August 22, 2013

MEMORANDUM OF COLLABORATION BETWEEN THE DEPARTMENT OF THE INTERIOR BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT AND THE DEPARTMENT OF ENERGY OFFICE OF FOSSIL ENERGY

OVERVIEW: Safe, sustainable production of oil and natural gas offshore will continue to be a key factor in our country's energy security and economic prosperity. In response to the Deepwater Horizon disaster the Department of the Interior (DOI) instituted a number of organizational and regulatory reforms to ensure the proper mitigation of the risks of offshore oil and gas development activities. Consistent with recommendations by the National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling, the Department of Energy (DOE) has refocused offshore research and development (R&D) to increase safety and prevent future accidents.[1]

Interagency Collaboration

The DOE hereby enters into this memorandum under the authority of section 646 of the DOE Organization Act (Pub. L. 95-91, as amended; 42 U.S.C. § 7256). The DOI hereby enters into this memorandum under the authority of 43 USC 1347(f)(1).

Consistent with the Office of Management and Budget (OMB) Management Procedures Memorandum No. 2012-02 dated 9 July 2012, the DOI and the DOE will take specific steps to ensure that the activities of the two agencies are appropriately coordinated. These actions will reduce duplication and increase the effectiveness of the Federal government's ability to create a regulatory environment that fosters the safe development of the Nation's resources.

- The lead DOI bureau for the implementation of this memorandum is the Bureau of Safety and Environmental Enforcement (BSEE). BSEE works to promote safety, protect the environment and conserve resources offshore through rigorous regulatory oversight and enforcement.

- The lead DOE office for the implementation of this memorandum is the Office of Fossil Energy, Office of Oil and Natural Gas. The Office of Oil and Natural Gas supports research and development to scientifically quantify and mitigate/address the risks of oil and gas exploration and production. The office reports to the Office of

[1] In the January 2011 Report to the President, the Oil Spill Commission recommended that DOE research and development "should be refocused toward mitigating the risks of offshore operations."

Fossil Energy, which includes the National Energy Technology Laboratory, a DOE National Lab dedicated to fossil energy technologies.

Actions

In support of the objectives outlined above, the two agencies will take the following actions:

1. *Building safety*: Through its regulatory oversight, BSEE leads the nation's efforts to prevent accidents offshore. The DOE Office of Oil and Natural Gas will support BSEE in this mission as follows:

    a. BSEE has received numerous recommendations related to technological improvements and research needed to ensure safe operations on the Outer Continental Shelf (OCS). BSEE and the Office of Oil and Natural Gas will jointly explore steps that will enable DOE to support this mission.

    b. The Office of Oil and Natural Gas will support BSEE as necessary in research and analysis necessary for the effective implementation of Best Available and Safest Technology (BAST) regulations.

    c. The Office of Oil and Natural Gas will collaborate with BSEE in assessing risk associated with various aspects of offshore drilling and production operations and technology.

2. *Planning and executing R&D*: The DOE and its network of national laboratories have research and technical experience relevant to safe offshore operations. BSEE will support the Office of Oil and Natural Gas on the planning and implementation of offshore oil and gas R&D as follows:

    BSEE will engage with and advise the Office of Oil and Natural Gas on its offshore research program. This may include planning research relevant to the challenges of safe exploration, development ,production and technology and information transfer. For example, BSEE would participate in the development of any technology roadmaps led by the Office of Oil and Natural Gas, and in providing feedback and advice, as appropriate, on solicitations and awards made by the Office of Oil and Natural Gas related to offshore oil and gas research activities.

3. *Support implementation of recommendations arising out Deepwater Horizon:* BSEE and the Office of Oil and Natural Gas will work cooperatively to evaluate, prioritize and implement appropriate recommendations made by the various investigations and studies.

General Provisions

This memorandum is strictly for internal management purposes for each of the Parties. It is not legally enforceable and will not be construed to create any legal obligation on the part of either Party. This memorandum will not be construed to provide a private right or cause of action for or by any person or entity.

Nothing in this memorandum will be interpreted as limiting, superseding, or otherwise affecting either agency's normal operations or decisions in carrying out its statutory or regulatory duties. This memorandum does not limit or restrict the parties from participating in similar activities or arrangements with other entities:

This memorandum does not itself authorize the expenditure or reimbursement of any funds. Nothing in this memorandum obligates the parties to expend appropriations or enter into any contract or other obligation.

This memorandum may be modified or amended in writing upon the consent of all Parties.

This memorandum will be executed in full compliance with the Privacy Act of 1974.

This memorandum will be effective upon the last signature appearing below.

Next steps

Ongoing collaboration: BSEE and the Office of Oil and Natural Gas will engage in quarterly meetings, led by the Director of BSEE and the DOE Deputy Assistant Secretary for Oil and Natural Gas (or their designees), to share near-term goals and track key milestones, identify and address any implementation challenges, and ensure that work in the priority areas is carried out efficiently and effectively.

Progress Report: Each year by September 1, the two agencies will prepare a joint progress report summarizing ongoing collaboration.

Signatures:

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