authorities to better communicate obligations and enforce consequences of not performing decommissioning timely and failing to meet regulatory requirements.

In addition to regulating oil and gas operations on the OCS, the Bureau continues to take actions to support the development of a safe, robust, and sustainable offshore renewable energy industry in the United States. In anticipation of rapid industry growth, BSEE is engaging with offshore wind developers

to identify and promote best practices for ensuring worker safety and environmental protection. Engagement with industry, Federal partners including BOEM, the United States Coast Guard (USCG), and other stakeholders continues to inform the development of renewable energy program functions to: (1) promote safe and environmentally responsible facility design, fabrication, installation, operation, and decommissioning; (2) implement a performance-based safety approach through a focus on Safety Management Systems; and (3) enforce compliance with all applicable safety, environmental, and conservation laws and regulations.

In FY 2022, BSEE also expects to continue its efforts with owners and operators, co- and prior-lessees responsible for decommissioning, decommissioning contractors, and the USCG to ensure that the government and all potential responsible parties are prepared to respond to discharges that could occur from decommissioning activities.

Bureau of Safety and Environmental Enforcement

Summary of Requirements – Oil Spill Research
(Dollars in Thousands)

Oil Spill Research	FY 2020 Actual	*FY 2021 Enacted FTE*	FY 2021 Enacted Amount	Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (+/-) FTE	Program Changes (+/-) Amount	*FY 2022 Request FTE*	FY 2022 Request Amount	*Change from 2021 (+/-) FTE*	Change from 2021 (+/-) Amount
Oil Spill Research (OSR)											
Oil Spill Research	**14,899**	***22***	**14,899**	**-**	**-**	***+1***	**+200**	***23***	**15,099**	***+1***	**+200**
Total, Oil Spill Research	**14,899**	***22***	**14,899**	**-**	**-**	***+1***	**+200**	***23***	**15,099**	***+1***	**+200**
TOTAL, OSR	**14,899**	***22***	**14,899**	**-**	**-**	***+1***	**+200**	***23***	**15,099**	***+1***	**+200**

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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, [$14,899,000] *$15,099,000*, which shall be derived from the Oil Spill Liability Trust Fund, to remain available until expended. (*Department of the Interior, Environment, and Related Agencies Appropriations Act, 2021.)*

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FY 2022 BUDGET JUSTIFICATION

Oil Spill Research Appropriation

Table 8: Oil Spill Research Budget Summary

Oil Spill Research	2020 Actual	2021 Enacted	Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2022 Request	Change from 2021 (+/-)
Oil Spill Research	**14,899**	**14,899**	**-**	**-**	**+200**	**15,099**	**+200**
FTE	*18*	*22*	*-*	*-*	*+1*	*23*	*+1*

Summary of 2022 Program Changes for Oil Spill Research		
Request Component	**($000)**	**FTE**
Program Changes:		
Renewable Energy Research	+200	+1
TOTAL Program Changes	**+200**	**+1**

With the Oil Spill Research (OSR) Appropriation, BSEE derives funding from the Oil Spill Liability Trust Fund (OSLTF) to execute its 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). BSEE executes these responsibilities through a robust world-class Oil Spill Preparedness (OSP) Program managed by the Oil Spill Preparedness Division (OSPD) that protects people and the environment by optimizing responses to offshore facility oil spills through: (1) regulatory oversight; (2) basic, applied, and developmental research; (3) integrated government and industry preparedness; and (4) accountability to the National Response System (NRS). The Program consists of three primary and interdependent Roles: Preparedness Verification (PV); Oil Spill Response Research (OSRR); and management of Ohmsett, the National Oil Spill Response Research and Renewable Energy Test Facility.

The PV Role delineates BSEE's spill preparedness responsibilities pursuant to the OPA 90. These ensure industry's compliance with the Act, 30 CFR Part 254, and any applicable contingency plans, including the National Oil and Hazardous Substances Pollution Contingency Plan (NCP). OPA 90 Title VII mandates that BSEE establish "... a program for conducting oil pollution research and development ..." The OSRR Role within the Program provides offshore owners and operators, as well as the government, with new or improved technologies, tools, and procedures to better combat oil spills. The technologies and data produced from robust government research and development inform regulatory updates, improve contingency plans, enhance the response tools in oil spill removal organizations (OSRO) equipment inventories, and support safe and environmentally-sustainable operations for offshore energy exploration and development. BSEE's Ohmsett Management Role ensures that this remarkable facility maximizes its potential for supporting oil spill response testing, training, and research as mandated by OPA 90 section 7001(c)(7) for the industry, academic, and government customers. Ohmsett is critical for U.S. and

international efforts to advance oil spill response technologies. The FY 2022 request addresses the key needs and key knowledge and technology gaps in the three roles of the BSEE OSP Program.

JUSTIFICATION OF 2022 PROGRAM CHANGES

Renewable Energy Research (+$200; +1 FTE): BSEE is requesting $200,000 and 1 FTE in FY 2022 for renewable energy research. As renewable energy solutions such as offshore wind and marine hydrokinetic energy gain wider acceptance and emphasis, BSEE is forging ahead to enact its related mission and responsibilities. The Bureau's Oil Spill Preparedness Program is forecasting important resource needs to ensure that offshore renewable energy operations are conducted in a safe and environmentally sustainable manner.

The expected additional emphasis on renewable energy testing and training projects alongside traditional oil spill response research and development (R&D) necessitates an additional FTE at Ohmsett. The FTE will conduct a variety of activities including reviewing and approving renewable energy and spill response testing plans; processing contract task orders to operate the facility; conducting security escort and external affairs duties; overseeing Bureau funded construction and operational upgrades to the facility; and supporting the needs of the BSEE Ohmsett Program Manager and BSEE Contracting Officer.

PROGRAM OVERVIEW

As a national leader in Federal oil pollution research, BSEE's OSP Program will continue to initiate new, and shepherd ongoing, research projects that advance the collective knowledge of oil spills and development of new and better response technologies. Many projects evolve and progress over a few years as new data is acquired and/or technology breakthroughs are made. The OSP Program contributes to BSEE's efforts to ensure 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 13990 on Protecting Public Health and the Environment and Restoring Science to Tackle the Climate Crisis" and other related policies.

PERFORMANCE OVERVIEW

BSEE integrates all aspects of oil spill preparedness, response, and research activities 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 United States.

BSEE's FY 2022 budget request is affected by change initiatives in response to internal and external program reviews. In FY 2022, BSEE will be addressing remaining recommendations initiated in FY 2019 from an internal review as well as the DOI Office of Inspector General program review. The ongoing multi-year efforts include negotiating and implementing a new agreement with the State of Alabama and updated agreements with the States of Louisiana, Texas, California, and Alaska. BSEE anticipates that similar agreements will need to be negotiated during FY 2022 with Atlantic coastal states as new offshore wind energy systems become operational along the Atlantic coast. The agreements cover

coordination of OSRP reviews, joint inspections, exercise design and documentation, and enforcement. In addition, BSEE's continuing regulatory change initiative will address a significant list of outdated requirements in the 30 CFR Part 254 regulations. The regulatory initiative was approved by DOI in FY 2018 and will continue through FY 2022. BSEE is also conducting a five-year project initiated in FY 2020 with the U.S. Coast Guard (USCG) to update offshore response information for Regional and Area Contingency Plans.

Preparedness Verification (PV) Role

The PV Role delineates BSEE's spill preparedness responsibilities pursuant to OPA 90. These ensure industry's compliance with the Act, 30 CFR Part 254, and any applicable contingency plans, including the NCP. The functions that serve this role help the Bureau, State, and Federal partners, and the industry to be ready to respond to an oil spill from an offshore facility by ensuring offshore facility owners and operators maintain approved comprehensive OSRPs, have access to sufficient caches of oil spill response equipment, and have adequate personnel training and management structures needed to respond to and mitigate a spill.

Additionally, BSEE has been responding to the rapidly evolving offshore renewable energy industry on the Atlantic Coast through policy development related to OSRP reviews and research regarding potential pollutants from these facilities. In FY 2022 and beyond, BSEE expects to continue to grow its engagement with the offshore renewable energy industry along the Atlantic coast, as well as in other OCS regions. The four PV functions below will also apply to this new industry.

Under the PV Role, BSEE's OSPD executes the Bureau's function associated with the NRS's contingency planning and incident response elements. This program office implements the processes and procedures for the following functions of the PV role:

- Oil Spill Response Plan (OSRP) Oversight,
- Training and Exercise Evaluation,
- Equipment Verification, and
- National Response System (NRS) Support.

Oil Spill Response Plan (OSRP) Oversight: In accordance with OPA 90 and 30 CFR Part 254, all owners and operators of offshore facilities seaward of the coastline that handle, store, or transport oil must submit an OSRP for approval before operations begin and must operate their facilities in accordance with that OSRP. BSEE is responsible for reviewing, approving, and rescinding OSRPs to ensure that the plan holder is prepared to respond to a worst-case discharge quickly and effectively from its facility to the maximum extent practicable.

The processes and procedures the Bureau established to manage OSRPs include:

- Provide objective, justifiable, and documented verification of the oil spill preparedness posture of offshore facilities' owners/operators, as required by 30 CFR Part 254.
- Guide the regulatory and administrative focus of employee activities by detailing clear OSRP review direction inside established legal boundaries.

- Ensure administrative consistency across the lifespan of an OSRP; and
- Develop administrative records for program office decisions.

BSEE also reviews numerous details within each section and appendices of the OSRPs to verify the information complies with the requirements of 30 CFR Part 254 and the contents are consistent with the 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 Part 254, such as 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 2020, BSEE conducted 215 plan review activities to ensure that the 108 approved OSRPs remain up to date and in compliance with regulations.

In FY 2022, the Bureau will continue to apply and enhance its IT initiative that electronically processes OSRPs. BSEE's new e-Permits software design enterprise has a sub-program (coined eOSRP) that allows plan holders to electronically submit their OSRPs to BSEE and to exchange correspondence. The system was envisioned to reduce the burden on operators and government analysts. While the system is operating as initially planned, certain efficiencies must still be achieved. In FY 2019, BSEE modified the system to effectively process large-size files submitted from industry. In FY 2020 and FY 2021, BSEE is allowing external reviewers, such as the USCG, to access the system for integrated plan reviews.

Training and Exercise Evaluation: Facility owners/operators, spill response contractors, and governmental officials collectively use training and exercises to improve skills and validate the efficacy of an OSRP. These activities strengthen the tactical and strategic spill response and mitigation competencies in a risk-reduced environment. The Bureau evaluates the following training and exercise activities.

(1) *Industry-Initiated Exercises*: BSEE verifies that offshore owners/operators conduct their required oil spill preparedness exercises. Within a triennial cycle, owners/operators must exercise their Qualified Individuals, Incident Management Teams, Spill Response Operating Teams, response equipment, and other resources and capabilities described within an OSRP. Bureau personnel attend these exercises in person and/or review these organizations' documentation to confirm that the owner/operator conducts them.

(2) *Government-Initiated Unannounced Exercises (GIUEs)*: BSEE employs GIUEs as a means of verifying the proficiencies of owners/operators in following their approved OSRPs. The exercises give the Bureau an opportunity to witness and evaluate, on a no-notice basis, a plan holder's capabilities to use public and private equipment, resources, and staff to respond to a hypothetical oil spill. BSEE's OSPD regularly plans and executes these exercises in close coordination with other BSEE offices, Federal partners such as the USCG, NOAA, and the Department of Transportation's Pipeline and

Hazardous Materials Safety Administration (PHMSA), and State government partners – all of whom have key roles associated with offshore oil spill preparedness and response.

(3) *Industry Training Audits*: Independent of exercises, offshore facility owners/operators must ensure the response personnel listed in their OSRP are periodically trained to operate response equipment or staff key incident management organizational positions. BSEE confirms the quality and frequency of this training by independently reviewing training records and/or attending the training in person.

In FY 2020, the Bureau conducted 16 GIUEs and audited 105 training and industry exercise activities.

Equipment Verification: The Bureau evaluates the state of industry spill preparedness by verifying that the equipment listed in OSRPs is properly maintained, ready to be operated, and performs as specified by the manufacturer. BSEE verifies the continued adequacy of the inventories when new equipment is added or when equipment is temporarily or permanently removed. BSEE's 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 117 OSRPs. In FY 2020, the Bureau verified the condition and location of hundreds of pieces of response equipment located at 98 separate sites. The Bureau verifies equipment sufficiency through the following two approaches:

(1) *Records Reviews*: BSEE conducts records reviews and PV visits with OSROs contracted by offshore facility owners and operators to determine if oil spill response equipment is being inspected at required intervals, and if preventive and scheduled maintenance is being performed. The Bureau also verifies that equipment listed in OSRPs is present at the location(s) specified in the OSRP or can be accounted for; and

(2) *Performance Testing*: BSEE conducts performance testing of spill response equipment that has been modified, damaged, or repaired. The Bureau also conducts performance testing of equipment claimed to have oil recovery capacities that are inconsistent with other data available to BSEE.

National Response System (NRS) Support: The Bureau's OSP Program is an important component of the NRS as promulgated and implemented by the NCP. 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 (national, regional, area, and industry site-specific) that guide preparedness and response efforts. BSEE maintains subject matter expertise on the intent, organization, and execution of the NRS to ensure that OSRPs are consistent with the system's tenets. BSEE's OSPD also provides liaison services, training and education, and incident-specific advice to the Bureau and to partnering agencies for issues associated with the NRS. The Bureau accomplishes its liaison responsibilities by participating in activities of 29 NRS groups and their development of contingency plans under the NRS. These include:

- National Response Team (NRT) and the NCP;
- Regional Response Teams (RRTs) and their respective RCPs;
- Coastal Area Committees (ACs) and their respective ACPs;

- Preparedness for Response Exercise Program (PREP) and the PREP Compliance, Coordination, and Consistency Committee (PREP 4C); and
- Incident Response.

Preparedness coordination under the NRS is an essential aspect to ensuring the success of a consistent national oil spill response preparedness program. The Bureau regularly attends meetings and supports activities of the NRT, RRTs, and ACs. The NRT convenes monthly 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 RRTs 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.

Oil Spill Response Research (OSRR) Role

BSEE's OSRR role addresses the Bureau's oil spill research requirements under OPA 90 and provides valuable input to the Preparedness Verification role as well as providing industry with tools to improve oil spill preparedness and response. The technologies and data produced from robust government research and development inform regulatory updates, improve contingency plans, enhance the response tools in OSRO equipment inventories, and support safe and environmentally sustainable operations for offshore energy exploration and development. Government research and development also spurs economic growth by stemming the impacts of oil spills, yielding new innovations in technologies and tactics, identifying research gaps and dead-ends, and reducing investment risks for private research and development entities.

The OSSR functions perform the basic, applied, and developmental research needed to advance the detection, containment, and cleanup of oil spills that may occur from offshore facilities. BSEE also coordinates research efforts between organizations and disseminates findings and recommendations through a variety of internal and public forums, such as formal committees, workshops, conferences, publications, and the Internet. The Bureau implements the processes and procedures for the following functions of the OSRR Role:

- Research Project Development and Management,
- Interagency Coordinating Committee on Oil Pollution Research (ICCOPR or Committee),
- Government Research Expertise,
- Research Program and Facility Coordination, and
- Research Promotion and Dissemination.

Research Project Development and Management: BSEE's Response Research Scientists and Engineers oversee comprehensive research portfolios that traditionally address mechanical containment, recovery, and storage; remote sensing; chemical agents; *in-situ* burning; shoreline protection and mitigation; and preparedness initiatives and decision-making tools. BSEE executes these research projects through different avenues that include:

- Contracted Services, Grants, and Cooperative Agreements with private industry, non-profit research institutions, or academic entities;
- Interagency Agreements with Federal partners such as the U.S. Navy, U.S. Environmental Protection Agency (EPA), NOAA, USCG, PHMSA, and DOE; and
- Internally directed research conducted by the OSPD research scientists and engineers serving as principal investigators.

The Bureau requires that all researchers receiving funding from BSEE conduct their activities in accordance with all applicable regulatory requirements and adhere to the DOI Scientific Integrity Policy and the DOI Code of Scientific and Scholarly Conduct. BSEE also ensures that all influential scientific information and highly influential scientific assessments are considered for peer review in accordance with the Bureau's Peer Review Process Handbook.

Interagency Coordinating Committee on Oil Pollution Research (ICCOPR or Committee): BSEE's OSPD represents the Bureau and serves as a rotating Vice Chair on this 15-member Federal Committee that operates as the primary Federal body designated to coordinate oil spill research. ICCOPR was created by Title VII of OPA 90 for two primary purposes:

> *(1) Research and Technology Planning*: The Committee prepares and periodically updates a comprehensive, coordinated Federal oil pollution research, development, and demonstration plan, which serves as guides for Federal agencies in their research investments. The ICCOPR's Oil Pollution Research and Technology Plan identifies the Federal Government's priority research needs in 28 Standing Research Areas – many of which directly affect the Bureau's OSP Program.
>
> *(2) Collaboration*: The Committee promotes cooperation and coordination with industry, universities, research institutions, State governments, and other nations through information sharing, coordinated planning, and joint funding of projects.

The Bureau plays a crucial role in ICCOPR by serving as the Committee's Vice Chair on a rotating basis and routinely providing updates on research of importance to ICCOPR members. BSEE served as the ICCOPR Vice-Chair role in FY 2020 and FY 2021 and will continue as a member of the Committee's Executive Steering Group throughout FY 2022. Participation in ICCOPR enables the Bureau to facilitate an increased awareness of new tools and strategies available for offshore oil spill preparedness and response. Participation in ICCOPR allows BSEE to identify emerging issues and research gaps that inform budget allocation decisions.

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. Beginning in FY 2020, BSEE and the other ICCOPR members began an evaluation of the extent to which research has addressed these priority needs. The evaluation determined that 14 priority needs were completely resolved, and progress was made in resolving another 90 research needs. That evaluation will be used to establish a revised baseline list of research needs to populate the Federal Government's FY 2022 to FY 2027 ICCOPR Oil Pollution Research and Technology Plan.

Government Research Expertise: In addition to their general technical training and knowledge, BSEE response research scientists and engineers develop subject matter expertise in specific spill response tactics and technologies (i.e., dispersants, *in-situ* burning, remote sensing, and mechanical recovery). Consequently, entities from within the Federal Government and the outside scientific community may request OSPD staff to serve on special project teams and peer review panels.

Research Program and Facility Coordination: The Bureau leverages the resources and capabilities of government and private research programs to advance the mission of improving oil spill preparedness. BSEE regularly coordinates and executes projects with the following government entities and facilities to support joint research collaborations:

- USCG Research and Development Center – New London, Connecticut;
- U.S. Army Corps of Engineers Cold Regions Research and Engineering Laboratory – Hanover, New Hampshire;
- U.S. Naval Research Laboratory Chesapeake Bay Detachment – Chesapeake Beach, Maryland;
- DOE National Energy Technology Laboratory – Albany, Oregon; and Pittsburgh, Pennsylvania;
- NOAA – Silver Spring, Maryland; and Seattle, Washington;
- Oil Spill Recovery Institute – Cordova, Alaska; and
- Ohmsett – Leonardo, New Jersey.

Research Promotion and Dissemination: The Bureau maximizes the impact and connections made from research by disseminating the results to a variety of audiences. Communication sparks new ideas, harnesses group expertise to solve problems, reduces duplication of efforts, and advances the state of the science. Consequently, BSEE identifies and pursues the opportunities and venues to share research findings, gain insight on new problems, and establish effective research networks. The Bureau publicizes research findings through online products (i.e., https://www.bsee.gov); journal and periodical publications; and speaking engagements at workshops, meetings, and conferences.

In FY 2022, 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. 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 2022, BSEE will continue to utilize 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 developed the TRL metric in FY 2018 as a screening tool when evaluating the merits of proposed research initiatives. By applying the TRLs to its research, BSEE has been able to move response technology forward in a measurable, methodical way, while providing a visible means for the response community to monitor new technologies that may be ready for commercialization. BSEE will continue to support other agencies in their efforts to adopt this metric for their oil spill research programs.

Wider use of the TRL metric will provide a more consistent measurement of oil spill technology readiness across the government.

Information derived from the OSRR role 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.

One ongoing 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 2020 and FY 2021, this research will further investigate techniques to reduce safety hazards for workers when employing this technique.

The Bureau will continue or start other research initiatives in FY 2022 as follows:

- Continue to apply and enhance its IT initiative that electronically processes OSRPs.
- Continue to conduct GIUEs.
- 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.
- Continue to conduct OSRP Oversight.
- 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.
- Develop tools or methods to determine oil slick thickness.

Ohmsett - The National Oil Spill Response Research and Renewable Energy Test Facility

The Bureau manages and uses the Ohmsett facility (Figure 1) for oil spill response testing, training, and research as mandated by OPA 90 Section 7001(c)(7). Ohmsett is critical for U.S. and international efforts to advance oil spill response technologies. Without Ohmsett, the testing and evaluation of equipment, systems, and methodologies would be difficult to accomplish. During spill incidents, tests at sea generally cannot be repeated and the research efforts may interfere with spill responders. Moreover, conducting intentional test spills at sea rather than during a "spill of opportunity" involves a rigorous permitting process and will be significantly more expensive than testing at Ohmsett.

Figure 1: Overhead (left) and tank-level views (right) of the Ohmsett Facility in Leonardo, New Jersey.

The Ohmsett facility is located at the U.S. Navy Base, Naval Weapons Station Earle, located in Leonardo, New Jersey. An Agreement with the U.S. Navy allows BSEE to use the facility to: "(a) test various types of oil spill control equipment; (b) train other agencies and private companies on oil spill response and clean up; (c) research new methods of tracking spills in the ocean; (d) research the characteristics of oil slicks; (e) research wave energy and movement; and (f) research and test marine renewable energy sources". Ohmsett users include government agencies, academia, and public and private companies. Situated adjacent to Sandy Hook Bay, Ohmsett hosts a large, outdoor, aboveground concrete test tank that is 667 feet long, 65 feet wide, 11 feet deep, and filled to a depth of 8 feet with 2.6 million gallons of saltwater. Three rail-mounted bridges span the width of the tank and can travel at a speed of up to six knots, which simulates a vessel towing equipment. The tank's wave generator creates realistic sea environments, while state-of-the-art data collection and video systems record test and training results. Ohmsett also has the capability to conduct tests of scaled renewable energy systems such as current and wave energy converters.

Ohmsett plays an important role in protecting the Nation's oceans by supporting development of 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 response 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 can learn and perform best practices in spill response (Figure 2).

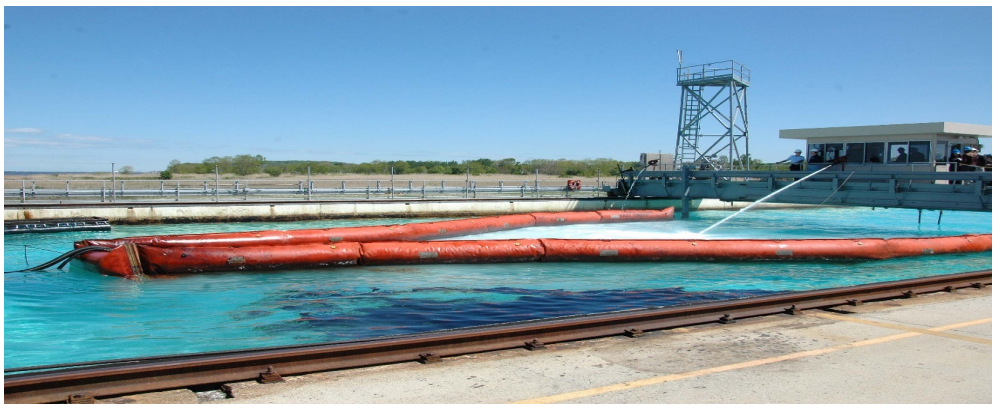

Figure 2. Ohmsett students training on the application of dispersants to an oil spill.

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 NASA 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 and Electronic Sensors Directorate utilizes Ohmsett to test advancements in their ability to remotely detect oil slicks and differentiate between oil slicks of different thicknesses.

BSEE will also continue into FY 2022 a multi-year effort begun in FY 2019 to catalogue, digitize, and publish appropriate archived records from more than 40 years of research conducted at Ohmsett. Many of these records contain historical research findings not available elsewhere.

Customer Recruitment and Support: In order to be successful in scheduling and hosting tests and training sessions at Ohmsett, BSEE's OSPD:

- Provides leadership for marketing activities of the facility; and serves as the primary point of contact for those interested in arranging testing and training, including potential customers in the energy industries, Federal, State, and foreign governments, and universities. The success of Ohmsett depends upon the oil spill response and research community's awareness of and attraction to the facility's capabilities and services.

- Ensures scientific integrity is practiced at Ohmsett. It is important that all stakeholders are confident in the results/findings of research and testing procedures conducted at the facility, as well as the safeguarding of proprietary information when appropriate.
- Coordinates background security checks for domestic and international customers and visitors with the facility's host, Naval Weapons Station Earle.

Renewable Energy Research Support: While Ohmsett primarily hosts domestic and international efforts to improve oil spill response strategies and technologies, the facility's services and capabilities can also support the testing and validation of renewable energy technologies such as marine hydrokinetic devices. Over the past ten years, a variety of marine hydrokinetic technologies have been tested at Ohmsett (Figure 3). Experiments and testing can be monitored and controlled with multiple traveling bridges, underwater video, computer wave generating equipment, onsite fabrication, viewing windows, scuba diver support, and test planning. As the development of offshore renewable energy technologies are expected to dramatically increase, Ohmsett will play an important role. The U.S. Department of Energy (DOE) established the U.S. Testing Expertise and Access for Marine Energy Research (TEAMER) Program to support testing and research for marine energy technologies and provide access to test facilities and technical expertise to assist with numerical modeling and data collection in operational and extreme conditions. Because of the facility's unique capabilities, DOE recently added Ohmsett to its list of network facilities approved for the TEAMER Program. Waterpower technology developers who receive development grants from DOE can only use the listed facilities to test their inventions.

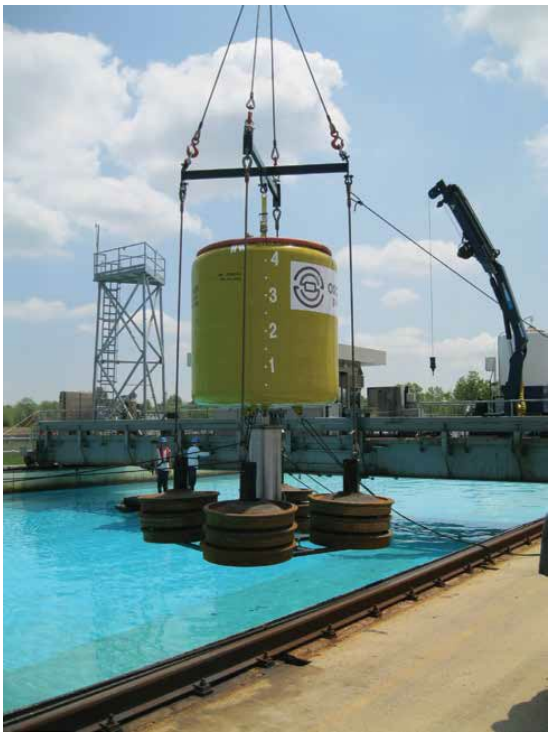

Figure 3. Wave energy harvesting technology tested at Ohmsett in 2013 by Seattle-based Oscilla Power, Inc. From: *Fall/Winter 2013 Ohmsett Gazette.* "Wave Energy Harvesting Technology Tested." Page 6. https://www.ohmsett.com/gazette.html.

Facility Improvements: Per its agreement with the Navy, BSEE is responsible for maintaining the Ohmsett tank, systems, and facilities. In FY 2022, BSEE plans to complete periodic maintenance improvements and upgrades to the Ohmsett facility. 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 was scheduled for the summer of 2020, with needed preparatory work to begin in FY 2019. However, the tank renovation was shifted to FY 2021 due to the arrival of a new facility contractor and a subsequent year-long delay to settle a procurement protest.

In FY 2022, BSEE intends to initiate three major renovations at the facility: (1) replace the 40-year old moveable bridge system to better serve its customers' IT and space needs; (2) install a separate flume tank resource that will provide customers a meso-scale experiment apparatus; and (3) remodel the chemistry laboratory and classroom spaces.

Additionally, the following Ohmsett projects are slated to carry into or begin in FY 2022:

- Design and fabricate a new wave attenuation/beach system to create more realistic wave conditions.
- Construct a new electrical substation.
- Construct a new water treatment facility to comply with new policies enacted by Naval Weapons Station Earle and the municipal water treatment authority.

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

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Bureau of Safety and Environmental Enforcement

Appendices

Disclosure of Program Assessments

Purpose: To fulfill legislative requirements Bureaus/Offices funded in Division G of the Consolidated Appropriations Act, 2021, for disclosure of program assessments used to support Government-wide, Departmental, or Agency initiatives or general operations. Section 403 of the Consolidated Appropriations Act, 2021 (P.L. 116-260), shown below, continues requirements regarding the disclosure of planned funding assessments in the annual budget justification.

DISCLOSURE OF ADMINISTRATIVE EXPENSES

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.

Additionally, Section 424 of the Act makes adherence to Subcommittee reprogramming guidelines statutory by reference. The reprogramming guidelines, shown below, reiterate the requirement to disclose assessments in the annual budget justification and associated reprogramming requirements if changes occur.

Assessments.-"Assessment" as defined in these procedures shall refer to any charges, reserves, or holdbacks applied to a budget activity or budget line item for costs associated with general agency administrative costs, overhead costs, working capital expenses, or contingencies.

(a) No assessment shall be levied against any program, budget activity, subactivity, budget line item, or project funded by the Interior, Environment, and Related Agencies Appropriations Act unless such assessment and the basis therefor are presented to the Committees in the budget justifications and are subsequently approved by the Committees. The explanation for any assessment in the budget justification shall show the amount of the assessment, the activities assessed, and the purpose of the funds.

(b) Proposed changes to estimated assessments, as such estimates were presented in annual budget justifications, shall be submitted through the reprogramming process and shall be subject to the same dollar and reporting criteria as any other reprogramming.

(c) Each agency or bureau which utilizes assessments shall submit an annual report to the Committees, which provides details on the use of all funds assessed from any other budget activity, line item, subactivity, or project.

(d) In no case shall contingency funds or assessments be used to finance projects and activities disapproved or limited by Congress or to finance programs or activities that could be foreseen and included in the normal budget review process.

(e) New programs requested in the budget should not be initiated before enactment of the bill without notification to, and the approval of, the Committees. This restriction applies to all such actions regardless of whether a formal reprogramming of funds is required to begin the program.

EXTERNAL ADMINISTRATIVE COSTS

To improve efficiency across the Department, BSEE offers a full array of administrative functions to other Bureaus and Departmental offices to help meet their administrative needs in an efficient and cost-effective manner. 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, EEO, finance, human resources, IT 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, and BSEE is a leader in providing services across the Department. 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 and provides regular reporting on costs and performance information. 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 during the year of execution to reflect actual work.

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 these same 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 facility maintenance and lease contracts
- Mail and shipping services
- Printing costs
- Records management
- IT Shared services and support

Assessments of Bureau Programs	2021 Enacted Dollars in Thousands ($000)	FY 2022 Request Dollars in Thousands ($000)
External Administrative Costs		
Various Activities		
Working Capital Fund Centralized Billing	4,329	4,098
Working Capital Fund Direct Billing	2,731	2,895
Subtotal	**7,060**	**6,993**
Internal Bureau Assessments for Administrative Costs		
Operations, Safety and Regulation	10,742	11,279
Administrative Operations	2,599	2,729
Executive Direction	1,867	1,960
Subtotal	**15,208**	**15,968**
Total Assessments of Bureau Programs	**22,268**	**22,961**

The internal Bureau assessment reported for 2022 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.

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Bureau of Safety and Environmental Enforcement

Appendix B – Employee Count by Grade

Bureau of Safety and Environmental Enforcement

Employee Count by Grade

(Total Employment)

Employee Count by Grade	FY 2020 Actual	FY 2021 Estimate	FY 2022 Estimate
Executive Level V	0	1	1
SES	3	3	3
Subtotal	**3**	**4**	**4**
SL - 00	0	0	0
ST - 00	0	0	0
Subtotal	**0**	**0**	**0**
GS/GM -15	56	60	60
GS/GM -14	162	175	189
GS/GM -13	244	282	286
GS -12	114	124	128
GS -11	93	124	127
GS -10	2	2	2
GS - 9	32	35	35
GS - 8	15	17	17
GS - 7	25	30	30
GS - 6	15	16	16
GS - 5	6	10	10
GS - 4	1	2	2
GS - 3	0	0	0
GS - 2	0	0	0
GS - 1	0	0	0
Subtotal	**765**	**877**	**902**
Other Pay Schedule Systems	0	0	0
Total employment (actuals & estimates)	**768**	**881**	**906**

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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. 3901-3906	Prompt Payment Act of 1982
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).

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