

BUDGET The United States Department of the Interior **JUSTIFICATIONS**

and Performance Information
Fiscal Year 2026

BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT

NOTICE: These budget
justifications are prepared
for the Interior, Environment
and Related Agencies
Appropriations
Subcommittees.



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BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT

FY 2026 Budget Justification

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FY 2026 BUDGET JUSTIFICATION

Bureau of Safety and Environmental Enforcement

Director's Preface

The Bureau of Safety and Environmental Enforcement (BSEE) promotes safety, protects the environment, and maximizes resource recovery offshore through vigorous regulatory oversight and enforcement for energy operations on the Outer Continental Shelf (OCS). BSEE's FY 2026 request will advance the President's commitment to Energy Dominance by continued growth in offshore energy development that will propel the United States to new heights of energy independence.

The Bureau's mission is to promote safety, protect the environment, and conserve resources offshore through vigorous regulatory oversight and enforcement. BSEE must stay agile and adapt to new technologies in offshore energy development throughout its lifecycle, from exploration to production to decommissioning on the OCS. BSEE will continue to meet the needs for safe and environmentally responsible operations for our offshore resources while maintaining the highest safety standards to deliver affordable and reliable energy for American families and businesses. BSEE is a critical component of the President's Energy Dominance strategy as we utilize our expertise through our mission delivery to regulate the OCS and ensure safety, energy security, environmental compliance, data-informed decision making, and partnership with our offshore stakeholders.

BSEE will continue to fulfill its mission through a well-developed and measured application of its programs and operations through efficient permitting, necessary and appropriate standards and regulations, effective compliance monitoring and enforcement, technical assessments, environmental reviews, inspections, incident investigations, resource conservation, and preparedness planning. By ensuring safe and efficient operations, BSEE ensures that offshore energy is viable and reliable as it serves the interests of the Country and its citizens.

The Bureau continually evaluates energy industry technologies and practices to effectively and efficiently ensure safe offshore operations and support energy development activities in frontier areas. BSEE is ready to meet the need for safe and environmentally responsible operational oversight of projects such as critical minerals that contribute to the country's economic strength and lower prices for American families.

BSEE's FY 2026 request will continue to focus on the Bureau's commitment to foster safe, affordable, and dependable offshore energy and mineral exploration and development, unleashing American energy.

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FY 2026 BUDGET JUSTIFICATION

Bureau of Safety and Environmental Enforcement

Executive Summary

Table 1: Summary of Requirements (\$000)

Account Activity	2024 Actual	2025 Notional ^{1/}	2026 Request
Offshore Safety & Environmental Enforcement (OSEE)			
Environmental Enforcement	5,624	3,124	3,514
Operations, Safety and Regulation	160,265	161,765	101,946
Administrative Operations	18,520	19,520	11,573
Executive Direction	18,041	18,041	11,273
Offshore Decommissioning	2,880	2,880	0
Total, OSEE	205,330	205,330	128,306
Offsetting Collections			
Offsetting Rental Receipts	-23,000	-22,638	-29,988
Cost Recovery Fees	-3,150	-8,154	-8,154
Inspection Fees	-31,632	-37,144	-37,144
Total, Offsetting Collections	-57,782	-67,936	-75,286
Net, OSEE	147,548	137,394	53,020
Oil Spill Research (OSR)	15,099	15,099	15,099
Current BSEE Funding	162,647	152,493	68,119
Total BSEE Funding	220,429	220,429	143,405

^{1/} Resource levels included are estimates. The President reserves his authority under the “Full-Year Continuing Appropriations and Extensions Act, 2025” (P.L. 119-4) to revise 2025 spending within the amounts provided by Congress.

BSEE oversees safe and responsible exploration, development, and production of America’s offshore energy resources, with 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). The Oil Pollution Act of 1990 (OPA 90) provides BSEE with additional authorities and responsibilities for oil spill research and preparedness. BSEE also ensures compliance with provisions of other Federal laws, including the National Environmental Policy Act (NEPA), the Clean Air Act, the Clean Water Act, and the Federal Oil and Gas Royalty Management Act.

As the Administration seeks to advance strategic use of energy and natural resources, BSEE is taking the necessary steps to foster safe and responsible offshore oil and gas operations to secure reliable energy production for America's future. Ensuring safe energy exploration and production are central to BSEE's mission. BSEE advances this mission through its ongoing commitment to advancing the effectiveness of its inspection program, enhancing the permitting workflow, reliance on data and risk analysis, ensuring high levels of preparedness in the event of oil spills, stakeholder engagement, and preparing for emerging energy and natural resource activity.

BSEE uses its full range of authorities, policies, and tools to:

- Maintain standards and necessary regulations and emphasize a culture of safety and environmental stewardship in all offshore energy activities.
- Employ a robust inspection program that includes an annual inspection strategy plus risk-based inspections.
- Review operator safety and environmental management systems to verify performance that promotes safety and protects the environment efficiently and effectively.
- Verify and enforce operator compliance with all applicable safety and environmental laws and regulations; environmental standards found in approved leases, plans, and permits; and applied mitigations and terms/conditions of approval.
- Issue enforcement actions such as Incidents of Non-Compliance (INCs), Notices of Noncompliance, and civil penalties.
- Identify, address, and mitigate risks through a technical review process that addresses planned operations and emerging technologies.
- Evaluate industry oil spill preparedness by evaluating operator and developer oil spill response plans, inspecting response equipment, auditing operator and contractor training and exercises, conducting unannounced exercises, developing and overseeing oil spill response research, and managing Ohmsett - the National Oil Spill Response Research and Renewable Energy Test Facility.
- Fund technical and scientific research, consistent with E.O. 14303, to build and sustain the organizational, technical, and intellectual capacity within and across BSEE's key functions, keep pace with the industry's technological advancements, encourage innovation in regulation and enforcement, and reduce risks through systematic assessment and enforcement actions.
- Investigate incidents, material failures, and allegations of regulatory violations or hazardous or unsafe working conditions during offshore operations and make recommendations on measures to prevent future incidents.
- Ensure decommissioning work is accomplished in a safe and environmentally sound manner by enforcing timely and effective operations on the OCS.

Table 2: Common Energy Units and Measures

Unit/Measure	Definition
Barrel (Oil)	Equivalent to 42 U.S. gallons. One barrel of oil produces about 19 gallons of gasoline as well as a number of other petroleum products.
Cubic Foot (Natural Gas)	Equivalent to approximately 1,000 British thermal units (BTUs). The average home in the United States uses the energy equivalent of 168 cubic feet of natural gas per day.
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. One BOE is equivalent to 5.62 thousand cubic feet of natural gas.

The energy resources and activities under BSEE’s jurisdiction are vast, as the OCS is an important source of energy for the U.S., with significant oil and gas production, offshore wind, and other emerging energy possibilities on the horizon.

In calendar year 2024, OCS oil and gas leases for operations offshore Alaska, California, and in the Gulf of America produced approximately 660 million barrels of oil and 690 billion cubic feet of natural gas, accounting for approximately 14 percent of domestic oil production and 2 percent of domestic natural gas produced. Ninety-nine percent of offshore oil and gas production occurred in the Gulf of America. Deepwater wells (those in greater than or equal to 1,000 feet water depth) accounted for 93 percent of all oil and gas produced on the OCS.

Decommissioning Conventional Energy Facilities

An important charge in BSEE’s authorizing legislation is to ensure that exploration, development, and production activities undertaken pursuant to OCSLA are properly decommissioned to ensure the long-term protection of the resource and the surrounding environment. The shallow water areas of the Gulf of America, first drilled in 1947, are mature and experiencing drastic reductions in the number of wells drilled and oil and gas resources produced. This area of the Gulf is experiencing significant decommissioning and infrastructure removal activity. In the Pacific Region, 8 of the existing 23 platforms no longer produce oil and gas and are located on terminated leases that will not resume production.

Operator bankruptcies are a continuing concern for both the Bureau and taxpayers. Lessees and owners of operating rights are jointly and severally responsible for meeting decommissioning obligations for facilities on leases, including the obligations related to lease-term pipelines. In the rare instance when a responsible party for offshore infrastructure goes bankrupt, certain decommissioning obligations fall to predecessor lessees, and remaining decommissioning requirements may then fall to American taxpayers and enjoyment of sound, sustainable natural resources may be impacted. Following significant industry bankruptcies in 2023 and 2024, the inventory of orphaned infrastructure on the OCS doubled to over 200 assets with outstanding decommissioning costs of approximately \$200 million, with only \$50 million in

forfeited financial assurance available. Additional information about decommissioning can be found at <https://www.bsee.gov/decommissioning>.

Emerging Energy

Under OCSLA, the Department of the Interior (DOI) administers leases, easements, and rights-of-way on submerged Federal lands for geologic sequestration (i.e., storage) of carbon dioxide.

Critical minerals development has been identified as an imperative resource and area of innovation. BSEE intends to support this effort through a combination of working with Federal partners in a cooperative, streamlined regulatory approach as well as the development of a compliance strategy which facilitates timely, safe, and environmentally responsible critical mineral operations.

FY 2026 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. The Bureau continues to strengthen its capacity to keep pace with continued innovation in OCS oil and gas exploration and production as well as other minerals resources such as critical mineral mining. BSEE must also address the continuously evolving risks posed by aging oil and gas infrastructure, new frontiers in oil production from high-pressure and high-temperatures reservoirs, other emerging sources of energy production, and strategic uses of the Nation's natural resources.

Fostering Safe and Environmentally Responsible Energy Development

BSEE is critical to the Administration's goal to expand domestic energy production and advance energy dominance. BSEE focuses on fostering safe, secure, and reliable energy production for America's present and future. BSEE achieves this through various programs that reflect the risks and strategic use of America's natural resources. These programs focus on efficient permitting, technical assessments, environmental reviews, inspections, incident investigations, resource conservation, and preparedness planning. This budget request fully supports BSEE's robust inspection program and will ensure it continues to meet the Bureau's statutory requirements and maintain safe operations offshore. BSEE inspectors perform inspections of oil and gas facilities on the OCS to ensure safety of operations and personnel, and to identify deficiencies or violations of environmental and safety laws and regulations. As the Administration expands domestic energy production offshore, BSEE is prepared to assess operational requirements and enhance the program to meet the needs of the American people. Additionally, as offshore operations continue to expand into frontier areas that push the boundaries of existing technology, BSEE works closely with industry to advance new technologies that will allow exploration and development to access previously unattainable resources.

The budget proposes to eliminate the renewable energy program that has cost hardworking American families, consumers, and businesses while only offering unreliable, intermittent energy production. In FY 2026, BSEE will continue to regulate and oversee existing offshore wind infrastructure as necessary to support statutorily required safety and environmental enforcement and compliance activities including

annual exercises and inspections requirements while continuing to ensure safe construction and operations of certain existing offshore wind energy projects on the Federal OCS.

BSEE has established regulatory priorities consistent with E.O. 14192, *Unleashing Prosperity Through Deregulation*. BSEE is reviewing existing rules to ensure they do not introduce undue burden and will rescind or revise rules as needed.

In FY 2025, BSEE adjusted an existing policy and implemented new guidelines for downhole commingling to advance Executive Order 14154 - *Unleashing American Energy in the Gulf of America* by expanding the allowable pressure differential in reservoirs to raise oil and gas production. Downhole commingling is approved for cases where the proposed development scenario maximizes ultimate recovery of two or more reservoirs allowing for conscientious and efficient use of the offshore resources; dedicated research is needed to determine whether improvements to existing regulatory oversight might advance resource recovery from Gulf of America reservoirs. Additionally, BSEE will contract a study to evaluate the benefits of downhole commingling of reservoirs.

Energy Operations: Risk Assessment and Mitigation Activities

BSEE regulates and enforces standards to promote the safe and responsible development of OCS energy resources through a risk assessment and management lens.

To promote the private sector investment in technology advancement, BSEE undertakes technical assessments and research, in collaboration with partners and stakeholders, on new technologies designed to decrease the risks associated with offshore energy and carbon sequestration activities. In FY 2026, BSEE will continue collaborating on joint industry–government research projects to further development of the best technology that can be utilized in dynamic offshore environments.

Through FY 2025 and into FY 2026, BSEE will continue developing relationships with Federal partners, the intelligence community, and industry partners to develop the BSEE offshore operational technology (OT) cybersecurity safety threat detection and mitigation program. In FY 2026, BSEE will work to integrate cybersecurity into all OCS energy activities. Additionally, BSEE has initiated efforts to develop a cybersecurity risk profile for its offshore operators. Field assessments begun in FY 2024 provide BSEE with information on strengths and weaknesses within operator OT networks.

In FY 2026, BSEE will continue to execute its Risk-based Inspection (RBI) Program, which relies on a tiered approach to ensure the Bureau meets its statutory requirements, fulfills regional and national priorities, and uses its workforce effectively to inspect each offshore oil and gas facility on an annual basis.

In FY 2026, BSEE will review its permitting and inspection strategies to ensure they are efficient and effective and help execute the President’s direction in E.O. 14154, *Unleashing American Energy*. Oil and gas permitting processes are regularly reviewed to support timely processing and appropriate consideration of the risks of development on the OCS. BSEE will continue to hold stakeholder engagement meetings, including meetings with industry association groups, to provide updates on permitting procedures.

BSEE conducts analysis of INCs issued to gauge oil and gas operator performance and identify systemic issues. The National Potential Incident of Non-Compliance (PINC) List includes some PINCs within the General PINC (G-INC) category to address unsafe working conditions or equipment and other miscellaneous hazards. BSEE completed an in-depth analysis in FY 2022 into how G-INC are being applied in the field and plans to conduct additional analysis into G-INC throughout FY 2025 and FY 2026 to help the agency better identify, track, and address specific risks and identified trends. An in-depth analysis of INCs and PINCs for environmental compliance violations in FY 2023 led to the development of new PINCs that better reflect BSEE's authorities and responsibilities for environmental compliance.

In FY 2026, the Bureau will continue formal efforts to research the application of Best Available and Safest Technologies (BAST) for conventional energy across equipment subject to BAST requirements. BSEE will update its policies, processes, and regulations to ensure the financial and technical challenges of developing new technology are recognized and addressed.

To further encourage oil and gas operators to adopt a performance-based safety approach, BSEE works closely with conventional energy operators as they shift from designing to implementing their 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 improve safety and environmental outcomes. BSEE is working to update its SEMS regulations to improve their effectiveness around operational technology risks.

BSEE's SafeOCS Program is aimed at collecting and analyzing near-miss, safety, and failure data for oil and gas well-control equipment and other safety and pollution prevention equipment. The goal of the program is to identify proactive steps to mitigate risks and ensure offshore oil and gas operations are safe, reliable, and environmentally responsible. In FY 2026, BSEE will continue its partnership with the Bureau of Transportation Statistics to obtain advice on evaluating daily notifications of safety events.

The BSEE!Safe Program uses text messaging to send links to published Safety Alerts, which are used to inform the offshore oil and gas industry of the circumstances surrounding an incident or near miss and provide recommendations to help prevent the recurrence of such incidents. BSEE!Safe is part of the Bureau's strategy to complement regulation with innovative programs and is the first instance in which a safety regulator has communicated directly with an industry workforce to ensure the distribution of critical safety information. Since its inception, more than 8,100 subscribers have signed up for BSEE!Safe.

BSEE provides technical training to field personnel, inspectors, scientists, and engineers through the Bureau's National Offshore Training Center (NOTC). In FY 2024, the NOTC provided over 21,000 professional development hours of structured technical training that integrated the latest science and scientific integrity developments, technical expertise, and industry practices with prudent and rigorous safety and environmental compliance mandates.

In coordination with DOI's Office of Natural Resources Revenue, BSEE's offshore inspectors ensure that oil and gas production volumes are accurately measured and reported for the assessment of royalties owed 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.

Partnerships and Collaboration

In FY 2026, BSEE will continue to enhance its international collaboration efforts. BSEE prioritizes maintaining strong relationships with international partners and 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 Environmental Regulators group, and Arctic Council bodies such as the Emergency Prevention, Preparedness, and Response Working Group.

The role of information sharing, sound science, and the independent verification and validation of processes and practices must continue to grow. In accordance with the National Technology Transfer and Advancement Act (NTTAA), BSEE frequently uses standards developed through a consensus process by standards development organizations, with input from offshore energy industries, as a means of establishing requirements for activities on the OCS. BSEE subject matter experts actively participate on multiple standards committees for offshore energy industries. The Bureau currently incorporates over 130 industry standards by reference in its oil and gas regulations.

The Bureau values its close cooperative relationships with Federal and State partners on the OCS and is working to strengthen resources through intra- and interagency cooperation. In FY 2026, agreements are expected that outline cooperation on individual projects and activities in areas such as ocean data, environmental planning, compliance, and enforcement. In FY 2026, the Bureau is planning to complete several State-level agreements regarding oil spill preparedness coordination. Also, BSEE has been involved in discussions on continuous safety improvement policy with Federal partners such as the Pipeline and Hazardous Materials Safety Administration (PHMSA) and the Nuclear Regulatory Commission. BSEE continues to engage in opportunities to leverage resources and share information across U.S. government agencies.

BSEE is also continuing its ongoing collaboration on oil spill preparedness and response with the USCG, a key partner in the National Response System (NRS). BSEE and the USCG meet quarterly at the headquarters and regional levels to improve oil spill preparedness and promote joint activities. Because of its close partnership, BSEE and the USCG updated an important Memorandum of Agreement in FY 2025 titled: OCS-3 – Oil Discharge Planning, Preparedness, Response, and Research.

Enhancing Mission Capacity and Accountability

In FY 2026, BSEE will continue maximizing its mission capacity and ensuring accountability through ongoing implementation of key management tools. This includes continuing to strengthen its enterprise risk management framework to better integrate management initiatives such as internal control reviews, program evaluations, audits, risk assessments, policy and procedure compliance, a formal vital statistics program, and program performance measures. In FY 2026, BSEE will continue to build out enterprise risk management, targeted program evaluations, and the Bureau's internal policy program to support consistency, accuracy, and accountability in mission implementation.

Oil Spill Preparedness and Research

BSEE executes an Oil Spill Preparedness Program that ensures owners and operators are prepared to mitigate substantial threats of and 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. The program consists of three primary and interdependent roles: preparedness verification, oil spill response research, and management of Ohmsett — the National Oil Spill Response Research and Test Facility. For additional information refer to the Oil Spill Research Appropriation section and <https://www.bsee.gov/what-we-do/oil-spill-preparedness>.

FY 2026 BUDGET HIGHLIGHTS

BSEE receives funding through the OSEE and 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 BSEE’s compliance with the National Environmental Policy Act, the Endangered Species Act, the National Historic Preservation Act, and other environmental laws and regulations for all Federal actions; compliance verification and enforcement of environmental standards, including specialized offshore inspections; management of “Rigs-to-Reefs”, BSEE’s artificial reef program; and support for BSEE’s Tribal consultation responsibilities.
- The ***Operations, Safety and Regulation*** Activity funds: reviews of OCS energy permit applications; inspections of OCS facilities, including critical high-risk activities; offshore operator oil spill planning and preparedness compliance; investigations; enforcement of laws, regulations, and plan and permit conditions; audit programs; annual operator performance reviews; verification of oil and gas production levels; 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, emergency management, safety, security, finance, human resources, equal employment opportunity services, procurement, records retention, and information management.
- The ***Executive Direction*** Activity funds: Bureau-wide leadership, direction, management, coordination, communications strategies, and outreach. This includes functions such as budget, congressional, international, 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.

Performance

In FY 2026, BSEE will continue to focus attention on priority areas that foster safe and environmentally responsible offshore energy exploration, development, and production, while promoting conservation of resources, accurate production measurement, and the advancement of emerging energies. 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 2026, BSEE will continue to build on its expanded portfolio of measures and analytics to better demonstrate how the Bureau achieves results in implementing its mission. Additionally, the Bureau's vital statistics initiative continues to support the integration of these measures into informed decision-making by providing a forum to discuss trends in the data. BSEE is also strengthening its data analysis capabilities through inferential and predictive analytics.

Efforts are underway that will support BSEE's ability to measure performance and to assess effectiveness. These efforts include the continued implementation of an enterprise risk management (ERM) system to help identify and prioritize areas of risk for the Bureau. BSEE will continue integrating ERM with other management tools to better support decision making.

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 GAO, OIG, and other organizations, as well as internal program reviews undertaken or overseen by the Bureau's Office of Policy and Analysis Evaluation Branch, will continue to provide input to BSEE's evidence-based performance and evaluation processes. Results from the ERM system, audits and reviews, and other initiatives (e.g., real-time monitoring, near-miss reporting, and human capital strategic planning) will further inform the Bureau's efforts to continuously improve mission performance.

Performance Results - Evidence and Evaluation

In FY 2026, 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, including 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, INCs, investigations, violations, enforcement, and technical training.
- 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 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, rescinding or revising rules that create undue burden.
- Decommissioning – including oversight of end-of-life facilities and strengthening decommissioning/idle iron compliance.

Good Accounting Obligation in Government Act Report (All Bureaus/Offices)

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 by the GAO.

DOI leadership takes audit follow-up very seriously and considers our external auditors, including the GAO and OIG, 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>.

Bureau of Safety and Environmental Enforcement

Summary of Requirements – Offshore Safety and Environmental Enforcement

Table 3: Offshore Safety and Environmental Enforcement Summary (\$000)

Offshore Safety and Environmental Enforcement	FY 2024 Actual	FY 2025 Notional ^{1/}	FY 2026 Request
Offshore Safety and Environmental Enforcement			
Environmental Enforcement			
Direct Appropriations	4,825	2,043	1,433
Offsetting Collections	799	1,081	2,081
Total, Environmental Enforcement	5,624	3,124	3,514
Operations, Safety and Regulation			
Direct Appropriations	111,928	104,124	37,955
Offsetting Collections	48,337	57,641	63,991
Total, Operations, Safety and Regulation	160,265	161,765	101,946
Administrative Operations			
Direct Appropriations	11,197	12,197	4,250
Offsetting Collections	7,323	7,323	7,323
Total, Administrative Operations	18,520	19,520	11,573
Executive Direction			
Direct Appropriations	16,718	16,150	9,382
Offsetting Collections	1,323	1,891	1,891
Total, Executive Direction	18,041	18,041	11,273
Offshore Decommissioning			
Direct Appropriations	2,880	2,880	-
Offsetting Collections	-	-	-
Total, Offshore Decommissioning	2,880	2,880	-
Total Direct Appropriations	147,548	137,394	53,020
Total Offsetting Collections	57,782	67,936	75,286
TOTAL, OSEE	205,330	205,330	128,306

^{1/} Resource levels included are estimates. The President reserves his authority under the “Full-Year Continuing Appropriations and Extensions Act, 2025” (P.L. 119-4) to revise 2025 spending within the amounts provided by Congress.

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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, \$91,162,000, of which \$53,020,000, including not to exceed \$3,000 for official reception and representation expenses, is to remain available until September 30, 2027, and of which \$38,142,000 is to remain available until expended: 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 2026 appropriation estimated at not more than \$53,020,000.

For an additional amount, \$37,144,000, 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 2026, as provided in this Act: Provided, That to the extent that amounts realized from such inspection fees exceed \$37,144,000, the amounts realized in excess of \$37,144,000 shall be credited to this appropriation and remain available until expended: Provided further, That for fiscal year 2026, not less than 50 percent of the inspection fees expended by the Bureau of Safety and Environmental Enforcement will be used to fund personnel and mission-related costs to expand capacity and expedite the orderly development, subject to environmental safeguards, of the Outer Continental Shelf pursuant to the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.), including the review of applications for permits to drill.

Note. -- This account is operating under the Full-Year Continuing Appropriations and Extensions Act, 2025 (Division A of Public Law 119–4).

General Provisions

(See General Provisions chapter of the Office of the Secretary 2026 budget justification.)

OUTER CONTINENTAL SHELF INSPECTION FEES

SEC. 107. (a) In fiscal year 2026, the Secretary of the Interior 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 2026 shall be—

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

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

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

(c) Fees for drilling rigs shall be assessed for all inspections completed in fiscal year 2026. Fees for fiscal year 2026 shall be—

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

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

(d) Fees for inspection of well operations conducted via non-rig units as outlined in title 30 CFR 250 subparts D, E, F, and Q shall be assessed for all inspections completed in fiscal year 2026. Fees for fiscal year 2026 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 subsections (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.

FY 2026 BUDGET JUSTIFICATION

Bureau of Safety and Environmental Enforcement

Environmental Enforcement Activity

Table 4: Environmental Enforcement Activity Budget Summary (\$000)

	2024 Actual	2025 Notional ^{1/}	2026 Request
Environmental Enforcement	5,624	3,124	3,514

^{1/} Resource levels included are estimates. The President reserves his authority under the “Full-Year Continuing Appropriations and Extensions Act, 2025” (P.L. 119-4) to revise 2025 spending within the amounts provided by Congress.

The Environmental Enforcement Activity funds the Environmental Compliance Division (ECD) staff and the operational needs required to ensure lessees, operators, and permittees that are subject to BSEE and BOEM jurisdiction comply with all required environmental laws and regulations; environmental standards found in leases, plans, and permits; and applied mitigations and conditions of approval. BSEE—through regulatory program coordination, NEPA compliance, office and field compliance verification, enforcement, and communication and engagement—advances this mission by utilizing the dedicated work of qualified and trained personnel who work collaboratively across its Regional and Program Offices as well as with its Federal partners and with industry.

The ECD monitors, inspects, enforces, and promotes improvement of industry’s compliance with environmental laws, regulations, and stipulations for all regulated activities on over 2,000 active leases covering over 12 million acres of submerged lands on the OCS. ECD is responsible for ensuring that the Bureau and the OCS energy and minerals industry comply with applicable environmental laws, regulations, and conditioned protection measures. Program directives and responsibilities within ECD include verification of environmental compliance through records reviews and field inspections, NEPA compliance coordination and documentation for BSEE drilling, production, and infrastructure permits, and interagency consultation and coordination required by environmental statutes (e.g., Endangered Species Act, National Historic Preservation Act). Through this program, the Bureau establishes policies and procedures for compliance with environmental regulations and maintains environmental compliance performance standards through national program goals and a program vision that directly supports the Bureau’s mission and Departmental goals. The Bureau promotes proactive and regular engagement with energy and marine mineral stakeholders; Federal, State, Tribal, and local agencies; non-governmental organizations; international partners; and the general public.

Environmental Coordination & Consultation

NEPA & Consultations Supporting BSEE Federal Actions

BSEE's compliance with and implementation of NEPA ensures Federal actions are properly informed and the potential environmental impacts from those actions are appropriately mitigated or avoided altogether.

Environmental reviews for BSEE permit applications rely on a programmatic tiering approach, which in most cases, allows for a single NEPA document to be adopted and referenced for NEPA compliance on multiple permit applications. ECD conducts over 3,000 NEPA compliance reviews for BSEE permitting programs each year to ensure that adequate mitigation measures are applied as Conditions of Approval (CoAs) to limit or negate potential environmental impacts. In FY 2025 and 2026, ECD will continue to rely on the streamlined tiering approach for NEPA reviews of permit applications.

ECD is actively supporting the Bureau's work under action plans established for various Secretary's Orders (SO) including SO 3417 *Addressing the National Energy Emergency*, SO 3418 *Unleashing American Energy*, and SO 3422 *Unleashing Alaska's Extraordinary Resource Potential*. These actions support the goals and objectives expressed in the President's Executive Orders including EO 14154 - *Unleashing American Energy*.

ECD is updating its internal policies and directives to reflect recent changes to NEPA and to align with the Administration's priorities. ECD will continue to revise and modernize its implementation of NEPA and statutorily required consultations through revised and streamlined policies and procedures in FY 2025. Working with the Bureau of Ocean Energy Management and other Federal partners in FY 2026, ECD will continue ongoing coordination to update environmental agreements and governing documents to reflect changes to NEPA and environmental consultation processes as stated in the Bureau's SO 3418 Action Plan.

In FY 2026, ECD will support the Bureau's efforts for enhanced permitting workflow efforts under the SO 3417 action plan. As part of the enhanced permitting efforts, ECD will evaluate its permit review processing and timing to find efficiencies and support bureau efforts to expand permit tracking database use throughout all regional offices.

Compliance Verification and Enforcement

BSEE also ensures environmental compliance of all offshore energy activities during the life of the project. ECD executes this function through field and office compliance verification work. When compliance verification work identifies non-compliance, ECD will issue enforcement actions (e.g., Incidents of Noncompliance, referral for civil penalties) as appropriate to bring operators into compliance. Over the past decade, ECD has conducted an average of 750 environmental compliance inspections and reviews annually to verify compliance with environmental CoAs and other environmental standards and determine enforcement needs. In FY 2026, ECD will continue to execute compliance verification reviews and field inspections for regional operations. Environmental reviews and field inspections help ECD verify the effectiveness of mitigations imposed on OCS activities and provide the data needed to inform and coordinate with BOEM for developing more effective mitigations and CoA.

In furtherance of the Department's objective to restore lands and waters, ECD will continue its long-term commitment to ensuring decommissioning activities in the OCS are carried out in compliance with all environmental laws and regulations. This includes management of critical, site-clearance verification (SCV) requirements. ECD uses SCV to ensure the removal of debris and obstructions from decommissioning locations that can impact other OCS user groups and to help restore the OCS for

alternative uses. Additionally, ECD will continue to manage the Rigs-to-Reefs Program, under which the Bureau supports and encourages the reuse of appropriate, structural material from decommissioned oil and gas platforms as artificial reefs. Approximately 15 percent of decommissioned platform jackets are reefed under the program annually, which provides savings to the companies not spent bringing the material to shore as scrap and is passed along to the associated coastal State to maintain the structure and encourage recreational fishing and diving on the reef site.

In FY 2025 and 2026, ECD will work towards solidifying policies and procedures to advance energy development in Alaska in support of the Bureau's action plan for SO 3422. This work will support the Department's priority to expand energy development within Alaska.

ECD collaborates with other programs, other Federal agencies, and external stakeholders to improve environmental stewardship data analysis and decision-making. In FY 2026, ECD will continue to rely on these partnerships to obtain data and to collaborate for execution of environmental compliance responsibilities. By leveraging existing partnerships and data-sharing, ECD will further the Department's priority for collaborating and providing and sharing scientific information. Leveraging these partnerships also aligns with the collaboration focus under the Bureau's SO 3418 Action Plan.

Funding in FY 2026 will be used to maintain support for BSEE's ECD through the application of proven verification methodologies, reliance on the best available science, and the continual revision and modernization of policies and procedures.

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FY 2026 BUDGET JUSTIFICATION

Bureau of Safety and Environmental Enforcement

Operations, Safety and Regulation Activity

Table 5: Operations, Safety and Regulation Activity Budget Summary (\$000)

	2024 Actual	2025 Notional ^{1/}	2026 Request
Operations, Safety and Regulation	160,265	161,765	101,946
Major Program IT Investments:			
Technical Information Management System (TIMS) ^{2/}	[14,587]	[13,473]	[10,151]

^{1/} Resource levels included are estimates. The President reserves his authority under the “Full-Year Continuing Appropriations and Extensions Act, 2025” (P.L. 119-4) to revise 2025 spending within the amounts provided by Congress.

^{2/} TIMS is a BSEE owned system, which it shares with BOEM. The amounts shown are the BSEE-only portion.

The Operations, Safety and Regulation Activity funds OCS permit application reviews and process tracking, inspections of OCS facilities (including critical high-risk activities), investigations, enforcement, audit programs, annual operator performance reviews, oil and gas production level verifications, research supporting emerging technology analysis and activities, cybersecurity, standards and regulatory review activities, and technical training.

BSEE is committed to maintaining its comprehensive inspection program through an annual inspection strategy that includes Risk-Based Inspections (RBI) and ensuring that it operates at the highest level of effectiveness, while continuously exploring opportunities to increase overall program efficiency through data analysis of vital statistics, business intelligence, and various status and process management tools. Funding in FY 2026 will allow BSEE to promote a robust culture of safety while reducing risk in the offshore energy industry through inspections, permitting, enforcement, incident and equipment failure investigations, data analytic tools and process development, regulatory development, cybersecurity program development, and enhancing a culture of scientific integrity. FY 2026 funding will also allow BSEE to pursue the use of artificial intelligence and machine learning platforms which can be applied to hazard analysis further enhancing inspections and permit application reviews.

Determining and developing the most effective AI powered data analysis and risk management tools will assist the Bureau in developing inspection plans and techniques which enhance the Bureau’s focus on offshore oil and gas facilities that exhibit distinguishing risk factors. This will lead to fewer redundant inspections, lower costs, promote proactive oversight, and implement a risk management tool.

BSEE will continue its efforts to engage with energy industries and other stakeholders to identify the appropriate safety initiatives to address or mitigate higher-risk concerns. These initiatives are designed to

proactively prevent unsafe incidents from occurring and promote efficient and effective compliance based on critical analysis and the 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 safe operations on the OCS.

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 waters and emerging energy technologies are being explored. BSEE will continue to pursue necessary personnel and program resources to support energy operations and operations related to carbon sequestration, critical minerals, and other emerging opportunities.

Best Practices, Performance Requirements, and Regulation Development

The foundation of the BSEE oversight and enforcement 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. This will include assessment and removal of impediments to energy development on the OCS while preserving 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 focus on streamlining the incorporation of new and updated industry standards into regulations and continue to coordinate its regulatory efforts with the USCG and other agencies to avoid unnecessary duplication and to maximize consistent and efficient regulation of OCS activities.

In FY 2025 and into FY 2026, BSEE will continue to actively participate with Standards Development Organizations (SDOs) in the development of new or revised standards for OCS safety and environmental protection. The objective is to optimize the use of national and international standards in regulations or project reviews; collaborate with SDOs to expedite the development of industry best practices; increase BSEE's knowledge and awareness of OCS energy standards development and their applicability to regulatory oversight; 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 national and international standards organizations as well as other Federal and 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>.

Emerging Technologies Branch (ETB)

In partnership with Bureau-wide subject matter experts, ETB personnel research developing technology; collaborate with equipment manufacturers, academia, and research laboratories; and support the standards development process with a focus on technology. BSEE subject matter experts play a key role on issues involving complex technology as well as during engagement efforts with offshore energy industry stakeholders. The ETB 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 manufacturer offices, offshore

operators, academic institutions, and research facilities to enhance BSEE's visibility and trustworthiness amongst its external stakeholders. Please visit <https://www.bsee.gov/research-record> for information on study topics.

Assessing Probabilistic and Permitting Risk

BSEE and NASA are collaborating to apply probabilistic risk assessment (PRA) in the offshore energy industry to evaluate PRA as a potential risk assessment tool for assessing 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. 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 agreement will allow industry to continue the development of a standard assessment methodology in cases where a company desires to submit PRAs for BSEE consideration. The efforts with NASA are especially important for collaborating on safety, reliability, risk management, and engineering activities that are deemed necessary to advance BSEE's mission by allowing 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, 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 levels 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 improve outcomes. Additionally, BSEE has identified the permit review areas with other agencies that impact permit timing and is working to help reduce processing times for permits not under the Bureau's direct control. A cross-bureau committee on permitting statistics is actively engaged in this process of tracking efficiency and areas for improvement.

In FY 2026, 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 or denial of their submissions. In FY 2026, BSEE will also continue improvements to increase functionality to operators and BSEE's permit review personnel.

Energy Inspections, Investigations, and Risk Management

BSEE's performance-based SEMS Program, in collaboration with BSEE's Inspection Program, is the cornerstone of BSEE's 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. The SEMS program has been 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 Recommended Practice (RP) 75, issued March 2004. The 4th edition of RP 75, released in December 2019, 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 and sustainable safety and environmental performance improvement.

A cross-functional, team-driven, safety improvement initiative established in 2020 continues to identify opportunities where BSEE can collaborate with industry 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. BSEE's "Raising Our Awareness" poster campaign highlights many of the common behaviors or factors contributing to offshore crane-related safety incidents. Work is underway to expand BSEE's internal crane inspection training to include recognition of the human factors that contribute to lifting-related safety incidents. This initiative represents a new safety improvement approach that can serve as a model for driving safety performance in 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. RBIs, conducted by multi-disciplinary teams consisting of engineers and inspectors, evaluate facilities with a focus on 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, 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. Voluntary near-miss data is analyzed

by subject matter experts and presented to the public, Bureau leadership, and industry in an easily digestible format. To see the greatest benefit, maximum participation among operators is paramount. BSEE undertook change initiatives to improve the rate of participation for the voluntary safety data and near miss reporting program, and now 85 percent of offshore production is represented; in 2024, this equaled 18 companies.

BSEE will continue to work closely with the International Association of Drilling Contractors, the Offshore Operators Committee, the Center for Offshore Safety, individual 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 OCSLA, BSEE is required to conduct investigations and prepare an investigation report for each major incident associated with OCS activities. Incidents specified in 30 CFR Part 250.188 must be reported to BSEE, which reviews each incident and based on the severity and complexity of the event, determines what type and level of investigative resources will be devoted. The purpose of an investigation is to identify the cause(s) of an incident and to make recommendations to prevent its recurrence or the occurrence of similar incidents.

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. In FY 2019, BSEE launched the BSEE!Safe Program to bring critical safety information, such as Safety Alerts and Bulletins, directly to OCS offshore workers through text messages. BSEE!Safe is part of the Bureau's strategy to supplement regulation with innovative and collaborative programs, expanding the available methods for driving safety performance and environmental stewardship improvements. Since its inception, more than 8,100 subscribers have signed up for BSEE!Safe. Incident investigation reports may also recommend that the Bureau consider new or revised regulatory or inspection actions or other initiatives. Through active coordination among various government agencies such as the USCG, BSEE promotes effective utilization and coordination of investigative resources.

BSEE conducts analysis of INCs issued to gauge operator performance and identify more systemic issues. The National PINC List includes some "catch all" PINCs within the G-INC category to address unsafe working conditions or equipment and other miscellaneous hazards. BSEE completed an in-depth analysis in FY 2022 into how G-INC are being applied in the field and plans to do additional analysis into G-INC throughout FY 2025 and FY 2026 to help the agency better identify, track, and address those specific risks.

BSEE's Risk Analysis Committee (RAC) annually reviews targeted offshore operations to identify process safety exposures and regulatory program gaps and quantify risk. With FY 2026 funds, the RAC will utilize findings from BSEE's ongoing activities to 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 SPEAR Program. The Program's goal is to identify new data analytic tools such as machine learning and strategic Bureau-wide processes to enable BSEE subject matter experts 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 to assess 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 through FY 2026.

Section 40307 of the IIJA amended OCSLA and authorized DOI to administer leases, easements, and rights-of-way on submerged Federal lands for geologic sequestration (i.e., storage) of carbon dioxide. This new law also requires DOI to promulgate implementing regulations, and BSEE is partnering with BOEM to develop new regulations and build a fully formed program for carbon sequestration on the OCS. BOEM will be responsible for leasing, assessing the broader environmental impact of carbon storage on the OCS, and other related components of a carbon sequestration program, while BSEE will be responsible for the activities related to installation, operations, inspections, emergency response plans, and decommissioning, among other roles.

Technical Training

The Bureau supports training and other efforts aimed at field personnel, inspectors, engineers, and geoscientists to ensure that staff have the tools needed for effective permitting and are up-to-date on technological advances, while also promoting responsible energy development.

The Bureau's National Offshore Training Center provides comprehensive, multi-tiered, professional development opportunities for BSEE inspectors, engineers, scientists, and analysts that are involved in regulating offshore energy operations on the OCS. The technical training program supports the Bureau's goals by identifying and providing up-to-date training and development opportunities to all staff involved in regulating, inspecting, or approving the use of new technologies for offshore energy operations. The technical curriculum consists of formalized on-the-job training and over 145 courses taught by renowned subject matter experts to ensure continuous education and development that improves and enhances professional competence, skills development, and job 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 and 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 2023, BSEE conducted Performance Based Risk Inspections (PBRIs) covering medical evacuation and emergency hazards on a total of 15 operators in the Gulf of America. Due to the findings of the medical evacuation and emergency hazards inspections, BSEE published a Safety Alert (No. 469) with eight recommendations to improve performance. As a result of short-service employee PBRIs, BSEE met with industry subcommittees to address gaps and offered eight recommendations to develop a best practices document. BSEE also conducted four facility-based-risk inspections. The Bureau is actively deploying this risk-based methodology that—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 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 the conservation of these natural resources by preventing waste and ensuring efficient recovery of the resources, as well as protecting the correlative rights of OCS lessees and the government. Conservation is accomplished through effective monitoring of development and production activities on the OCS and robust enforcement of regulations that require operators to produce oil and gas reservoirs using methods that avoid waste and maximize the recovery of these natural resources while the infrastructure to develop them is in place. This also minimizes the human footprint needed to develop the resources. In FY 2025, BSEE began the process of contracting research to study the benefits of downhole commingling of reservoirs. Downhole commingling is approved for cases where the proposed development scenario maximizes ultimate recovery of two or more reservoirs allowing for conscientious and efficient use of the offshore resources; dedicated research is needed to determine whether improvements to existing regulatory oversight might advance resource recovery from Gulf of America reservoirs.

Production Measurement and Verification

Oil production in the Gulf of America increased from 1.1 million barrels per day (MMBopd) in June 2013 to nearly 1.74 MMBopd in February 2025. This increase in oil production was accomplished by drilling and completion work from platform and floating drilling rigs in support of both new and existing production facilities for deepwater projects. In coordination with ONRR, BSEE inspectors will continue to ensure that production volumes are accurately measured and reported for the assessment of royalties owed 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 identifies and evaluates critical equipment and technologies 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, detailed risk evaluation, and research on both new and existing technologies to determine feasibility, investigate potential utilization risks, and clarify gaps related to their use to propose modifications to regulations and standards. These activities help identify and resolve potential safety issues before incidents occur and ensure that existing and emerging technologies can be reviewed and approved.

In FY 2026, the focus for oil and gas will continue to be on pursuing risk-reducing research. Research topics will cover life extension for offshore structures, carbon capture and storage technologies, offshore wind, remote visual inspections, and well blow-out prevention. Products of the Bureau's technology assessments and collaborations are posted at: <https://www.bsee.gov/research>.

Best Available and Safest Technology (BAST)

Section 21(b) of OCSLA states, "on all new drilling and production operations and, wherever practicable, on existing operations, the use of the best available and safest technologies 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." BSEE 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 is done on an annual basis and ensures that risks involved in low-probability high-consequence events are properly mitigated using BAST. More information on the BAST process can be found at: <https://www.bsee.gov/what-we-do/offshore-regulatory-programs/emerging-technologies/BAST>.

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. Enhanced data use allows BSEE to make better decisions and make data available to the public in an accessible way while protecting privacy, proprietary information, and confidential business information. In FY 2026, BSEE will continue working with industry to promote wider use of ePermits for the submission of industry OSRPs to BSEE.

BSEE has incorporated the implementation of the Business Intelligence (BI) Tool in 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 that gives users the power to independently obtain information. The metadata layer will allow for the development of a web-enabled, role-based dashboard built on Oracle's BI 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 2025 and FY 2026 to promote the development and implementation of effective cybersecurity and infrastructure security on the offshore assets it regulates, with a particular focus on Industrial Control System security and program resource build out to support the development, implementation, and sustainment of a program that will reduce OCS cybersecurity risk. BSEE developed a strategy a that addresses issues raised in a recent GAO report and will include risk assessment; identifying BSEE objectives, activities, and performance measures; and identifying roles, responsibilities, coordination needs, and necessary resources and investments. Additional information on cybersecurity can be found here:

<https://www.bsee.gov/cybersecurity>.

JUSTIFICATION OF 2026 PROGRAM CHANGES

Renewable Energy Program (-\$10,000,000): The budget proposes to eliminate the renewable energy program that has cost hardworking American families, consumers, and businesses while only offering unreliable, intermittent energy production. The budget retains funding necessary to support statutorily required safety and environmental enforcement and compliance activities including annual exercises and inspections requirements while continuing to ensure safe construction and operations of certain existing energy projects on the Federal OCS.

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FY 2026 BUDGET JUSTIFICATION

Bureau of Safety and Environmental Enforcement

Administrative Operations Activity

Table 6: Administrative Operations Activity Budget Summary (\$000)

	2024 Actual	2025 Notional ^{1/}	2026 Request
Administrative Operations	18,520	19,520	11,573

^{1/} Resource levels included are estimates. The President reserves his authority under the “Full-Year Continuing Appropriations and Extensions Act, 2025” (P.L. 119-4) to revise 2025 spending within the amounts provided by Congress.

The Administrative Operations Activity funds the full suite of administrative services for BSEE. This includes Management Support Services, Finance, Acquisitions, Human Resources, Information Technology and Data, and Records and Directives. BSEE’s Management Support Division provides a full suite of management support services including organizational management, occupational safety and health, physical security, emergency management, and facilities support services to BOEM and BSEE.

In FY 2025, in support of Secretarial Order (SO) 3429 *Consolidation, Unification and Optimization of Administrative Functions*, BSEE human resources, information technology, financial management, training and development, contracting, Federal financial assistance, and other administrative services staff were unified within the Department’s Office of the Secretary. In FYs 2025 and 2026, BSEE will provide funding for these services through the Department’s Working Capital Fund.

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FY 2026 BUDGET JUSTIFICATION

Bureau of Safety and Environmental Enforcement

Executive Direction Activity

Table 7: Executive Direction Activity Budget Summary (\$000)

	2024 Actual	2025 Notional ^{1/}	2026 Request
Executive Direction	18,041	18,041	11,273

^{1/} Resource levels included are estimates. The President reserves his authority under the “Full-Year Continuing Appropriations and Extensions Act, 2025” (P.L. 119-4) to revise 2025 spending within the amounts provided by Congress.

BSEE’s mission delivery, goals, and operations align with the Administration’s vision for Energy Dominance as it ensures the OCS remains a safe and stable energy source. BSEE is committed to eliminating unnecessary regulatory barriers, accelerating offshore energy development, ensuring the United States leads in global energy production, and ensuring offshore development is rapid, responsible, and fully aligned with America’s energy goals.

The Executive Direction Activity funds Bureau-wide leadership, direction, management, coordination, and outreach that directly support Secretary’s Orders 3417 - *Addressing the National Energy Emergency*, 3418 - *Unleashing American Energy*, 3419 - *Delivering Emergency Price Relief for American Families and Defeating the Cost-of-Living Crisis*, 3420, *Announcing President Trump's Revocation of Former Outer Continental Shelf Withdrawals*, 3421, *Achieving Prosperity through Deregulation*, and 3422 - *Unleashing Alaska's Extraordinary Resource Potential*. The Office of the Director and key management positions in the Regional Directors’ Offices are funded within this activity as well as functions such as budget, congressional and international 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 ensure effectiveness and efficiency of operations, compliance with applicable laws, and implementation of policies and procedures; and making available and shareable consistent, reliable data.

In FY 2025, in support of Secretarial Order (SO) 3429 *Consolidation, Unification and Optimization of Administrative Functions*, all BSEE communications staff were unified within the Department’s Office of the Secretary. In FY 2025 and 2026, BSEE will provide funding for these services through the Department’s Working Capital Fund.

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FY 2026 BUDGET JUSTIFICATION

Bureau of Safety and Environmental Enforcement

Offshore Decommissioning Activity

Table 8: Offshore Decommissioning Budget Summary (\$000)

Offshore Decommissioning	2024 Actual	2025 Notional ^{1/}	2026 Request
Offshore Decommissioning	2,880	2,880	0

^{1/} Resource levels included are estimates. The President reserves his authority under the “Full-Year Continuing Appropriations and Extensions Act, 2025” (P.L. 119-4) to revise 2025 spending within the amounts provided by Congress.

The Offshore Decommissioning Activity funds activities to ensure the long-term protection of resources and the surrounding environment by ensuring the proper closure and removal of infrastructure used to develop energy or mineral resources on the OCS. Orphaned infrastructure includes wells, structures, or pipelines left on the OCS following termination of the underlying lease or right-of-way without having been decommissioned to regulatory standards and for which there is no remaining liable party capable of performing decommissioning. The maintenance, monitoring, and decommissioning costs associated with such orphaned infrastructure, less any financial assurance proceeds held by BOEM, is called orphaned liability. BSEE has issued contracts to perform decommissioning services on orphaned conventional energy infrastructure.

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 assurances) to cover decommissioning obligations to protect the American public in cases such as bankruptcy.

BSEE issues contracts using annual and supplemental appropriations to perform decommissioning services for Gulf of America OCS conventional energy infrastructure orphaned by bankrupt operators when no other jointly or severally liable parties existed. These contracts fund the proper plugging and abandonment of orphaned wells and ultimately the proper decommissioning of the associated orphaned pipelines and structures. BSEE works with owners and operators, co- and prior-lessees responsible for decommissioning, contractors performing decommissioning activities, 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.

JUSTIFICATION OF 2026 PROGRAM CHANGES

BSEE is not requesting funding for this Activity in FY 2026. In FY 2026, BSEE will continue issuing contracts using prior year annual and supplemental appropriations to perform decommissioning services for Gulf of America OCS conventional energy infrastructure orphaned by bankrupt operators when no other jointly or severally liable parties existed. These contracts will fund the proper plugging and abandonment of orphaned wells and ultimately fund the proper decommissioning of the associated orphaned pipelines and structures. Additionally, BSEE will continue its efforts with owners and operators, co- and prior-lessees responsible for decommissioning, contractors performing decommissioning activities, 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

Table 9: Oil Spill Research Summary (\$000)

Oil Spill Research	2024 Actual	2025 Notional^{1/}	2026 Request
Oil Spill Research	15,099	15,099	15,099

^{1/} Resource levels included are estimates. The President reserves his authority under the “Full-Year Continuing Appropriations and Extensions Act, 2025” (P.L. 119-4) to revise 2025 spending within the amounts provided by Congress.

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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, \$15,099,000, which shall be derived from the Oil Spill Liability Trust Fund, to remain available until expended.

Note. -- This account is operating under the Full-Year Continuing Appropriations and Extensions Act, 2025 (division A of Public Law 119–4).

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FY 2026 BUDGET JUSTIFICATION

Bureau of Safety and Environmental Enforcement

Oil Spill Research Appropriation

Table 10: Oil Spill Research Budget Summary (\$000)

	2024 Actual	2025 Notional ^{1/}	2026 Request
Oil Spill Research	9	9	099

^{1/} Resource levels included are estimates. The President reserves his authority under the “Full-Year Continuing Appropriations and Extensions Act, 2025” (P.L. 119-4) to revise 2025 spending within the amounts provided by Congress.

With the Oil Spill Research (OSR) Appropriation, the Bureau derives funding from the Oil Spill Liability Trust Fund (OSLTF) to execute its delegated responsibilities. 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. The FY 2026 request addresses the key needs, knowledge, and technology gaps in the three roles of BSEE’s OSP Program.

PROGRAM OVERVIEW

BSEE’s OSP Program draws its mandate and purpose from the Federal Water Pollution Control Act of October 18, 1972, as amended, and the Oil Pollution Act of 1990 (October 18, 1991). It is framed by the regulations in 30 CFR Part 254 – Oil Spill Response Requirements for Facilities Located Seaward of the Coastline, and 40 CFR Part 300 – National Oil and Hazardous Substances Pollution Contingency Plan.

Acknowledging these authorities and their associated responsibilities, BSEE established the OSP Program with three interdependent roles - Preparedness Verification (PV), Oil Spill Response Research (OSRR) and operating and maintaining a testing facility featuring the Oil and Hazardous Materials Simulated Environmental Test Tank (Ohmsett). Through these roles, the Bureau improves the Nation’s spill preparedness and response capabilities through comprehensive contingency planning, equipment testing and inspection, quality training, unannounced exercises, research and development (R&D) endeavors, and close engagement with the stakeholders of the National Response System (NRS). The OSP Program’s three roles ensure that the Nation’s offshore oil and gas exploration, development, and production activities in both State and Federal waters can proceed in a safe and environmentally responsible manner while supporting EO 14154 - Unleashing American Energy.

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. As a national leader in Federal oil pollution research and preparedness, BSEE’s OSP Program continues to ensure industry, and the government are ready to respond to offshore spills. Detailed information about the OSP Program can be found at:

<https://www.bsee.gov/what-we-do/oil-spill-preparedness>.

PERFORMANCE OVERVIEW

BSEE integrates all aspects of oil spill preparedness, response, and research activities to ensure that industry is prepared to respond to an offshore oil spill as quickly and effectively as possible.

BSEE will continue initiating workplans generated from annual internal program reviews as well as outstanding recommendations from a past programmatic review by the DOI OIG. It will also adjust to any recommendations provided by the U.S. Government Accountability Office review of the OSP Program initiated on April 11, 2025. In addition, OSPD will continue efforts to initiate important regulatory changes needed in the 30 CFR Part 254 regulations.

Preparedness Verification (PV) Role

OSPD administers the Bureau’s oil spill preparedness regulatory requirements for offshore facilities discussed in 30 CFR Part 254. The functions that serve the PV 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 oil spill response plans (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.

BSEE’s ePermits software has a sub-program, eOSRP, that allows plan holders to electronically submit their OSRPs to BSEE and to exchange correspondence. The system reduces the burden on operators and government analysts, and BSEE is continually making enhancements to improve its operation and efficiency. In FY 2026, the Bureau will continue modify its IT capabilities to electronically process OSRPs.

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’s OSP Program is an important component of the National Response System (NRS). The NRS 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. 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. BSEE accomplishes its liaison responsibilities by

participating in activities of 29 NRS groups and their development of contingency plans under the NRS. BSEE and the USCG meet quarterly at the headquarters and regional levels to improve oil spill preparedness and promote joint activities within the NRS.

Because of its close partnership with USCG on these important elements, OSPD signed an updated Memorandum of Agreement with the USCG Headquarters Office of Marine Environmental Response in FY 2025 titled: OCS-3 – Oil Discharge Planning, Preparedness, Response, and Research.

Oil Spill Response Research (OSRR) Role

The OSP Program's OSRR role addresses the Bureau's oil spill research requirements under OPA 90 and provides valuable input to the PV 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 equipment inventories, and support safe and environmentally sustainable operations for offshore energy exploration and development. Research and development also spurs economic growth by guarding against 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.

In FY 2026, OSPD will focus on numerous research areas including but not limited to:

- Advancing new technology for remote sensing tools on subsea gliders, satellites, drones, and fixed wing platforms for oil spill detection, thickness determination, and oil characterization.
- Developing, testing, and evaluating enhanced mechanical recovery technologies.
- Investigating enhancements to improve oil separation and demulsification processes.
- Optimizing the temporary storage and disposal of recovered fluid in remote or harsh environments.
- Integrating and institutionalizing oil spill response Technology Readiness Levels (TRLs) to the technology development process for projects conducted under the OSRR program.
- Developing tools or methods to improve *in situ* burning of oil spills.

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

The Minerals Management Service and later BSEE have managed and operated the Ohmsett facility for oil spill response testing, training, and research since 1990. Ohmsett is critical for efforts to advance oil spill response technologies. Without Ohmsett, rigorous testing and evaluation of spill response equipment, systems, and methodologies would be difficult, if not impossible, to accomplish.

The Ohmsett facility is located at the U.S. Navy Base, Naval Weapons Station Earle, 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. Per its agreement with the Navy, BSEE is responsible for maintaining the Ohmsett tank, systems, and facilities.

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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 E of the Consolidated Appropriations Act, 2024, for disclosure of program assessments used to support Government-wide, Departmental, or Agency initiatives or general operations. Section 403 of the Consolidated Appropriations Act, 2024 (P.L. 118-42), shown below, continues requirements regarding the disclosure of planned funding assessments in the annual budget justification. This account is operating under the Full-Year Continuing Appropriations and Extensions Act, 2025 (Division A of Public Law 119-4).

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 422 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, Secretarial Order (SO) 3429 *Consolidation, Unification and Optimization of Administrative Functions* consolidated all BSEE human resources, information technology, financial management, training and development, contracting, Federal financial assistance, communications and civil rights staff within the Office of the Secretary in FY 2025. In FY 2025 and 2026, BSEE will provide funding for these services through the Department's Working Capital Fund. Maintaining these 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.

BUREAU ADMINISTRATIVE COSTS

Funding is assessed for Bureau-wide infrastructure support to BSEE. This includes costs associated with office space, security, information technology, utilities, and communications for all organizational needs to carry out the Bureau's primary missions. Funding for shared activities and related support services is used for:

- Lease and utilities of office space
- Emergency Management, Security, and Safety & Occupational Health programs
- Workers' and Unemployment compensation
- Voice and data communications
- Facility maintenance
- Mail and shipping services
- Printing costs
- Transportation Subsidy benefits
- IT shared services and support

Table 11: Assessments of Bureau Programs (\$000)

Assessments of Bureau Programs	2025 Notional^{1/} (\$000)	2026 Request (\$000)
External Administrative Costs		
Various Activities		
Working Capital Fund Centralized Billing	5,141	5,112
Working Capital Fund Direct Billing	3,102	3,511
Central Business Functions	0	6,650
Subtotal	8,243	15,273
Internal Bureau Assessments for Administrative Costs		
Operations, Safety and Regulation	16,676	18,343
Administrative Operations	1,976	672
Executive Direction	2,483	1,295
Subtotal	21,135	20,310
Total Assessments of Bureau Programs	29,378	35,584

^{1/} Resource levels included are estimates. The President reserves his authority under the “Full-Year Continuing Appropriations and Extensions Act, 2025” (P.L. 119-4) to revise 2025 spending within the amounts provided by Congress.

The internal Bureau assessment reported for 2026 reflects the realignment of the Bureau’s administrative support requirements.

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Bureau of Safety and Environmental Enforcement

Authorizing Statutes

OUTER CONTINENTAL SHELF (OCS) LANDS PROGRAM

43 U.S.C. 1331, <u>et seq.</u>	The <u>Outer Continental Shelf (OCS) Lands Act of 1953</u> , 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. 104-58, Title III	The Outer Continental Shelf <u>Deep Water Royalty Relief Act</u> amended the OCS Lands Act by providing the Secretary of the Interior authority to provide royalty rate relief for certain production from the Gulf of America.
P.L. 109-58	The <u>Energy Policy Act of 2005</u> 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. 109-432	The <u>Gulf of Mexico Energy Security Act of 2006</u> required leasing certain areas in the Central and Eastern Gulf of America 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. 113-067	The <u>Bipartisan Budget Act of 2013</u> contained provisions which approved the Agreement between the U.S. and the United Mexico States concerning Transboundary Hydrocarbon Reservoirs in the Gulf of America, 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.

P.L. 117-58	The <u>Infrastructure Investment and Jobs Act of 2021</u> amended the OCS Lands Act to give authority to the Department of the Interior to grant a lease, easement, or right-of-way on the Outer Continental Shelf for activities that provide for, support, or are directly related to the injection of a carbon dioxide stream into sub-seabed geologic formations for the purpose of long-term carbon sequestration.
43 U.S.C. 4321, 4331-4335, 4341-4347	The <u>National Environmental Policy Act of 1969</u> 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, <u>et seq.</u>	The <u>Coastal Zone Management Act of 1972</u> , 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 <u>Endangered Species Act of 1973</u> established procedures to ensure interagency cooperation and consultations to protect endangered and threatened species.
42 U.S.C. 7401, <u>et seq.</u>	The <u>Clean Air Act</u> , as amended, was applied to all areas of the OCS except the central and western Gulf of America. OCS activities in those non-excepted areas will require pollutant emission permits administered by the EPA or the States.
42 U.S.C. 7627(a)(1)	The <u>Clean Air Act</u> was amended in 2012 to transfer 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 <u>National Historic Preservation Act</u> established procedures to ensure protection of significant archaeological resources.
30 U.S.C. 21(a)	The <u>Mining and Minerals Policy Act of 1970</u> 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 <u>Policy, Research and Development Act of 1970</u> set forth the continuing policy <u>et seq.</u> 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, <u>et seq.</u>	The <u>Oil Pollution Act of 1990</u> 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 <u>Marine Protection, Research, and Sanctuaries Act of 1972</u> 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 <u>Marine Mammal Protection Act of 1972</u> provides for the protection and welfare of marine mammals.
31 U.S.C. 9701	<u>Fees and Charges for Government Services and Things of Value.</u> 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	<u>Budget and Accounting Procedures Act of 1950</u>
31 U.S.C. 3901-3906	<u>Prompt Payment Act of 1982</u>
31 U.S.C. 3512	<u>Federal Managers Financial Integrity Act of 1982</u>
5 U.S.C. 552	<u>Freedom of Information Act of 1966, as amended</u>
31 U.S.C. 7501-7507	<u>Single Audit Act of 1984</u>
41 U.S.C. 35045	<u>Walsh Healy Public Contracts Act of 1936</u>

41 U.S.C. 351-357	<u>Service Contract Act of 1965</u>
41 U.S.C. 601-613	<u>Contract Disputes Act of 1978</u>
44 U.S.C. 35	<u>Paperwork Reduction Act of 1980</u>
44 U.S.C. 2101	<u>Federal Records Act 1950</u>
40 U.S.C. 4868	<u>Federal Acquisition Regulation of 1984</u>
31 U.S.C. 3501	<u>Privacy Act of 1974</u>
31 U.S.C. 3501	<u>Accounting and Collection</u>
31 U.S.C. 3711, 3716-19	<u>Claims</u>
31 U.S.C. 3901-3906	<u>Prompt Payment Act of 1982</u>
31 U.S.C. 1501-1557	<u>Appropriation Accounting</u>
5 U.S.C. 1104 <i>et seq.</i>	<u>Delegation of Personnel Management Authority</u>
31 U.S.C. 665-665(a)	<u>Anti-Deficiency Act of 1905, as amended</u>
41 U.S.C. 252	<u>Competition in Contracting Act of 1984</u>
18 U.S.C. 1001	<u>False Claims Act of 1982</u>
18 U.S.C. 287	<u>False Statements Act of 1962</u>
41 U.S.C. 501-509	<u>Federal Grant and Cooperative Agreement Act of 1977</u>
41 U.S.C. 253	<u>Federal Property and Administrative Services Act of 1949</u>
41 U.S.C. 401	<u>Office of Federal Procurement Policy Act of 1974, as amended</u>
15 U.S.C. 631	<u>Small Business Act of 1953, as amended</u>
15 U.S.C. 637	<u>Small Business Act Amendments of 1978</u>
10 U.S.C. 137	<u>Small Business and Federal Competition Enhancement Act of 1984</u>
15 U.S.C. 638	<u>Small Business Innovation Research Program of 1983</u>
10 U.S.C. 2306(f)	<u>Truth in Negotiations Act of 1962 Authorization</u>

Secretarial Order No. 3299	<u>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).</u>
Secretarial Order No. 3302	<u>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).</u>

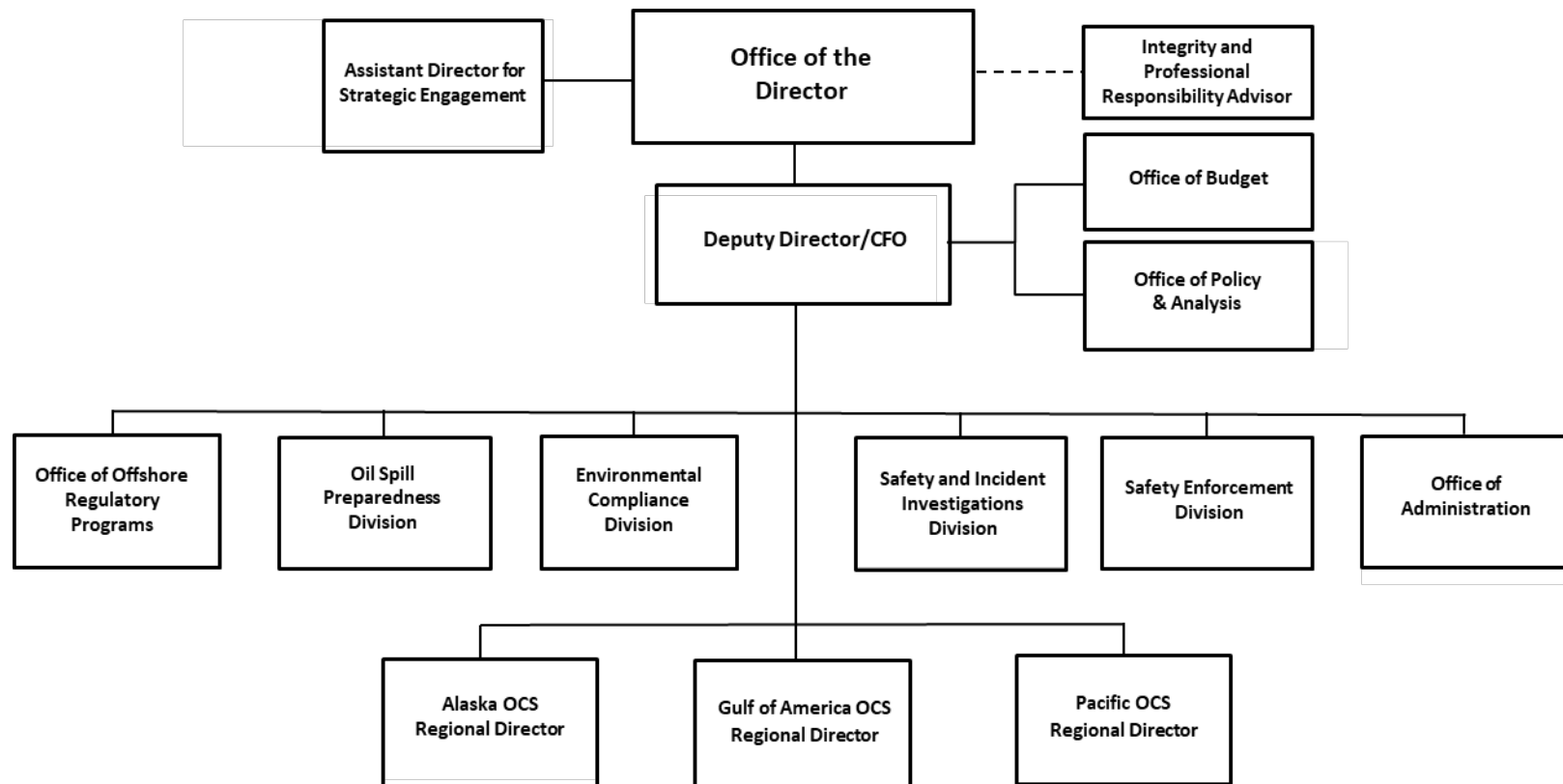
OIL SPILL RESEARCH

33 U.S.C. 2701, <u>et seq.</u>	<u>Title VII of the Oil Pollution Act of 1990</u> 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, <u>et seq.</u>	<u>Title I, Section 1016, of the Oil Pollution Act of 1990</u> 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, <u>et seq.</u>	<u>Section 21(b) of the Outer Continental Shelf Lands Act</u> , 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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Bureau of Safety and Environmental Enforcement

Organizational Chart



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