



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

and Performance Information  
Fiscal Year 2015

## **BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT**

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

Approval for release of the justifications prior to their printing in the public record of the Subcommittee hearings may be obtained through the Office of Budget of the Department of the Interior.



**BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT**  
**FY 2015 GREENBOOK**

*Table of Contents*

<b>Bureau/Office-Level Presentation .....</b>	<b>x</b>
Director’s Preface .....	1
General Statement .....	3
Table 1: Summary of Budget Request .....	3
Table 2: Analysis of Budgetary Changes .....	12
Secretarial Initiatives and Agency Priority Goals .....	15
Performance Summary .....	19
Table 3: Goal Performance Table .....	21
Table: Budget At A Glance .....	25
<b>Account-Level Presentation .....</b>	<b>x</b>
Tables: Summary of Requirements .....	27
Table: Fixed Costs and Internal Realignments .....	29
Language Citations .....	31
Appropriations Language .....	31
Mandatory and Offsetting Collections Proposals .....	33
<b>Environmental Enforcement Activity-Level Presentation .....</b>	<b>x</b>
Table 4: Introductory .....	35
Internal Transfers .....	35
<b>Operations, Safety and Regulations Activity-Level Presentation .....</b>	<b>x</b>
Table 5: Introductory .....	37
Summary of BY Program Changes .....	37
Internal Transfers .....	37
Justification of BY Program Changes .....	38
Program Overview .....	38
Performance Overview .....	39
Table 6: Performance Overview .....	46
<b>Administrative Operations Activity-Level Presentation .....</b>	<b>x</b>

Table 7: Introductory .....	49
Summary of BY Program Changes.....	49
Justification of BY Program Changes.....	49
Program Overview .....	49
<b>General Support Service Activity-Level Presentation .....</b>	<b>x</b>
Table 8: Introductory .....	53
Justification of BY Program Changes.....	53
Program Overview .....	53
<b>Executive Direction Activity-Level Presentation .....</b>	<b>x</b>
Table 9: Introductory .....	55
Summary of BY Program Changes.....	55
Justification of BY Program Changes.....	55
Program Overview .....	55
<b>Oil Spill Research Appropriation Presentation .....</b>	<b>x</b>
Table 10: Introductory .....	59
Summary of BY Program Changes.....	59
Justification of BY Program Changes.....	59
Program Overview .....	59
Performance Overview .....	59
Table 11: Performance Overview .....	64
<b>Appendices.....</b>	<b>x</b>
Section 404 Compliance .....	65
Table: PER-4 Employee Count by Grade .....	71
MAX Tables/Budget Schedules.....	73
Authorizing Statutes.....	81

## **Director's Preface**



# **FY 2015 BUDGET JUSTIFICATIONS**

## **Bureau of Safety and Environmental Enforcement**

### *Director's Preface*

As the Administration works to expand domestic energy production through President Obama's "All of the Above" strategy, the Bureau of Safety and Environmental Enforcement (BSEE) is taking the necessary steps to provide effective oversight of oil and gas development on the U.S. Outer Continental Shelf (OCS), promoting compliance with Federal regulations, and leading the offshore oil and gas industry toward a culture of safety and environmental protection.

The 2015 BSEE budget fully supports the President's strategy by ensuring development of the Nation's vast offshore energy resources is conducted in a safe and environmentally responsible manner. Funds will be used to support and recruit expert engineers, scientists, and oil spill planning, prevention and response specialists to support the development of strong scientific information and the timely and thorough review of permits.

In 2015, we will continue to build a robust culture of safety, with a strong focus on risk reduction. Every decision and every action will be taken with the workers and the environment in mind. Risks to both will be appropriately balanced and mitigated. We will bolster our capacity for analyzing data gained through incident reporting requirements, near-miss reporting, and real-time monitoring. We will also work with industry to better understand their safety processes, so that in turn we can mitigate and enhance risk reduction. Through these initiatives and others, we will continue to ensure that offshore development occurs in a safe and environmentally responsible way.

There are four key principles that guide the work we do for the American public: clarity, consistency, predictability, and accountability. These principles are what every citizen, as well as the regulated community, has the right to expect from their government and they provide the standard by which our performance will be measured. Our efforts are supported by two strategic goals:

- Regulate, enforce, and respond to OCS development using the full range of authorities, policies, and tools to compel safety, emergency preparedness, and environmental responsibility, and appropriate development and conservation of the offshore oil and natural gas resources, and;
- Build and sustain the organizational, technical, and intellectual capacity within and across BSEE's key functions – capacity that keeps pace with OCS industry technological improvements, innovates in regulation and enforcement, and reduces risk through systemic assessment and regulatory and enforcement actions.

These strategic goals guide our decision-making and investment strategies. The 2015 request furthers these goals through a program increase of \$905,000 to support enhanced review of emerging technologies by technical experts, and expanding project funding used to validate technology, test protocols and analyze economic feasibility. The 2015 request will allow BSEE to continue to strengthen our regulatory and oversight capability on the U.S. Outer Continental Shelf by increasing the capacity in multiple disciplines to adequately staff regulatory, safety management, structural and technical support, and oil spill response prevention programs. Continued outreach and dialogue with stakeholders from academia, industry, non-governmental organizations, and other governmental agencies will enhance the knowledge base of technical personnel related to innovative technologies, regulatory gaps, real-time monitoring capabilities, and risk-based decision making for safety and environmental enforcement.

*This page intentionally left blank.*



## **General Statement**



# FY 2015 PERFORMANCE BUDGET REQUEST

## Bureau of Safety and Environmental Enforcement

### General Statement

Table 1: Summary of BSEE Budget Request

Account/Activity	FY 2013 Actual	FY 2014 Enacted	FY 2015 Request	Changes from FY 2014
<b>Offshore Safety and Environmental Enforcement (OSEE)</b>				
Environmental Enforcement <sup>1</sup>	3,899	8,314	-	-8,314
Operations, Safety and Regulation	125,388	132,207	141,911	+9,704
Administrative Operations	14,756	15,560	15,676	+116
General Support Services	11,966	13,513	13,912	+399
Executive Direction	17,182	18,121	18,227	+106
<b>Total, OSEE</b>	<b>173,191</b>	<b>187,715</b>	<b>189,726</b>	<b>+2,011</b>
Offsetting Rental Receipts	-49,950	-50,568	-50,412	+156
Cost Recovery	-6,168	-8,402	-8,167	+235
Inspection Fees	-58,892	-65,000	-65,000	-
<b>Total, Offsetting Collections</b>	<b>-115,010</b>	<b>-123,970</b>	<b>-123,579</b>	<b>391</b>
<b>Net OSEE</b>	<b>58,181</b>	<b>63,745</b>	<b>66,147</b>	<b>+2,402</b>
<b>Oil Spill Research</b>	<b>14,120</b>	<b>14,899</b>	<b>14,899</b>	-
<b>Disaster Relief Appropriations Act, 2013 (P.L. 113-2)</b>	<b>2,850</b>	-	-	-
<b>Current BSEE Funding</b>	<b>75,151</b>	<b>78,644</b>	<b>81,046</b>	<b>+2,402</b>
<b>Total BSEE Funding</b>	<b>190,161</b>	<b>202,614</b>	<b>204,625</b>	<b>+2,011</b>
<b>Full Time Equivalents (FTE)</b>				
Total Direct FTE	602	693	744	+51
Total Reimbursable FTE (Reimbursable Agreements)	120	125	125	-
<b>Total FTE<sup>2/</sup></b>	<b>722</b>	<b>818</b>	<b>869</b>	<b>+51</b>

<sup>1/</sup> The FY 2015 request consolidates the Environmental Enforcement Activity into the Operations, Safety and Regulation Activity.

<sup>2/</sup> The total FTE request for 2015 is 2 FTE. The technical adjustment of 49 FTE aligns current staffing levels to those projected for the budget year base program. The FTE growth reflects current hiring trends that support measured growth, considering the challenges of filling technical positions across the Bureau. No additional funding is requested as a result of this adjustment.

The Outer Continental Shelf (OCS) is a major source of energy for the United States. In calendar year 2012, OCS leases offshore California, Alaska, and in the Gulf of Mexico provided about 483 million barrels of oil and 1,585 billion cubic feet of natural gas, accounting for almost 20 percent of the Nation's oil production and over 6 percent of domestic natural gas production<sup>1</sup>.

<sup>1</sup> For additional details regarding OCS oil and gas production see:  
[http://www.data.bsee.gov/homepg/data\\_center/production/ocsprod.asp](http://www.data.bsee.gov/homepg/data_center/production/ocsprod.asp)

The Bureau of Safety and Environmental Enforcement (BSEE) is responsible for the oversight of exploration, development, and production operations for oil and natural gas on the OCS. The BSEE's regulation and oversight of Federal offshore resources ensures that energy development on the OCS is done in a safe and environmentally responsible manner.

The functions of BSEE include oil and gas permitting, facility inspections, regulations and standards development, safety research, data collection, technology assessments, field operations, incident investigation, environmental compliance and enforcement, oil spill prevention and readiness, review of operator oil spill response plans, oversight of production and development plans, and resource conservation efforts.

## **FY 2015 BUDGET REQUEST**

---



**BSEE works to promote safety, protect the environment, and conserve resources offshore through vigorous regulatory oversight and enforcement.**

The BSEE was established on October 1, 2011, and its purpose is to protect life, property, and the environment to ensure the safe and responsible development of our Nation's offshore energy resources. BSEE's continued focus is on safety and goes beyond simple compliance with regulations and toward the adoption, by everyone, of a meaningful safety culture that permeates all offshore activities. BSEE advocates that every decision and every action must be taken with the workers and the environment in mind and risks to both must be appropriately balanced and mitigated.

The BSEE continues to adapt its regulatory approach and oversight as offshore operations continue to expand and move into new environments and require new technologies. Programs have been established that will allow BSEE to identify, evaluate and promote emerging technologies for use on the OCS, which will decrease the risk of offshore oil and gas development and increase safety for offshore workers. BSEE has established a strategic plan that will allow the Bureau to quickly address current expanding and future activities on the OCS, such as inspecting proposed renewable energy projects and evaluating technology advances that allow for deeper drilling at higher temperatures and pressures.

### **Progress through Reforms**

There are four key principles that guide the work BSEE does for the American public: clarity, consistency, predictability, and accountability. These principles are what every citizen, as well as the regulated community, has the right to expect from their government and they provide the standard by which BSEE's performance will be measured. The Bureau's efforts are supported by two strategic goals:

- To regulate, enforce, and respond to OCS development using the full range of authorities, policies, and tools to compel safety, emergency preparedness and environmental responsibility and appropriate development and conservation of the offshore oil and natural gas resources.
- To build and sustain the organizational, technical, and intellectual capacity within and across BSEE's key functions – capacity that keeps pace with the OCS industry's technological

improvements, innovates in regulation and enforcement, and reduces risk through systemic assessment and regulatory and enforcement actions.

The BSEE has already made significant progress toward achieving these goals. The Bureau enacted new regulations governing the safety of offshore drilling operations and implemented the Workplace Safety Rule incorporating, for the first time, performance-based standards through Safety and Environmental Management System (SEMS) requirements. The Bureau's flexible, strategic approach toward compliance was demonstrated through rigorous oversight of Shell's drilling operations in the Arctic with round-the-clock inspector presence while drilling activities were ongoing. In addition, BSEE participated in the Department's comprehensive review of the company's management and decisions, which has led BSEE to begin development of an Arctic-specific rule that reflects the unique conditions under which companies will work to develop the Nation's oil and gas resources on the Arctic OCS.

The BSEE 2012-2015 strategic plan forms a solid foundation for the Bureau and lays out a clear statement of its mission, vision, and values. The BSEE will continue to build upon this foundation – working toward its strategic goals and prioritizing specific projects that will position the Bureau for even greater effectiveness in its mission. Key focus areas include:

- Continuing to enhance offshore safety and environmental performance by promoting a safety culture within the offshore oil and gas industry.
- Bolstering the investigations process to provide more data to aid in trend analysis and refining the methodology for evaluating emerging technologies to aid BSEE in making adjustments that will increase the tools to make better decisions and keep pace with a dynamic, evolving industry.
- Increasing the capacity for analyzing data gained through incident reporting requirements, near-miss reporting, and real-time monitoring.
- Promoting and supporting innovation through the review of emerging technologies and the identification and use of Best Available and Safest Technology (BAST) within the drilling, production and spill response stakeholder communities.
- Promoting compliance through strategic enforcement by fully defining, enhancing, and utilizing the Bureau's enforcement authorities with a specific focus on risk.
- Investing in BSEE employees through recruiting and training.
- Investing in IT modernization and electronic reporting

The Bureau has continued to implement significant reforms that addressed several of the major recommendations resulting from the investigations and reports that followed the tragic explosion of the *Deepwater Horizon* and the subsequent oil spill. The Bureau issued the final drilling safety regulations put in place on an interim basis after the spill and also updated oil spill response planning guidance. Both of these reforms continue to contribute to the overall safety of the offshore oil and gas industry. The updated SEMS rule reinforced an ongoing effort by BSEE to emphasize that the offshore industry must make safety their number one priority. The SEMS rule is a nontraditional, performance-focused tool for managing operations on the OCS and promoting a positive safety culture within industry, with the goals of continuous improvement of management systems, empowering employees, and fostering a culture of excellence. The first round of audits required by this rule was provided by industry in November 2013. The Bureau received and reviewed audit plans, audit reports, and corrective action plans from

approximately 100 OCS operators during the last two quarters of FY 2013 and is currently tracking the implementation of the associated Corrective Action Plans (CAPs).

### SUCCESSFUL COMPLETION OF FULL-SCALE DEEPWATER WELL CONTAINMENT EXERCISE FACTS

- In 2013, BSEE, Noble Energy, Inc. and the Helix Well Containment Group (HWCG) participated in an exercise that tested oil spill response plans and operator preparedness.
- Unannounced drill tested the HWCG capping stack system – a 20-foot tall, 146,000-pound piece of equipment similar to the one that stopped the flow of oil from the Macondo well following the *Deepwater Horizon* explosion and oil spill in 2010.
- Capping stack was deployed in more than 5,000 feet of water in the Gulf of Mexico.
- System was lowered to a simulated well head (a pre-set parking pile) on the ocean floor, connected to the well head, and pressurized to 8,400 pounds per square inch.



These achievements represent important steps to promote offshore safety, protect the environment, and conserve resources. As planned, the Bureau continues to define and implement reforms and to hire the personnel needed to enforce them. These continued reforms and addition of highly qualified staff are essential to establishing a culture of safety and achieving the efficiency and effectiveness envisioned.

The BSEE is implementing an execution plan for FY 2014 and FY 2015 that will enable the Bureau to aggressively pursue hiring critical personnel and implementing system improvements. The BSEE has already made great strides in FY 2014 by applying existing resources to projects and activities that will further enforce the Bureau's strategic goals. In 2014, BSEE will also continue to modernize the permitting and inspection processes through the planned development of ePermits and eInspections. Once these systems are fully implemented, they will improve the availability and reliability of information needed to make government decisions that ensure compliance with safety and environmental regulations. At the same time, these systems will enhance government efficiency and streamline industry's ability to comply with these rules.

The BSEE continues to fund projects that will enhance the systems and protocols necessary to implement real-time monitoring capabilities, risk-based inspections, and advanced inspection technologies. For example, BSEE established the Ocean Energy Safety Institute (OESI) in December, 2013. The OESI was a recommendation by the Ocean Energy Safety Advisory Committee, which was chartered after the Deepwater Horizon incident. The OESI will provide a forum for dialogue, shared learning and cooperative research among academia, government, industry and other non-government organizations in

offshore-related technologies and activities that help ensure environmentally safe and responsible offshore operations. The BSEE will also work with the OESI to develop a process defining how BAST issues will be tested and evaluated by OESI.

### **Compliance, Inspections and Enforcement**

A key component of the reorganization and reform efforts is the identification of how BSEE can improve its investigation, analysis, regulatory, inspection, and compliance programs based on risk considerations. Based on recommendations from investigatory and oversight reports, internal and external review of operations, and reorganization studies, BSEE has already implemented a number of improvements to its inspection regime and will continually look for improvements to enhance its programs.

The BSEE is also actively working to develop a risk-based inspection methodology for use at various levels within the regulatory program. In FY 2014, BSEE anticipates that an evidence-based risk analysis methodology for production facilities will be piloted in the field. The deployment and use of this analysis will allow BSEE to directly and effectively target available inspector resources. Through the identification and quantification of risk, BSEE can identify leading and lagging indicators, and improve its analysis of the effectiveness of redundant physical controls (barrier analysis).

Safety is a priority for both BSEE staff and for operations that occur under BSEE's jurisdiction. Onsite facility inspections and enforcement actions are important components of BSEE's safety program. The Bureau has established ambitious performance targets for the conduct of thousands of inspections of OCS facilities and operations, including coverage of tens of thousands of safety and pollution prevention components each year to prevent offshore accidents and spills, and to ensure a safe working environment.

The Bureau places a high-priority on inspections as they provide a day-to-day, front-line view of OCS oil and gas facilities. In FY 2013, BSEE conducted over 24,000 inspections, including the witnessing of 36 subsea Blow Out Preventer (BOP) tests on the OCS.

The BSEE is working to refine internal controls and processes and expand the use of information and data management systems to enhance continuous offshore safety and an environmental enforcement presence. As these reforms are deployed, BSEE is able to strengthen its investigation, data analysis and compliance and enforcement programs to enhance the identification of risk and risk mitigation approaches. The Bureau is further advancing new protocols that emphasize risk-based oversight with the intent of identifying and focusing inspections on the "riskiest" activities and facilities and utilizing real-time monitoring technologies to improve and increase the regulatory oversight of critical offshore operations and equipment.

The BSEE is also working to strengthen resources through intra- and interagency cooperation. For example, the Bureau renewed its longstanding memorandum of understanding (MOU) with the United States Coast Guard (USCG) and is focusing on shared resources, cross-training, and cooperation in Federal enforcement efforts on the OCS. The BSEE is aligning its investigations expertise with the enforcement efforts of regional and district personnel. This gives BSEE the ability to rapidly deploy multi-disciplinary investigative teams in response to offshore incidents and credible whistleblower complaints.

**Safety and Environmental Management:** The Safety and Environmental Management Systems (SEMS) regulations, passed after the *Deepwater Horizon* event, are intended to foster the development of a more robust safety culture on the OCS. Similar to the quality management and environmental management programs of the International Standards Organization (ISO), the SEMS program prescribes a systematic approach to managing safety and environmental risks, and critical analysis (auditing). The Bureau is

currently evaluating all of the submitted audits and CAPs required by the updated rule to do a critical evaluation of the program's efficacy and track the CAP's implementation. These ongoing evaluations will be further studied to assure continuous improvement of SEMS on an industry-wide basis.

**Renewable Energy Inspection Program:** On May 19, 2010, Secretarial Order 3329, created BOEM and BSEE to carry out separate core missions: BOEM to ensure the balanced and responsible development of energy resources on the OCS, and BSEE to be responsible for safe and environmentally responsible exploration and production and to enforce regulatory functions. While BOEM continues to implement an expanding renewable energy program, there are currently no operational units on the OCS. Current industry plans suggest the first structures could be constructed in 2015. The BSEE and the BOEM have established a transition team to plan for a future BSEE regulatory structure, including a potential inspection fee. The BSEE is also initiating evaluation of a methodology for including facility inspection capabilities into existing inspection and compliance programs and developing the appropriate regulatory authorities and appropriations language to support safe and environmentally responsible renewable energy development on the OCS. In FY2014, BSEE will contract a study to assess current onshore and international offshore inspection practices related to wind turbine facilities and associated electrical transmission systems. The BSEE will use this assessment to inform the development of regulations, inspection guidelines, procedures and criteria for inspections of offshore renewable energy facilities so that the appropriate regulatory structure will be in place to protect the safety of these facilities as well as the environment.

**Real-Time Monitoring:** The BSEE is examining the use of real-time monitoring (RTM) technologies to improve and increase the regulatory oversight of critical offshore operations and equipment. The intent of RTM is to develop, test, and implement reforms that significantly improve the Inspection and Enforcement Program in BSEE by using innovative technologies and using risk-based inspection criteria to supplement BSEE's current inspection program. The use of this technology and facilities to monitor OCS oil and gas drilling, well-completion, well workover, well servicing and other rig related operations is one avenue that may be used to further efficiency as well as help BSEE carry out its mission.

The Bureau is actively working to determine which available RTM opportunities would provide the best return on investment and which activities require on-site inspectors. Initially, the focus will likely be on using this technology for high risk activities involving deepwater drilling and casing/cementing. When implemented, it is expected the use of RTM will allow BSEE to quickly shift technical resources to evaluate these operations wherever they occur.

The importance of incorporating RTM into BSEE's regulatory program is demonstrated by the Department of the Interior including a provision in the British Petroleum settlement that requires the company to maintain a RTM Center in Houston and provide BSEE with access to the facility. The Bureau is also determining if regulatory action is needed to ensure that the agency has complete access to other industry RTM facilities and whether BSEE needs to take additional steps to ensure that industry expands the use of RTM technology to address issues such as equipment reliability.

**Near-Miss Program:** In August 2013, the BSEE and the Bureau of Transportation Statistics (BTS) signed an Interagency Agreement (IAA) for the development and operation of a voluntary confidential reporting system for near-miss events associated with oil and gas operations on the Outer Continental Shelf (OCS). The system will have a combination of reporting capabilities (web-based, smart phone apps, 1-800 numbers, etc.) to ensure confidential reporting is easily accessible. This system will provide BSEE and the industry information about accident precursors and hazards associated with OCS operations, which in conjunction with existing methods of collecting data and assessing risk, can be used to reduce the risk of major incidents, loss of life, injury and negative impacts on the environment. Confidentiality is critical to the success of this reporting system. The BTS will operate the system under



the Confidential Information Protection and Security Efficiency Act 2002 (CIPSEA), which requires protection of the identity of reporters and other personal information obtained under that statute from public disclosure. Near-miss reporting systems have proven successful in other major industries, such as commercial airlines, railroads, and firefighting programs. The importance of confidential near-miss reporting to the safety of OCS operations is demonstrated by the National Commission's report on the BP *Deepwater Horizon* Oil Spill which included a recommendation for BSEE to incorporate near-miss reporting into the Bureau's regulatory program for improved risk evaluations of oil and gas activities on the OCS. The development of the voluntary confidential near-miss reporting system is well underway and is expected to be operational in mid-FY 2014.

**Emerging Technologies and BAST:** The BSEE continues to promote the evaluation of emerging technologies, ranging from the drilling of oil and gas exploration wells in search of new reserves to the removal of platforms and related infrastructure once production operations have ceased. In addition BSEE is in the process of defining BAST for established technologies that ensure safe and responsible development.

Under the Emerging Technologies Program, BSEE promotes investigation of new technologies to assure approved permits continue to promote safe operations, the prevention of oil pollution, and the improvement of oil spill response and clean-up. The Bureau also continues to focus its efforts to identify high-risk components and systems, such as BOPs, and to work with industry to apply BAST in those areas where overall risks could be reduced and it is economically feasible to do so.

To take advantage of and leverage expertise from other Federal resources, BSEE has entered into an IAA with the Department of Energy National Laboratory system to collaborate on risk-based decision making and applying BAST to offshore components, systems and procedures. In FY 2014, BSEE plans to issue the proposed BOP Rule to increase the reliability of this critical equipment that is currently the last line of defense in a blowout situation. This proposed rule, developed after conducting a workshop involving a wide variety of stakeholders, will upgrade regulations related to the design and repair of BOPs and will incorporate a robust API standard that has had significant stakeholder input. The proposed regulation will also include third party certification of the design and quality systems used to manufacture BOPs.

The Ocean Energy Safety Institute (OESI) was established in early FY 2014 and will be managed by the Texas A&M Engineering Experiment Station's (TEES) Mary Kay O'Connor Process Safety Center. The OESI, established under a five-year agreement, will provide a forum for dialogue, shared learning and cooperative research among academia, government, industry and other non-government organizations in offshore-related technologies and activities that ensure safe operations with limited impact to the environment. The Institute will provide recommendations and technical assistance to BSEE related to emerging technologies and BAST. In addition, it will develop and maintain an equipment failure monitoring system and train Federal employees to enable them to remain current on state-of-the-art technology. The Institute will also promote collaboration among Federal agencies, industry, standards organizations, academia, and the National Academy of Sciences.

**Oil Spill Research:** The Oil Spill Research program within BSEE continues to aggressively maintain a comprehensive, long-term research program dedicated to improving oil spill response options for oil spills in offshore environments. Major focus has been placed upon improving the methods and technologies used for oil spill detection from aerial and subsea platforms and vehicles, surface and subsea containment, treatment with dispersants, recovery using mechanical devices, and clean up. The program will continue to put an emphasis on evaluating oil spill response capabilities in Arctic environments in FY 2014 and FY 2015. During FY 2014, BSEE intends to fund research on in situ burn planning standards, remote sensing tools for oil spill detection and thickness determination, improving the capabilities of Ohmsett, technology readiness levels, and in the development of "smart" skimming technologies. The

BSEE is also dedicating an entire month at Ohmsett in FY 2014 to conduct simulated cold-water tests on different types of dispersants that might be used in the Arctic to determine those best suited for the type of oil anticipated from production on the Alaska North Slope. BSEE has begun serving as the Co-Chair of the Interagency Coordinating Committee on Oil Pollution Research (ICCOPR) – a Congressionally-mandated body. In addition to BSEE’s continuing active participation as a member on the Steering Committee for the ICCOPR Research and Technology Plan and other ICCOPR subcommittees, BSEE, as Co-Chair, will provide leadership and coordinate research efforts throughout the Federal oil spill research community. The BSEE, as members of the Arctic Council, Emergency Prevention, Preparedness, and Response Working Group, will also be engaging international partners in joint research activities to better protect resources that could be impacted from spills in Arctic waters. BSEE also sits on the Scientific and Technical Committee of the National Response Team, adding another venue in which the agency is proactively working with Federal partners to seek joint research funding opportunities, exchange information on recent research, discuss best practices in oil spill response, and address other topics key to the U.S. preparedness posture.

### **FY 2015 BUDGET HIGHLIGHTS**

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

The FY 2015 request proposes to merge BSEE’s Environmental Enforcement Program (EEP), which was previously funded through the Environmental Enforcement Activity, into the Operations, Safety and Regulation Activity. This program is an integral part of the overall increased safety initiative of the Bureau. Similar to the offshore safety inspection program, the EEP assures that industry is adopting an overall and comprehensive approach to environmental protection measures. Combining the EEP into the BSEE Operations, Safety and Regulations activities will allow better identification of regulatory needs for enhanced environmental compliance and closer coordination between the EEP and the newly established Safety and Environmental Management Systems (SEMS) program. The merger will also allow better management and oversight of all of the compliance programs in BSEE. Additionally, it has comparable field operation requirements and regulation activity that would be more efficiently funded from one source. Though the activities are distinct, for every permit issued and accounted for under the Operations Safety and Regulation Activity, there is a corresponding NEPA activity. All enforcement activity currently conducted under the Environmental Enforcement Activity is the same as that conducted under the Operations Safety and Regulation Activity (INCs, Shut Ins, Civil Penalties, etc.). Under the SEMS program, field personnel covered by both Activity funds are working together.

In FY 2015, the BSEE budget requests \$204.6 million which includes \$50.4 million from offsetting rental collections, \$8.2 million from cost recovery fees, and \$65.0 million from inspection fees.

The budget for BSEE in the OSEE account funds the following activities:

- The ***Operations, Safety and Regulation*** Activity funds: environmental and safety compliance activities related to issuing permits associated with plans; inspections of environmental measures and enforcement of incidences of noncompliance; monitoring industry compliance with mitigation and other environmental requirements through office and field inspections; OCS permit application reviews; inspections of OCS facilities including critical high-risk activities; offshore operator oil spill planning and preparedness compliance; investigations; civil penalties; operator training and audit programs; annual operator performance reviews; verification of oil

and gas production levels to help ensure the public receives a fair return; and the Emerging Technologies Program.

- The ***Administrative Operations*** Activity funds: general administration and ethics programs; equal employment opportunity services; emergency management; finance; human resources; procurement; and information management. The BSEE also provides administrative services, such as human resources, procurement, and finance to BOEM and other entities within the Department.
- The ***General Support Services*** Activity funds: shared activities and related support services for the Bureau. These include expenses such as: rental and security of office space; workers' compensation and unemployment compensation; voice and data communications; centrally provided services funded by the Department's Working Capital Fund; annual building maintenance contracts; mail services; and printing costs. The BSEE will continue to provide some of these services to BOEM through a reimbursable service agreement.
- The ***Executive Direction*** Activity funds: Bureau-wide leadership, direction, management, coordination, communications strategies, and outreach. It includes functions such as budget, congressional and public affairs, and policy and analysis. The Office of the Director and the Regional Director's Offices are also funded within this activity.

The budget for BSEE in the OSR account funds oil spill research, the Ohmsett facility, as well as oil spill response preparedness and planning activities.

Table 2: FY 2015 Analysis of Budgetary Changes

<b>Bureau of Safety and Environmental Enforcement</b>			
<b>FY 2015 Budget Changes</b>			
<b>(\$000)</b>			
Organization/Category	Budget Changes	(\$000)	FTE <sup>1/</sup>
<b>BSEE FY 2014 ENACTED -- DIRECT APPROPRIATION</b>		<b>78,644</b>	<b>818</b>
<b>Offshore Safety and Environmental Enforcement (OSEE)</b>			
Environmental Enforcement*	Transfer to Operations, Safety and Regulation	-8,314	-30
Operations, Safety, and Regulation Activity*	Transfer from Environmental Enforcement	+8,314	+30
	Fixed Costs	+485	
	Best Available and Safest Technologies	+905	+2
	FTE Technical Adjustment		+26
Administrative Operations	Fixed Costs	+116	
	FTE Technical Adjustment		+15
General Support Services	Fixed Costs	+399	
Executive Direction	Fixed Costs	+106	
	FTE Technical Adjustment		+8
	<b>Subtotal of OSEE</b>	<b>+2,011</b>	<b>+51</b>
	Changes in Offsetting Collections	+391	
<b>Oil Spill Research Appropriation</b>			
	Program Changes	0	
FY 2015 Requested Increase		+2,402	+51
<b>BSEE FY 2015 PROPOSAL -- DIRECT APPROPRIATION</b>		<b>81,046</b>	<b>869</b>

\* The FY 2015 request consolidates the Environmental Enforcement Activity into the Operations, Safety and Regulation Activity.

<sup>1/</sup> The total FTE request for 2015 is 2 FTE. The technical adjustment of 49 FTE aligns current staffing levels to those projected for the budget year base program. The FTE growth reflects current hiring trends that support measured growth, considering the challenges of filling technical positions across the Bureau. No additional funding is requested as a result of this adjustment.

In FY 2015, the following budget changes are proposed:

**Fixed Costs (+\$1,106,000):** Projected fixed costs such as rent, salary increases, central billing, information technology transformation for the Department's working capital fund, and other items are fully funded by this request.

**Best Available and Safest Technologies (+\$905,000; +2 FTE):** Requested funding will support enhanced review of emerging technologies and the evaluation, testing and use of Best Available and Safest Technologies (BAST).

**FTE Technical Adjustment (+49 FTE):** The technical adjustment of 49 FTE aligns current staffing levels to those projected for the budget year base program. The FTE growth reflects current hiring trends

that support measured growth, considering the challenges of filling technical positions across the Bureau. No additional funding is requested as a result of this adjustment.

**Changes in Offsetting Collections (+\$391,000; 0 FTE):**

- **Rental Receipts (+\$156,000; 0 FTE):** This decrease in rental receipts revenue results from an anticipated decrease of \$0.2 million from the FY 2014 Enacted amount of \$50.6 million. This is one type of three different offsetting collections credited to the BSEE OSEE account to help defray the cost of operations.
- **Cost Recovery Fees (+\$235,000; 0 FTE):** This decrease in cost recovery fee revenue results from an anticipated decrease of \$0.2 million from the FY 2014 Enacted amount of \$8.4 million. This is one type of three different offsetting collections credited to the BSEE OSEE account to help defray the cost of operations.

**PERFORMANCE SUMMARY**

---

The BSEE aims to promote safety, protect the environment, and conserve resources offshore through vigorous regulatory oversight and enforcement.

During FY 2015, BSEE plans to review and update its 2012-2015 Strategic Plan. To update the plan, BSEE will begin by evaluating the extent to which it has been successful in meeting its current strategic goals and whether there is a need for the Bureau to continue to place a strategic focus on those areas. The BSEE is currently working to expand upon and refine its performance measures to support the Strategic Plan. The BSEE will assess the strengths, weaknesses, opportunities, and risks of the organization and consider any impacts that ongoing and future industry trends may have on its role as regulator. The BSEE is currently in the process of developing and implementing an enterprise wide risk management system to help identify and prioritize areas of risk for the Bureau, both internally and externally. Results from this effort and other initiatives BSEE is pursuing (e.g., real-time monitoring, near-miss reporting, enforcement reform, and human capital strategic planning) will further inform the update process.

*This page intentionally left blank.*

# **Bureau of Safety and Environmental Enforcement**

## *Secretarial Initiatives, Priority Performance Goals, and President's Management Agenda*

The Bureau of Safety and Environmental Enforcement fully supports the Secretarial and Administration Initiatives to realize high priority goals and implement the President's Management Agenda. The BSEE contributes to these efforts in several ways.

### **Secretarial Initiative: Powering Our Future and Responsible Use of Our Resources**

Through early planning, thoughtful mitigation, and the application of sound science, Interior is working to ensure the Administration's "all-of-the above" energy strategy includes not only traditional sources, but also the further development of new, cleaner resources to help mitigate the causes of climate change. The President's budget for the BSEE proposes \$204.6 million, a \$2.0 million increase for energy related activities in support of these objectives.

The 2015 BSEE budget fully supports the President's strategy by ensuring development of the Nation's vast offshore energy resources is conducted in a safe and environmentally responsible manner. Funds will be used to recruit expert engineers, scientists, and oil spill planning, prevention and response specialists to support the development of strong scientific information and the timely and thorough review of permits.

### **Priority Performance Goal: Climate Change Adaptation**

*Goal:* By September 30, 2015, the Department of the Interior will demonstrate "maturing" implementation of climate change adaptation, as scored when implementing strategies provided in its Strategic Sustainability Performance Plan.

The BSEE fully supports the Secretary's commitment to ensure agencies are integrating climate change adaptation into policies, plans, programs, and operations. The BSEE has made efforts to support this initiative and will continue to do the following:

- Support the Rigs to Reefs policy that helps create new, thriving, and sustainable habitats for marine life which could become important aquatic life refuges as climate change impacts arise.
- Restrict gas venting and flaring offshore and use infrared technology to identify gas emissions in excess of approved venting and flaring requests.
- Provide experts and input, while serving on the National Ocean Council, Climate Change Taskforce, Science Advisor/Science Integrity Officer Working Group and other expert panels as requested to further the Department's policies for climate adaptation.
- Work toward replacing our current fleet of GSA vehicles from non-hybrid to hybrid vehicles.
- Train staff about preparedness and response to natural disasters that may be attributed to climate change.
- Take precautionary measures to mitigate against future extreme storm events that may be associated with climate change. The BSEE is currently spending \$4.0 million in Hurricane Sandy Mitigation funds, that DOI received as part of the Disaster Relief Appropriations Act, 2013 (P.L. 113-2), at the Ohmsett facility located in Leonardo, New Jersey, to protect the facility from potential future storm damage. This funding, transferred from funds appropriated to the

Department to be used for mitigation by the bureaus, is in addition to the \$3.0 million in supplemental funding BSEE received in direct appropriations for Hurricane Sandy recovery efforts. Mitigation efforts at Ohmsett should be completed in FY 2016.

- The BSEE's climate change adaptation efforts are ongoing. The BSEE will be working with a contractor in calendar year 2014 to develop additional performance metrics.

### **Priority Performance Goal: Youth Stewardship of Natural and Cultural Resources**

*Goal:* By September 30, 2015, the Department of the Interior will provide 40,000 work and training opportunities over two fiscal years (FY 2014 and FY 2015) for individuals age 15 to 25 to support the mission of the Department.

The BSEE fully supports the Secretary's commitment to engage young people in the management and conservation of the resources that are entrusted to the Department, as well as the Priority Performance Goal that supports this initiative.

The BSEE has taken a number of steps to attract, retain, and train younger employees that provide management of oil and gas activities on the OCS. These include the following:

- Recruitment Teams - BSEE has recruitment teams throughout its regional offices that target engineers and scientists at the entry level and mid-level grades by visiting universities and engineering departments and attending conferences.
- Utilization of existing authority – BSEE has actively used existing authority to offer recruitment, retention, and relocation incentives, including student loan repayments for eligible employees whenever appropriate.
- Partnership - DOI has established a cooperative agreement with the Partnership for Public Service (PPS) to fund Student Ambassadors. Students will be selected competitively from each summer's pool of technical interns to return to their campuses for the new academic year and act as "ambassadors" for DOI to assist in recruitment efforts and branding recognition. The BSEE is currently pursuing this partnership and plans to hire three student ambassadors in 2014.
- The BSEE is working with a contractor in calendar year 2014 to develop performance metrics.

### **Administration's Management Agenda**

**President's Management Agenda:** The Department of the Interior supports the President's Management Agenda to cut waste and implement a government that is more responsive and open. The BSEE budget supports the Department's plan to build upon the Accountable Government Initiative through a set of integrated enterprise reforms designed to support collaborative, evidence-based resource management decisions; efficient Information Technology (IT) Transformation; optimized programs, business processes, and facilities; and a network of innovative cost controlling measures that leverage strategic workforce alignment to realize an effective 21<sup>st</sup> Century Interior organization.

The BSEE will help achieve this by reducing "discretionary" travel through the use of alternative methods where feasible, such as the increased use of technology, including teleconferencing, video conferences, shared web sites, and web conferences as well as enhanced management attention and internal controls. All travel and conference attendance is being monitored to ensure the need to complete mission critical activities is not impacted. BSEE will continue to monitor other administrative spending in FY 2015 and apply best practices where prudent.



**Information Technology Transformation:** The FY 2015 President's Budget Request includes \$185,500 for BSEE's participation in the Department's IT Transformation efforts through the Department's Working Capital Fund. These funds will support IT Transformation project-level planning and coordination and the implementation of enterprise IT services.

*This page intentionally left blank.*

## **Performance Summary**



# FY 2015 PERFORMANCE BUDGET

## *Strategic Objective Performance Summary*

The FY 2015 budget request provides the resources needed to carry out the core functions of the Bureau of Safety and Environmental Enforcement (BSEE), including offshore regulatory programs; oil spill response planning; safety inspections, enforcement and investigations; environmental enforcement and compliance; well and production permitting; and production and development oversight.

### **STRATEGIC OBJECTIVE PERFORMANCE SUMMARY**

The FY 2014 - 2018 Department of the Interior (DOI) Strategic Plan, in compliance with the principles of the Government Performance and Results (GPRA) Modernization Act of 2010, provides a collection of mission objectives, goals, strategies and corresponding metrics that together constitute an integrated and focused approach for tracking performance across the wide range of DOI programs. While the DOI Strategic Plan for FY 2014 – FY 2018 is the foundational structure for the description of program performance measurement and planning for the FY 2015 President’s Budget, further details for achieving the Strategic Plan’s goals are presented in the DOI Annual Performance Plan and Report (APP&R). Bureau and program specific plans for FY 2015 are fully consistent with the goals, outcomes, and measures described in the FY 2014 - 2018 version of the DOI Strategic Plan and related implementation information in the APP&R.

### **Bureau Contribution**

Within the DOI Strategic Plan for FY 2014 – FY 2018, BSEE is aligned under the third mission area: *Powering Our Future and Responsible Use of the Nation’s Resources*. Specifically, its functions are captured within Goal One: *Secure America’s Energy Resources* and Strategy One: *Ensure environmental compliance and the safety of energy development*. The BSEE has two GPRA measures that assess its support of this strategy:

- The *Amount (in barrels) of operational offshore oil spilled per million barrels produced (excluding Hurricane-related spills)*, is an annual environmental measure comparing the amount of oil spilled during operations to the amount of oil produced. This measure takes into account all crude oil, condensate, and refined petroleum product spills of one barrel or greater that occur in Federal offshore waters as a result of mineral development, production, and transportation activities on the Outer Continental Shelf (OCS). Oil spills which occur from acts of nature (e.g., hurricanes and earthquakes), acts of terrorism, or activities other than those involved in Federal OCS oil and gas production and transportation are excluded from the measure (e.g. non-Federal OCS petroleum spills from marine transportation, fishing, recreational and other activities which occurred on the Federal OCS).
- The *Number of recordable injuries per 200,000 offshore man hours worked (100 man years)* is an annual safety incident rate of all recordable injuries (including fatalities) that are associated with BSEE-regulated activities. Beyond fatalities, recordable injuries are those injuries that require medical treatment beyond first aid, excluding those that are due to natural causes, illness, or that are self-inflicted. The man hours worked count covers all operator and contractor hours worked for production, construction, and drilling operations on the OCS (200,000 man hours equates to approximately 100 full time workers).

The BSEE strategies also support DOI Mission Area 4: Engaging the Next Generation and DOI's mission of Building a 21<sup>st</sup> Century Department of the Interior.

BSEE continues to review, update, and add to its Bureau-level performance measures. The Bureau currently also reports on the total number of compliance inspections completed and the utilization rate achieved at Ohmsett National Oil Spill Response Research test facility each fiscal year. The BSEE's current GPRA measures, supporting measures, and their respective results are included in the following Goal Performance table.

Table 3: Goal Performance Table

Target Codes:		SP- Strategic Plan measures	HPG- High Performance Goal	BUR - Bureau specific measure	UNK- Prior year data unavailable	TBD- Targets have not yet been developed	NA- Long-term targets are inappropriate to determine at this time	
Type Codes:		C - Cumulative Measures	A - Annual Measures	F - Future Measures				
Mission Area 2: Sustainably Manage Energy, Water, and Natural Resources								
Goal 1: Secure America's Energy Resources								
Supporting Performance Measures	Type	2010 Actual	2011 Actual	2012 Actual	2013 Plan	2013 Actual	2014 Plan	2015 Request
<b>GPRA Measures</b>								
Amount (in barrels) of operational offshore oil spilled per million barrels produced (excluding Hurricane-related spills) (SP)	A	7,600 (est.) (4,590,369/ 604 million )	0.42 (est.) (243/581 million)	0.26 (est.) (141/547 million)	<4.5	0.099 (47.86/ 482 million)	<4.5	<4.5
Total amount (in barrels) of offshore oil spilled per million barrels produced (including Hurricane-related spills)(BUR)	A	7,600 (est.) (4,590,369/ 604 million )	0.42 (est.) (243/581 million)	0.26 (est.) (144/547 million)	--	0.099 (47.86/ 482 million)	--	--
Contributing Programs								
Operations, Safety and Regulation and Environmental Enforcement								
<p>In FY 2013, 15 operational spill events greater than 1 barrel were reported resulting in approximately 48 barrels of oil being spilled, with the largest spill reported being approximately 15 barrels. Currently production for FY 2014 is estimated to be 482 million barrels resulting in operational and total oil spill ratios of 0.099 and 0.099 respectively. In FY 2010, government scientists estimated that 4.9 million barrels of oil were spilled on the OCS following the explosion and sinking of the Deepwater Horizon drilling rig off the coast of Louisiana. The National Incident Command Report estimated that burning, skimming and direct recovery from the wellhead removed one quarter (25%) of the oil released from the wellhead; one quarter (25%) of the total oil naturally evaporated or dissolved, and just less than one quarter (24%) was dispersed (either naturally or as a result of operations) as microscopic droplets into Gulf waters. Although FY 2010 results for the oil spill ratio greatly exceeded the planned target, future targets will remain at the annual target of less than 4.5 barrels spilled per million barrels produced.</p> <p>NOTE: Oil spill data are constantly updated as additional information becomes available through the completion of investigations and/or recovery operations; occasionally, a spill may be deleted or added a year or more later and result in historical data revisions. A final spill volume for the Deepwater Horizon accident has not been determined. Therefore the numerator for the FY2010 Operational Oil Spill ratio and the rate itself are both estimates.</p>								
Comments								

Supporting Performance Measures	Type	2010 Actual	2011 Actual	2012 Actual	2013 Plan	2013 Actual	2014 Plan	2015 Request
Number of Recordable Injuries per 200,000 Offshore Man Hours Worked (DOI-Regulated Activities ONLY) (SP)	A	N/A	0.30 (revd) (171/569)	0.28 (est.) (186/657)	<0.50	0.306 (est.) (211/688)	<0.50	<0.50
Contributing Programs	Operations, Safety and Regulation							
Comments	This strategic plan measure is an incident rate of all Recordable Injuries (i.e., injuries that require medical treatment beyond first aid and fatalities) that occur during DOI-regulated activities in the fiscal year for every 200,000 offshore man hours worked (which is the approximate equivalent of 100 full-time workers). In FY 2013, there were 211 recordable injuries reported for activities with BSEE's jurisdiction and the estimated number of man years worked was 68,848. These estimated results indicate that in FY 2013 there was approximately 1 recordable injury in DOI-regulated activities for every 326 full-time offshore workers. Because safety levels are best evaluated as trends over multiple years, targets for FY 2014 and beyond are based on analysis of historical recordable injury rates against an extrapolation of voluntary man hour reporting from operators in previous years. The Safety and Environmental Management System (SEMS) regulation that went into effect in November 2010 requires all operators to report offshore man hours worked during the calendar year.							
Number of fatalities among workers in DOI permitted activities (BUR)	A	11	2	0	3	4	3	3
Contributing Programs	Operations, Safety and Regulation							
Comments	In FY 2013, there were four fatalities among offshore workers in DOI-regulated activities. Three of the fatalities resulted from an explosion and fire on a platform in the Gulf of Mexico operated by Black Elk Energy Offshore Operations (Black Elk). The explosion and fire occurred during welding work that was being conducted as part of construction operations on November 16, 2012. The 4th fatality occurred on January 26, 2013 when a worker was fatally injured in a suspected electrical incident on a jack-up rig at SS 170. This incident is still being investigated. There was a 5th fatality that occurred in FY 2013, however, it was a helicopter incident and was not under BSEE's primary jurisdiction. Because safety levels are best evaluated as trends over multiple years, targets for the fatalities are developed based on reducing a rolling 5-year average, which includes the FY 2010 explosion and sinking of the Deepwater Horizon drilling rig off the coast of Louisiana resulted in 11 deaths.							
Less than X% of total gas produced is flared or vented offshore (BUR) (Calendar Yr)	A	0.36% (8,295,702/2,289,085,773 MCF) (Rev)	0.33% (6,236,550/1,862,844,400) (Rev)	0.39% (6,070,151/1,563,186,639) (Rev)	0.70%	0.38% (est) (3,921,621/1,028,144,258)	0.70%	0.70%
Contributing Program	Environmental Enforcement (sub-activity of Operations, Safety and Regulations)							
Comments	Industry statistics for venting and flaring show worldwide rates ranging from 0.2% to 100%. Due to satellite monitoring and verification, flaring and venting on the OCS is kept to a minimum. Since FY 2008 U.S. annual average rates have ranged from 0.28% to 0.72%. In April of 2010, BSEE published revised flaring and venting regulations requiring operators to install flare/vent meters on all OCS facilities that process more than 2,000 bbl of oil per day. Previously operators were allowed to estimate these flare/vent volumes. The revised regulations will improve the accuracy of flaring data but may increase reported volumes. Long-term targets will be determined once data has been collected for multiple years under the revised regulations.							



Supporting Performance Measures	Type	2010 Actual	2011 Actual	2012 Actual	2013 Plan	2013 Actual	2014 Plan	2015 Request
Achieve a utilization rate of X% at Ohmsett, the national oil spill response test facility (BUR)	A	93% (222/240)	84% (202/240)	94% (226/240)	85%	93% (206/222)	85%	85%
Contributing Programs								
Oil Spill Research								
<p><i>Ohmsett is the National Oil Spill Response Test Facility located in New Jersey. At Ohmsett, clients can test oil spill response equipment in realistic conditions and have training in the use of the equipment. This measure evaluates the utilization level of the facility. The increased focus on oil spill response, as well as expanded uses for the facility such as dispersant training and renewable energy wave tests, have sustained overall utilization rates at around 85%.</i></p>								
Supporting Performance Measures	Type	2010 Actual	2011 Actual	2012 Actual	2013 Plan	2013 Actual	2014 Plan	2015 Request
Total Number of Compliance Inspections Completed (BUR)	A	23,619	20,537	23,025	24,000	24,195	25,000	25,000
Contributing Programs								
Operations, Safety and Regulation								
<p><i>On April 30, 2010, the President directed the Secretary to conduct a 30-day review of the Deepwater Horizon event and to report what additional precautions and technologies should be required to improve the safety of oil and gas exploration and production operations on the outer continental shelf. One of the key recommendations included in that report, as well as other subsequent reports, is that the BSEE needs to increase its oversight and evaluate/ revise the manner in which it conducts its drilling inspections.</i></p> <p><i>Since 2010, the inspector/investigator workforce has increased over 40% and BSEE has begun to develop and implement a new inspection strategy that focuses on risk and the use of advanced inspection technologies. Inspection performance trends are not increasing as fast as previously planned due to an increased focus on the witnessing of complex high-risk activities (e.g., BOP testing and cement/casing activities) that consume more resources to inspect and the extended time required to hire and train new inspectors so they can independently conduct inspections and other safety/environmental enforcement work. Additionally, there is a high rate of turnover with inspectors seeking employment with industry. For these reasons, it is difficult to determine how many inspections will be completed beyond FY 2014.</i></p>								
Comments								

Supporting Performance Measures	Type	2010 Actual	2011 Actual	2012 Actual	2013 Plan	2013 Actual	2014 Plan	2015 Request
Conduct full Coast Guard inspections on X% of manned offshore facilities annually (BUR)	A	16.5% (169/1021)	14.3% (141/985)	14.3% (133/932)	10%	24% (229/959)	10%	10%
Contributing Programs	Operations, Safety and Regulation							
Comments	<p><i>Inspection of U.S. Coast Guard regulated items is a function that was provided for by regulation but one for which BSEE is not reimbursed. Assumption of limited responsibilities by BSEE was pursued following a report by the Inspector General that the U.S. Coast Guard was not conducting inspections of safety items on fixed facilities, as required by law. At this time, BSEE inspectors conduct a limited FPSIP (fixed platform self inspection program) inspection on every platform that they visit and have an annual target of conducting full FPSIP inspections on 10 percent of manned facilities.</i></p>							

## **Budget Tables**



# Bureau of Safety and Environmental Enforcement

## Budget At A Glance Table

### Bureau of Safety and Environmental Enforcement Budget At A Glance

Dollars in Thousands (\$000)

	2013 Actual	2014 Enacted	Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2015 Request
<b>Appropriation: Operations, Safety, and Environmental Enforcement</b>						
Environmental Enforcement Activity <sup>1</sup>	3,899	8,314		-8,314		0
Activity Total, Environmental Enforcement	3,899	8,314	0	-8,314	0	0
Operations, Safety and Regulation Activity	125,388	132,207	+485	+8,314	+905	141,911
Activity Total, Operations, Safety and Regulation	125,388	132,207	+485	+8,314	+905	141,911
Administrative Operations Activity	14,756	15,560	+116			15,676
Activity Total, Administrative Operations	14,756	15,560	+116	0	0	15,676
General Support Services Activity	11,966	13,513	+399			13,912
Activity Total, General Support Services	11,966	13,513	+399	0	0	13,912
Executive Direction Activity	17,182	18,121	+106			18,227
Activity Total, Executive Direction	17,182	18,121	+106	0	0	18,227
<b>TOTAL, Operations, Safety, and Environmental Enforcement</b>	<b>173,191</b>	<b>187,715</b>	<b>+1,106</b>	<b>0</b>	<b>+905</b>	<b>189,726</b>
<b>Appropriation: Oil Spill Research</b>						
Oil Spill Research	14,120	14,899				14,899
Activity Total, Oil Spill Research	14,120	14,899	0	0	0	14,899
<b>TOTAL, Oil Spill Research</b>	<b>14,120</b>	<b>14,899</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14,899</b>
<b>Appropriation: Disaster Relief Appropriations Act, 2013 (P.L. 113-2)</b>						
Disaster Relief Supplemental	2,850					0
Activity Total, Disaster Relief Supplemental	2,850	0	0	0	0	0
<b>TOTAL, Disaster Relief Appropriations Act, 2013 (P.L. 113-2)</b>	<b>2,850</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL, Bureau of Safety and Environmental Enforcement (w/o supp)</b>	<b>187,311</b>	<b>202,614</b>	<b>+1,106</b>	<b>0</b>	<b>+905</b>	<b>204,625</b>
<b>TOTAL, Bureau of Safety and Environmental Enforcement (w/ supp)</b>	<b>190,161</b>	<b>202,614</b>	<b>+1,106</b>	<b>0</b>	<b>+905</b>	<b>204,625</b>

<sup>1/</sup> The FY 2015 request consolidates the Environmental Enforcement Activity into the Operations, Safety and Regulation Activity.

*This page intentionally left blank.*

# Bureau of Safety and Environmental Enforcement

## Summary of Requirements Tables

### Offshore Safety and Environmental Enforcement Appropriation

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

Account	2013 Actual	2014 Enacted		Fixed Costs & Related (+/-)	Internal Transfers (+/-)	Program Changes (+/-)		2015 Request		Change from CY (+/-)	
	Amount	Total FTE	Amount			FTE	Amount	FTE	Amount	FTE <sup>1</sup>	Amount
<b>Offshore Safety &amp; Environmental Enforcement</b>											
<b>Environmental Enforcement<sup>2</sup></b>											
Direct Appropriation	1,420	30	3,027	-	-3,027	-30	-	-	-	-30	-3,027
Offsetting Collections	2,479	-	5,287	-	-5,287	-	-	-	-	-	-5,287
<b>Subtotal, Environmental Enforcement</b>	3,899	30	8,314	-	-8,314	-30	-	-	-	-30	-8,314
<b>Operations, Safety and Regulation<sup>2</sup></b>											
Direct Appropriation	34,993	430	37,478	+146	+4,134	+58	+905	488	42,663	+58	+5,185
Offsetting Collections	90,395	-	94,729	+339	+4,180	-	-	-	99,248	-	+4,519
<b>Subtotal, Operations, Safety and Regulation</b>	125,388	430	132,207	485	+8,314	+58	+905	488	141,911	+58	+9,704
<b>Administrative Operations</b>											
Direct Appropriation	4,732	232	4,990	+37	-	+15	-	247	5,027	+15	+37
Offsetting Collections	10,024	-	10,570	+79	-	-	-	-	10,649	-	+79
<b>Subtotal, Administrative Operations</b>	14,756	232	15,560	116	-	+15	-	247	15,676	+15	+116
<b>General Support Services</b>											
Direct Appropriation	3,785	-	4,275	+126	-	-	-	-	4,401	-	+126
Offsetting Collections	8,181	-	9,238	+273	-	-	-	-	9,511	-	+273
<b>Subtotal, General Support Services</b>	11,966	-	13,513	399	-	-	-	-	13,912	-	+399
<b>Executive Direction</b>											
Direct Appropriation	13,251	104	13,975	+81	-	+8	-	112	14,056	+8	+81
Offsetting Collections	3,931	-	4,146	+25	-	-	-	-	4,171	-	+25
<b>Subtotal, Executive Direction</b>	17,182	104	18,121	106	-	8	-	112	18,227	+8	+106
<b>Total</b>	173,191	796	187,715	+1,106	-	+51	+905	847	-	+51	+2,011
Total Direct Appropriation	58,181	796	63,745	+390	+1,107	-	+905	847	66,147	+51	+2,402
Total Offsetting Collections	115,010	-	123,970	+716	-1,107	-	-	-	123,579	-	-391
<b>Total, OSEE</b>	173,191	796	187,715	+1,106	-	-	+905	847	189,726	+51	+2,011

<sup>1/</sup> The total FTE request for FY 2015 is +2 FTE. The technical adjustment of 49 FTE aligns current staffing levels to those projected for the budget year base program. The FTE growth reflects current hiring trends that support measured growth, considering the challenges of filling technical positions across the Bureau. No additional funding is requested as a result of this adjustment.

<sup>2/</sup> The FY 2015 Request merges the Environmental Enforcement Activity into the Operations, Safety and Regulation Activity.

Oil Spill Research Appropriation

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

Account	2013 Actual	2014 Enacted		Fixed Costs & Related (+/-)	Internal Transfers (+/-)	Program Changes (+/-)		2015 Request		Change from CY (+/-)	
	Amount	Total FTE	Amount			FTE	Amount	FTE	Amount	FTE	Amount
<b>Oil Spill Research</b>	<b>14,120</b>	<b>22</b>	<b>14,899</b>	0	0	0	0	<b>22</b>	<b>14,899</b>	0	0
Disaster Relief Appropriations Act, 2013 (P.L. 113-2)	2,850	0	0	0	0	0	0	0	0	0	0
<b>TOTAL FUNDING, Oil Spill Research</b>	<b>16,970</b>	<b>22</b>	<b>14,899</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>22</b>	<b>14,899</b>	<b>0</b>	<b>0</b>



# Bureau of Safety and Environmental Enforcement

## *Fixed Costs and Internal Realignments*

<b>Fixed Cost Changes and Projections</b>	<b>2015 Change</b>
<b>Change in Number of Paid Days</b>	
This column reflects changes in pay associated with the change in the number of paid days between FY 2014 and FY 2015. In years where there is no change in paid days, the salary impact will be zero.	-
<b>Pay Raise</b>	
The 2015 Change column reflects the change in personnel costs resulting from the 1.0% pay increase proposed in FY 2015.	+834
<b>Employer Share of Federal Health Benefit Plans</b>	
The change reflects expected increases in employer's share of Federal Health Benefit Plans.	+45
<b>Employer Share of FERS Contributions</b>	
The change reflects expected increases in employer's share of contributions to the Federal Employee Retirement System per OMB Circular A-11 guidance.	-
<b>Departmental Working Capital Fund</b>	
The change reflects expected changes in the charges for centrally billed Department services and other services through the Working Capital Fund. These charges are displayed in the Budget Justification for Department Management.	-172
<b>Worker's Compensation Payments</b>	
The adjustment is for changes in the costs of compensating injured employees and dependents of employees who suffer accidental deaths while on duty. Costs for the BY will reimburse the Department of Labor, Federal Employees Compensation Fund, pursuant to 5 U.S.C. 8147(b) as amended by Public Law 94-273.	+40
<b>Unemployment Compensation Payments</b>	
The adjustment is for projected changes in the costs of unemployment compensation claims to be paid to the Department of Labor, Federal Employees Compensation Account, in the Unemployment Trust Fund, pursuant to Public Law 96-499.	+1
<b>Rental Payments</b>	
The adjustment is for changes in the costs payable to General Services Administration (GSA) and others resulting from changes in rates for office and non-office space as estimated by GSA, as well as the rental costs of other currently occupied space. These costs include building security; in the case of GSA space, these are paid to Department of Homeland Security (DHS). Costs of mandatory office relocations, i.e. relocations in cases where due to external events there is no alternative but to vacate the currently occupied space, are also included.	+358
<b>Total, Fixed Cost Changes</b>	<b>+1,106</b>

*This page intentionally left blank.*

## **Language Citations**



# 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, [~~\$122,715,000~~]*\$124,726,000*, of which [~~\$63,745,000~~]*\$66,147,000* is to remain available until September 30, [2015]*2016* and of which [~~\$58,970,000~~]*\$58,579,000* is to remain available until expended: *Provided*, That this total appropriation shall be reduced by amounts collected by the Secretary and credited to this appropriation from additions to receipts resulting from increases to lease rental rates in effect on August 5, 1993, and from cost recovery fees from activities conducted by the Bureau of Safety and Environmental Enforcement pursuant to the Outer Continental Shelf Lands Act, including studies, assessments, analysis, and miscellaneous administrative activities: *Provided further*, That the sum herein appropriated shall be reduced as such collections are received during the fiscal year, so as to result in a final fiscal year [2014]*2015* appropriation estimated at not more than [~~\$63,745,000~~]*\$66,147,000*.

For an additional amount, \$65,000,000, 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 [2014]*2015*, as provided in this Act: *Provided*, That to the extent that amounts realized from such inspection fees exceed \$65,000,000, the amounts realized in excess of \$65,000,000 shall be credited to this appropriation and remain available until expended: *Provided further*, That for fiscal year [2014]*2015*, 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.

#### Oil Spill Research Appropriation Account

For necessary expenses to carry out title I, section 1016, title IV, sections 4202 and 4303, title VII, and title VIII, section 8201 of the Oil Pollution Act of 1990, \$14,899,000, which shall be derived from the Oil Spill Liability Trust Fund, to remain available until expended.

## General Provisions

(See General Provisions chapter of the Office of the Secretary 2015 budget justification.)

### OUTER CONTINENTAL SHELF INSPECTION FEES

SEC. 107. (a) In fiscal year [2014]2015, the Secretary shall collect a nonrefundable inspection fee, which shall be deposited in the "Offshore Safety and Environmental Enforcement" account, from the designated operator for facilities subject to inspection under 43 U.S.C. 1348(c).

(b) Annual fees shall be collected for facilities that are above the waterline, excluding drilling rigs, and are in place at the start of the fiscal year. Fees for fiscal year [2014]2015 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 [2014]2015. Fees for fiscal year [2014]2015 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) The Secretary shall bill designated operators under subsection (b) within 60 days, with payment required within 30 days of billing. The Secretary shall bill designated operators under subsection (c) within 30 days of the end of the month in which the inspection occurred, with payment required within 30 days of billing.

### BUREAU OF OCEAN ENERGY MANAGEMENT, REGULATION AND ENFORCEMENT REORGANIZATION

SEC. 109. The Secretary of the Interior, in order to implement a reorganization of the Bureau of Ocean Energy Management, Regulation and Enforcement, may transfer funds among and between the successor offices and bureaus affected by the reorganization only in conformance with the reprogramming guidelines [for division G in the explanatory statement described in section 4 (in the matter preceding division A of this consolidated Act)] *described in the report accompanying this Act.*

## **Bureau of Safety and Environmental Enforcement**

### *Mandatory Accounts and Offsetting Collections Proposals*

For a complete, detailed discussion of the Department's proposed Mandatory and Offsetting Collections Proposals, please refer to the Mandatory Proposals chapter of the Office of the Secretary FY 2015 budget justification.

**Federal Oil and Gas Reforms** – The 2015 budget includes a package of legislative reforms to bolster and backstop administrative actions being taken to reform the management of Interior's onshore and offshore oil and gas programs, with a key focus on improving the return to taxpayers from the sale of these Federal resources and on improving transparency and oversight. Proposed statutory and administrative changes fall into three general categories: advancing royalty reforms, encouraging diligent development of oil and gas leases, and improving revenue collection processes.

Royalty reforms include evaluating minimum royalty rates for oil, gas, and similar products, adjusting the onshore royalty rate, analyzing a price-based tiered royalty rate, and repealing legislatively-mandated royalty relief. Diligent development requirements include shorter primary lease terms, and monetary incentives to get leases into production through a new per-acre fee on nonproducing leases. Revenue collection improvements include simplification of the royalty valuation process, elimination of interest accruals on company overpayments of royalties, and a permanent repeal of Interior's authority to accept in-kind royalty payments. Collectively, these reforms will generate \$2.5 billion in revenue to the Treasury over ten years, of which nearly \$1.7 billion will result from statutory changes. Many States also will benefit from higher Federal revenue sharing payments as a result of these reforms.

The oil and gas reform package also includes a proposal to amend Section 365 of the Energy Policy Act of 2005 to extend the Act's permit processing pilot office authority beyond 2015 and remove the current limitation of the authority to only those pilot offices explicitly identified in the Energy Policy Act. This change will provide the Bureau of Land Management with greater flexibility in locating these offices where they can be most effective as industry permitting demands change over time. The pilot office authority allows BLM to fund personnel from other agencies that are assigned to these pilot offices. This authority has improved BLM's efficiency in processing Applications for Permits to Drill and other use authorizations. The 2015 legislative proposal does not extend the Permit Processing Improvement Fund that was also established by Section 365. This permanent funding source is scheduled to expire at the end of 2015.

*This page intentionally left blank.*



## **Environmental Enforcement**



# FY 2015 PERFORMANCE BUDGET REQUEST

## Environmental Enforcement Activity

**Table 4: Environmental Enforcement Activity Budget Summary**

		2013 Actual	2014 Enacted	Fixed Costs and Related Changes (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2015 Request	Changes from 2014 (+/-)
<b>Environmental Enforcement</b>	(\$000)	3,899	8,314	-	-8,314	-	-	-8,314
	FTE <sup>1/</sup>	18	30	-	-30	-	-	-30

<sup>1/</sup> The FY 2015 Request consolidates the Environment Enforcement Activity into the Operations, Safety and Regulation Activity.

### **INTERNAL TRANSFERS**

The FY 2015 budget request for the Environmental Enforcement Activity is -\$8,314,000 and -30 FTE, a net decrease of \$8,314,000 and -30 FTE over the FY 2014 Enacted.

### **Consolidation of Environmental Enforcement Activity into the Operations, Safety and Regulation Activity (-\$8,314,000; -30 FTE)**

The 2015 request proposes merging the BSEE's Environmental Enforcement Program, which was previously funded through the Environmental Enforcement Activity, into the Operations, Safety and Regulation Activity. The BSEE Environmental Enforcement Program (EEP) is an integral part of the Bureau's overall increased safety initiative. Similar to the offshore inspection program, the EEP assures that industry is adopting an overall and comprehensive approach to environmental protection measures. Combining the EEP into the BSEE Operations, Safety and Regulation activities will allow for better identification of regulatory needs for enhanced environmental compliance and closer coordination between the EEP and the newly established Safety and Environmental Management Systems (SEMS) program. The merger will also allow better management and oversight of all of the compliance programs in BSEE. The EEP will continue to foster environmental compliance, inspection, investigation, and enforcement programs that assure the highest level of environmental standards for all offshore energy activities.

*This page intentionally left blank.*

## **Operations, Safety, and Regulation**



# FY 2015 PERFORMANCE BUDGET REQUEST

## Operations, Safety and Regulation Activity

**Table 5: Operations, Safety and Regulation Activity Budget Summary**

		2013 Actual	2014 Enacted	Fixed Costs and Related Changes (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2015 Request	Changes from 2014 (+/-)
Environmental Enforcement <sup>1/</sup>	(\$000)	3,899	8,314	-	-8,314	-	-	-8,314
	FTE <sup>1/</sup>	18	30	-	-30	-	-	-30
Operations, Safety and Regulation	(\$000)	125,388	132,207	+485	+8,314	+905	141,911	+9,704
	FTE <sup>2/</sup>	359	430	-	+30	+28	488	+58
<b>Operations, Safety and Regulation Total</b>	<b>(\$000)</b>	<b>129,287</b>	<b>140,521</b>	<b>+485</b>	<b>-</b>	<b>+905</b>	<b>141,911</b>	<b>+1,390</b>
	<b>FTE <sup>2/</sup></b>	<b>377</b>	<b>460</b>	<b>-</b>	<b>-</b>	<b>+28</b>	<b>488</b>	<b>+28</b>
<b>Major Program IT Investments</b>								
Technical Information Management System (TIMS) <sup>3/</sup>	(\$000)	[7,355]	[8,160]	-	-	-	[7,789]	[-371]
	FTE	-	-	-	-	-	-	-

<sup>1/</sup> The FY 2015 Request consolidates the Environment Enforcement Activity into the Operations, Safety and Regulation Activity.

<sup>2/</sup> The total FTE increase requested for FY 2015 is 2 FTE. The technical adjustment of 26 FTE aligns current staffing levels to those projected for the budget year base program. The FTE growth reflects current hiring trends that support measured growth, considering the challenges of filling technical positions across the Bureau. No additional funding is requested as a result of this adjustment.

<sup>3/</sup> TIMS is a BSEE owned system, which it shares with BOEM. The amounts shown are the BSEE only portion.

### SUMMARY OF 2015 PROGRAM CHANGES

Request Component	Amount (\$000)	FTE
Best Available and Safest Technologies	+905	+2
FTE technical adjustment		+26
<b>Total Program Changes:</b>	<b>+905</b>	<b>+28</b>

### INTERNAL TRANSFERS

#### Consolidation of Environmental Enforcement Activity (+\$8,314,000; +30 FTE)

The 2015 request proposes merging the BSEE's Environmental Enforcement Program, which was previously funded through the Environmental Enforcement Activity, into the Operations, Safety and Regulation Activity. The BSEE Environmental Enforcement Program (EEP) is an integral part of the Bureau's overall increased safety initiative. Similar to the offshore inspection program, the EEP assures that industry is adopting an overall and comprehensive approach to environmental protection measures. Combining the EEP into the BSEE Operations, Safety and Regulation activities will allow for better identification of regulatory needs for enhanced environmental compliance and closer coordination between the EEP and the newly established Safety and Environmental Management Systems (SEMS) program. The merger will also allow better management and oversight of all of the compliance programs in BSEE. The EEP will continue to foster environmental compliance, inspection, investigation, and

enforcement programs that assure the highest level of environmental standards for all offshore energy activities.

## **JUSTIFICATION OF 2015 PROGRAM CHANGES**

---

The 2015 budget request for the Operations, Safety and Regulation Activity is \$141,911,000 and 488 FTE, a net increase of \$ 1,390,000 and +28 FTE over the 2014 Enacted level.

### **Best Available and Safest Technologies (+\$905,000; +2 FTE)**

The BSEE is requesting funding needed to further decrease the risks associated with offshore oil and gas operations by increasing the evaluation, testing and use of new and emerging technologies and identification of Best Available and Safest Technologies (BAST). The funds will support two additional FTE to work in specific areas, such as acting as technical liaisons with the newly established Offshore Energy Safety Institute; acting as Subject Matter Experts for evaluating new technology being proposed by industry in Deepwater Operating Plans; evaluating and proposing new and updated standards development for new technologies; and acting as technical experts for identifying and including BAST into new and updated regulations.

The remaining funds will support the testing and evaluation of BAST through Joint Industry Projects that are targeted to leverage the funds at least 3:1 to address issues associated with technology validation, testing protocols and economic feasibility analysis.

**Impact of Not Funding:** If the funds are not provided, BSEE's ability to fully evaluate the risks associated with various emerging technologies would be reduced. These risks are growing as high pressure, high temperature drilling becomes more common. Approval of these types of permits requires BSEE to have a clear understanding of the proposed alloys to be used in these harsh environments and the risks associated with non-standard metallurgy. The funds are intended to facilitate coordination on critical technical issues with the newly established Ocean Energy Safety Institute; evaluation of these new technologies; and development of new regulations and standards that incorporate the information derived from these efforts and studies. In addition, some of the emerging technologies may be considered BAST, which will require significant evaluation, laboratory testing, field testing and economic analysis to bring the technology into an industry-wide standard. Loss of these funds will reduce BSEE's ability to make progress on identifying new risk-reducing and safety-enhancing technologies for the offshore oil and gas industry.

**FTE technical adjustment (+26 FTE):** The technical adjustment of 26 FTE aligns current staffing levels to those projected for the budget year base program. The FTE growth reflects current hiring trends that support measured growth, considering the challenges of filling technical positions across the Bureau. No additional funding is requested as a result of this adjustment.

## **PROGRAM OVERVIEW**

---

The BSEE works to assure that energy and mineral development activities are conducted in a safe and environmentally sound manner, with safety being at the forefront of all activity on the OCS. The Bureau continually seeks operational improvements that will reduce the risks to offshore personnel and the environment. Coordinated efforts target the areas of greatest risk for compliance and enforcement actions. Additionally, BSEE continues to evaluate procedures and regulations to stay abreast of industries' technological advances which will ensure safe and clean operations as well as conserving the



Nation's natural resources. These functions include Regulatory Development, Standards Development, Review and Approval of OCS Permits, Inspections, Investigations and Risk Management, Safety and Environmental Management Systems, Real-Time Monitoring, Conservation Management, Emerging Technologies Evaluations, Compliance and Enforcement, and Oil Spill Response Planning and Preparedness.

## **PERFORMANCE OVERVIEW**

---

**Regulatory Development:** The goal of BSEE's comprehensive management program of energy and mineral operations on the OCS is to ensure that these operations are conducted in a safe and environmentally sound manner. The foundation of this program is a set of regulations that govern all aspects of offshore energy, from engineering specifications for offshore facilities to training requirements for OCS workers. The BSEE will continually review these regulations to update and revise them as necessary so they include the most effective requirements for safety and environmental protection on the OCS, and will continue efforts to improve efficiency in its regulatory program. These efforts will focus on the identification and evaluation of regulatory needs; streamlining the regulatory development process to ensure that high quality, enforceable, and legally defensible regulations are generated in a timely manner; and streamlining the incorporation of new and updated industry standards into regulations.

While the Bureau of Ocean Energy Management (BOEM) continues to implement an expanding renewable energy program, there are currently no operational units on the OCS. Current industry plans suggest the earliest the first structures could be fully constructed offshore would be sometime during 2015. The BSEE and the BOEM have established a transition team to plan for a future BSEE regulatory structure, including a potential inspection fee. The BSEE is also initiating evaluation of a methodology for including facility inspection capabilities into existing inspection and compliance programs and developing the appropriate regulatory authorities and appropriations language to support safe and environmentally responsible renewable energy development on the OCS.

The Bureau will continue to develop and revise regulations to ensure safety and environmental protection associated with offshore oil and gas operations and renewable energy resources. BSEE will focus on regulations related to drilling and production operations, transportation of oil and gas, the use of Best Available and Safest Technology (BAST) for Blow Out Preventers (BOPs) and the decommissioning of offshore facilities. These regulations will be based on priorities established from a comprehensive review of the existing oil and gas regulations. In addition, BSEE will continue to work with industry groups on standards development and assess those standards for possible incorporation into BSEE's regulations. Regulatory efforts will specifically address oil and gas pipeline requirements for the OCS; production measurement to ensure an accurate assessment of royalties; oil spill planning; updates of requirements for decommissioning to ensure that wells and facilities are removed in a timely manner; regulations to address special considerations and best practices for oil and gas development in the Arctic; revisions in regulations to ensure operators use the BAST; and updates to inspection and enforcement provisions to ensure BSEE can use a full range of tools for regulatory compliance.

**Standards Development:** In 2012, BSEE formed and began to staff a new Standards Development Section in response to recommendations related to the *Deepwater Horizon* event. This Section, under the Regulations and Standards Branch in the Office of Offshore Regulatory Programs now consists of a total of five FTE. This organization actively participates with external Standards Development Organizations (SDOs) to develop new or revised standards for safety and environmental protection on the Outer Continental Shelf (OCS). In addition, a directory of 35 Subject Matter Experts was compiled from all of the regional offices to assist in Standards Development. Further, to minimize travel costs associated with SDO meeting attendance, in 2014 BSEE will locate a total of five Section staff in Houston, Texas, where

most of the SDO meetings are held. This Section assists BSEE by optimizing the use of national and international standards in regulations for safe and environmentally sound development of OCS resources; collaborating with SDOs to expedite the incorporation of industry standards into BSEE regulations; increasing BSEE's knowledge and awareness of standards related to oil and natural gas development on the OCS and their applicability to the regulatory regime; and facilitating BSEE's ability to provide input on the standards. The organization has also been tasked with establishing more effective communication links with international standards organizations that can provide additional information to BSEE on the use of BAST standards in international energy development programs.

***Review and Approval of OCS Permits:*** Reviews of permits help to ensure that all OCS operators comply with regulatory standards and specific lease stipulations. BSEE performs detailed technical and environmental reviews of permits for exploration, development, and production on OCS lands, as well as permits for other activities such as the installation of pipelines. The ongoing effort by BSEE to develop performance-based operating regulations is expected to generate an increasing number of operator requests for approval of alternative compliance programs. Prior to making approval decisions on alternative compliance, BSEE must assess the alternatives to ensure they provide equal or greater protection than the regulatory requirements they would replace. BSEE will be required to commit a substantial and increasing amount of resources to these assessments in order to evaluate an operator's proposed alternative, verify adherence to approved plans, and determine effectiveness of technologies and procedures employed. To help manage the expected increase in permitting workload, BSEE has accelerated its effort to implement an ePermitting program that will allow BSEE to leverage information technology to collect, process, and approve OCS permits.

***Inspections, Investigations and Risk Management:*** Safety is a priority for both BSEE staff and for the operations that occur under BSEE's jurisdiction, and onsite facility inspections and enforcement actions are important components of BSEE's safety program. BSEE is working to institutionalize and standardize various risk-based approaches to inspection strategies to move from a more qualitative analyses of potential risks to a more quantitative approach. The Bureau has established ambitious performance targets for the conduct of thousands of inspections of OCS facilities and operations, including coverage of tens of thousands of safety and pollution prevention components each year to prevent offshore accidents and spills, and to ensure a safe working environment. The Bureau's goal is to conduct annual inspections of all oil and gas operations on the OCS to enforce its safety regulations designed to prevent blowouts, fires, spills, and other major accidents. The increases to inspection and oversight, most notably on drilling operations, combined with the increase in OCS oil and gas activities in the Gulf of Mexico, Pacific, and Alaska Regions have required that BSEE increase its inspector workforce and grow their skill base. Additionally, BSEE's inspection philosophy is evolving to promote a focus on the higher risk oil and gas activities.

The BSEE is also actively working to develop a risk-based inspection methodology for use at various levels within the regulatory program. The Bureau plans to use the information gleaned from an ongoing risk correlation analysis to learn more about the relative risks posed by discrete offshore oil and gas activities. The BSEE will then use the updated risk model to identify and focus Bureau inspections on the "riskiest" activities.

To meet the growing manpower demands, BSEE has engaged in an aggressive hiring effort to ensure its capability to achieve our scheduled and unscheduled inspections. The BSEE's inspection workforce has nearly doubled since 2010 to a total of 109 on board as of February 2014. Continued growth in the inspectors' ranks will increase the demand and costs associated with our employee health and safety standards program for inspectors and inspector training program, both for new hires and refresher training for experienced personnel. In response to this need, BSEE established a National Offshore Training

Program to improve how we provide the inspection workforce with the tools required to successfully perform their inspection duties while minimizing costs.

Significant progress on eInspections has been made since a pilot program was launched in select locations within the Gulf of Mexico Region to test a computer based tool for documenting the inspection process and results, including the development and internal deployment of the Incidents of Non-Compliance (INC) Response application. The INC Response application will be used by operators, beginning in 2014, to respond to incidents of non-compliance that are issued by BSEE inspectors during the inspection process. Operators will be able to view INCs issued to them; submit an informal appeal by requesting an INC rescission; request extension to complete the work; or resolve the issue and report the correction. At the same time, the application will allow BSEE personnel to review the operators' response and take appropriate action. System capabilities include: automatic notifications via email for status changes and pending actions, attaching supporting documents (e.g., picture, files, etc.) to electronically submitted INC Responses, and storing in the Electronic Document Management System (EDMS). Additional eInspections applications in various development/deployment phases include one that will allow BSEE to replace the current TIMS-based forms for creation and maintenance of inspection information for Rigs, Facilities, and Meters, along with inspection-related data such as questions, Potential Incidents of Non-Compliance (PINCs) lists, Fire Systems and Component management as well as an application that will allow operators to electronically submit facility safety system components data, along with Safety Analysis Function Evaluation (SAFE) chart and flow schematics, for review and approval by BSEE personnel.

During 2012 and 2013, BSEE started and expanded initiatives in risk management to identify leading and lagging indicators to support risk-based inspections and to develop next-generation enforcement tools. The BSEE collaborated with Argonne National Laboratory to evaluate historic PINCs/INC's to assess patterns that may be a gauge for identifying leading or lagging indicators of safety deficiencies. In addition, BSEE has initiated discussions with the various organizations to evaluate the existing "near-miss" programs in use. In 2013, BSEE established an interagency agreement with the Bureau of Transportation Statistics (BTS) to conduct a confidential near-miss program for the OCS, which would take advantage of BTS's authorities under the Confidential Information Protection and Statistical Efficiency Act to protect the confidential data.

The BSEE has the responsibility under OCSLA to conduct investigations and prepare a report of incidents associated with OCS development. The purpose of an investigation is to identify the cause(s) of the incident and to make recommendations to prevent their recurrence and the occurrence of similar incidents. The BSEE conducts an initial onsite investigation for many of the incidents reported and reviews all incidents reported to determine whether or not they will be investigated. In 2013, 75 incident investigations were completed. As a result of incident investigation report recommendations and other inspections and enforcement activities, BSEE publishes Safety Alerts to inform the offshore oil and gas industry of the circumstances surrounding an incident or near miss and to provide recommendations that will help prevent the recurrence of a similar incident on the OCS. Incident investigation reports may also recommend that the Bureau consider new or revised regulatory or inspection actions or other initiatives. Through active participation in industry activities such as the American Petroleum Institute's Center for Offshore Safety and aggressively establishing and maintaining relationships with other government agencies such as the United States Coast Guard, BSEE promotes effective utilization and coordination of respective investigative resources. Incident investigation reports are published on the BSEE website.

***Safety and Environmental Management Systems:*** The Safety and Environmental Management System (SEMS) is a nontraditional, performance-focused tool for integrating and managing operations on the

OCS. All operators on the OCS are required to have a functioning SEMS program in an effort to seek continuous improvement; focus on the influences that human error and poor organization have on accidents; encourage the use of performance-based operating practices; and collaborate with industry in efforts that promote the public interests of offshore worker safety and environmental protection.

All OCS operators must perform their first comprehensive SEMS audit within two years of implementation. The rule affects all lessees and operators of leases and pipeline rights-of-way holders on the OCS, including the estimated 65 percent of these companies that are considered small operators. The BSEE is working to provide an effective and comprehensive coverage of this requirement. The BSEE continues collecting audit reports and is reviewing and evaluating these reports and corrective action plans from approximately 100 operators.

The BSEE has also revised its original “Safety and Environmental Management” rule and published the new SEMS II rule on April 5, 2013. The SEMS II rule addresses safety concerns that were not covered in the original SEMS rule issued in October 2010.

***Real-Time Monitoring:*** The purpose of the real-time monitoring (RTM) program is to develop, test, and implement reforms that significantly improve and increase the regulatory oversight of critical offshore operations and equipment by strengthening the Inspection and Enforcement Program at BSEE. This can be accomplished by using innovative technologies and using risk-based inspection criteria to supplement BSEE’s current inspection program. Use of RTM technology and facilities to monitor OCS oil and gas drilling, well-completion, well workovers, well servicing and other rig related operations will help to meet the BSEE mission.

The BSEE is also considering other RTM opportunities not associated with onshore monitoring facilities and is currently working to determine which available RTM opportunities would provide the best return on the investment and which activities require on-site inspectors. Initially, the focus will be on high risk activities involving deepwater drilling and casing/cementing. The use of RTM will allow BSEE to quickly shift technical resources to evaluate these operations wherever they occur.

The RTM is increasingly being utilized by oil companies, particularly for oversight of higher risk drilling operations such as those in deepwater. This gives companies the opportunity to engage expert advisors onshore without the expense of having them located on the offshore facility. These advisors participate in a “real time” advisory capacity and provide offshore drilling personnel with “a second set of eyes.” Access to real-time information while high-risk activities are being conducted would allow BSEE access to those experts located on-shore, thus allowing real-time queries into the decision-making process as activities progress.

In 2012, BSEE sent technical engineering staff to evaluate the current state of monitoring activities at three RTM centers; Shell in New Orleans and Statoil and BP in Houston. The BSEE held discussions with each of the companies to determine which of these RTM capabilities could feasibly be incorporated into BSEE’s regulatory regime and inspection program and contracted for an independent assessment of the various types of real-time data monitoring systems available for offshore oil and gas operations. The assessment will identify what automation systems are available or being developed, the potential they have to increase offshore drilling safety, and any negative impacts they have on operations. BSEE is currently in the process of analyzing the results of the study.

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

**Emerging Technologies Evaluations:** The BSEE continues to promote identification of and use of BAST associated with energy and mineral operations, ranging from the drilling of oil and gas exploration wells in search of new reserves to the removal of platforms and related infrastructure once production operations have ceased. Although BSEE's efforts to advance the technology may involve any aspect of energy and mineral operations, particular attention is given to oil and gas drilling, workover, production, completions, structures, pipelines, decommissioning, human factors/risk assessment and measurement operations. Under the Emerging Technologies program, BSEE furthers the investigation of new technologies to promote safe, pollution-free operations and prevention of oil pollution and the improvement of oil spill response and clean-up.

Starting in FY 2012, BSEE focused its efforts to identify high-risk components and systems, such as BOPs, to ensure that industry was applying BAST in those areas where overall risks could be reduced. To take advantage of and leverage expertise from other Federal resources, BSEE has entered into an Interagency Agreement (IAA) with the Department of Energy's National Laboratory System to collaborate on risk-based decision making and applying BAST to offshore components, systems and procedures. The studies from this collaboration are expected to provide BSEE with information to aid the current and future inspection workforce and provide regional engineers with the tools to improve the way the use of BOPs are assessed and approved since these devices are considered to be the last line of defense for well containment. In addition, BSEE and the National Laboratory are developing procedures for performing barrier analyses of offshore oil and gas structures similar to those performed in the nuclear industry. The collection of risk based data will allow BSEE to better define and interpret the risks associated with the various physical barriers and then develop guidance, regulations, or standards that will reduce the associated risks. The barrier analyses will inform BSEE about those systems where there are inadequate redundant barriers to accidental release of hydrocarbons and/or identify components that could be candidates for review for failure analysis, lifecycle and/or BAST.

The National Academy of Sciences (NAS) recently completed and published a BSEE funded project: "Best Available and Safest Technologies for Offshore Oil and Gas Operations: Options for Implementation (2013)," which identifies options that BSEE could use for improving the implementation of the BAST requirement in the OCSLA. The NAS committee has reviewed various options, including: the feasibility and appropriateness of establishing a formal industry committee to make BAST determinations about new and improved technologies; whether BSEE will need to develop test protocols for every technology it evaluates in order to fairly compare competing technologies; how to determine economic feasibility in a manner that is independent of industry; whether BSEE should rely on the development of consensus standards; and how BSEE could initiate a more rigorous process to identify ways to improve blowout preventers. In 2014, BSEE will begin implementation of many of the NAS recommendations.

The BSEE continues to actively seek opportunities for joint projects to leverage available funds and disseminate research findings. Participation in jointly funded projects with industry, other Federal and State agencies, academia, and international regulatory organizations has become an important mechanism for BSEE to improve its understanding of important safety issues. In 2013, BSEE continued to

participate in several joint projects and plans to continue to seek opportunities to leverage available funds through joint projects with other organizations. For example, BSEE is working with the Department of Energy on projects such as early kick detection and advanced downhole signaling transmission and is anticipated to be a 60% partner in this effort.

***Compliance and Enforcement (including Environmental Enforcement Program):*** An essential part of any regulatory program is the provision of compliance assistance and enforcement in cases where safety and environmental regulations are not complied with. BSEE employs a number of tools, including issuance of incidents of non compliance, penalties and orders to underscore the importance of safe operations and to create a level playing field for all operators. BSEE also conducts annual performance reviews of each operator as a way to address recurring safety concerns.

A key component of the reorganization and reform efforts is the identification of how BSEE can improve its investigation, analysis, regulatory, inspection, and compliance programs based on risk considerations. Based on recommendations from investigatory and oversight reports, internal and external review of operations, and reorganization studies, BSEE has already implemented a number of improvements to its inspection regime and will continue to look for improvements to enhance its programs.

The BSEE is also actively developing a risk-based methodology for use at various levels within the regulatory and enforcement program. In 2014, BSEE anticipates that an evidence-based risk analysis methodology for production facilities will be deployed and tested in the field. The deployment and use of this analysis will allow BSEE to directly and effectively target available inspector resources. Through the identification and quantification of risk, BSEE can identify leading and lagging indicators, and improve its analysis of the effectiveness of redundant physical controls (barrier analysis).

In the 2015 budget, BSEE proposes to merge safety and environmental enforcement activities to ensure consistent and efficient coordination of enforcement actions. The Environmental Enforcement Program (EEP) is responsible for both the Bureau's own compliance with NEPA requirements and the oversight and enforcement of activities by operators on the OCS. Combining the EEP into the BSEE Operations, Safety and Regulation activities will allow for better identification of regulatory needs for enhanced environmental compliance and closer coordination between the EEP and the newly established Safety and Environmental Management Systems (SEMS) program. The merger will also allow better management and oversight of all of the compliance programs in BSEE.

Though the program's resources have so far been largely dedicated to ensuring the timely processing of BSEE permits, the EEP has established procedures and pursued 100+ environmental violation cases detected since October 1, 2011. These include violations associated with NEPA, Outer Continental Shelf Lands Act, Clean Air Act, Clean Water Act, Endangered Species Act, Marine Mammal Protection Act, Magnuson-Stevens Fishery Conservation and Management Act, and the National Historic Preservation Act.

The funding increase EEP received in 2014 is being used to coordinate and target compliance and enforcement actions to address the greatest areas of risk as well as to acquire data and technology for tracking, verifying, and enforcing compliance.

***Oil Spill Response Planning and Preparedness:*** In addition to using the Oil Spill Research appropriation to conduct oil spill response research, the Oil Spill Response Division (OSRD) has the responsibility of ensuring that the offshore operators and response community have the necessary equipment, resources, trained personnel, and established plans to carry out an effective, efficient response to a worst case discharge from an offshore source. Division staff fully integrates into activities of the National Response

System through appointment to positions on the National Response Team Preparedness Subcommittee, Scientific and Technical Committee, Regional Response Teams affecting policy for the Gulf of Mexico, Pacific, and Alaska Regions, and applicable Area Committees.

OSRD conducts roughly 200 plan review activities a year to ensure the 145 approved Oil Spill Response Plans remain updated. These activities are triggered by significant changes to an operator's response plans/capabilities or to meet recurring update requirements during the entire lifecycle of an offshore oil and gas facility. OSRD also conducts equipment validation inspections at over 50 storing areas, attends at least 35 industry lead exercises, and initiates about 15 unannounced government led exercises each year to ensure plans are executable. In addition, the Division commits time to daily monitoring, tracking, and investigation into approximately 1,500 self-reported offshore spills a year maintaining a record for risk analysis and targeted proactive enforcement actions.

Internal and external coordination is imperative to strengthening the Nation's readiness for an oil spill. BSEE collaborates with other Federal and State response agencies when reviewing oil spill response plans. BSEE also collaborates with international partners. Internally, OSRD is working with other BSEE divisions to proactively identify spills that were not reported to take enforcement actions for notification violations. During responses to incidents offshore, BSEE supports all levels of response organizations as subject matter experts in offshore oil spill response. OSRD partners with other DOI programs along with the stakeholders represented in the National Response System established in the National Oil and Hazardous Substances Pollution Contingency Plan (NCP).

The BSEE is responsible for the oversight of exploration, development, and production operations for oil and natural gas on the OCS. The Bureau's regulation and oversight of Federal offshore resources ensures that energy development on the OCS is done in a safe and environmentally responsible manner. BSEE's Performance Measures are shown in the following tables.

**Table 6: Performance Overview Table- Operations, Safety and Regulation**

Supporting Performance Measures	Type	2010 Actual	2011 Actual	2012 Actual	2013 Plan	2013 Actual	2014 Plan	2015 Request
Number of Recordable Injuries per 200,000 Offshore Man Hours Worked (DOI-Regulated Activities ONLY) (SP)	A	N/A	0.30 (revd) (171/569)	0.28 (est.) (186/657)	<0.50	0.306 (est.) (211/688)	<0.50	<0.50
Contributing Programs	Operations, Safety and Regulation							
Comments	<p>This strategic plan measure is an incident rate of all Recordable Injuries (i.e., injuries that require medical treatment beyond first aid and fatalities) that occur during DOI-regulated activities in the fiscal year for every 200,000 offshore man hours worked (which is the approximate equivalent of 100 full-time workers). In FY 2013, there were 211 recordable injuries reported for activities with BSEE's jurisdiction and the estimated number of man years worked was 68,848. These estimated results indicate that in FY 2013 there was approximately 1 recordable injury in DOI-regulated activities for every 326 full-time offshore workers. Because safety levels are best evaluated as trends over multiple years, targets for FY 2014 and beyond are based on analysis of historical recordable injury rates against an extrapolation of voluntary man hour reporting from operators in previous years. The Safety and Environmental Management System (SEMS) regulation that went into effect in November 2010 requires all operators to report offshore man hours worked during the calendar year.</p>							
Number of fatalities among workers in DOI permitted activities (BUR)	A	11	2	0	3	4	3	3
Contributing Programs	Operations, Safety and Regulation							
Comments	<p>In FY 2013, there were four fatalities among offshore workers in DOI-regulated activities. Three of the fatalities resulted from an explosion and fire on a platform in the Gulf of Mexico operated by Black Elk Energy Offshore Operations (Black Elk). The explosion and fire occurred during welding work that was being conducted as part of construction operations on November 16, 2012. The 4th fatality occurred on January 26, 2013 when a worker was fatally injured in a suspected electrical incident on a jack-up rig at SS 170. This incident is still being investigated. There was a 5th fatality that occurred in FY 2013, however, it was a helicopter incident and was not under BSEE's primary jurisdiction. Because safety levels are best evaluated as trends over multiple years, targets for the fatalities are developed based on reducing a rolling 5-year average, which includes the FY 2010 explosion and sinking of the Deepwater Horizon drilling rig off the coast of Louisiana resulted in 11 deaths.</p>							
Less than X% of total gas produced is flared or vented offshore (BUR) (Calendar Yr)	A	0.36% (8,295,702/2,289,085,773 MCF)	0.33% (6,236,550/1,862,844,400)	0.39% (6,070,151/1,563,186,639)	0.70%	0.38% (est) (3,921,621/1,028,144,258)	0.70%	0.70%
Contributing Program	Environmental Enforcement (sub-activity of Operations, Safety and Regulations)							
Comments	<p>Industry statistics for venting and flaring show worldwide rates ranging from 0.2% to 100%. Due to satellite monitoring and verification, flaring and venting on the OCS is kept to a minimum. Since FY 2008 U.S. rates have ranged from 0.28% to 0.72%. In April of 2010, BSEE published revised flaring and venting regulations requiring operators to install flare/vent meters on all OCS facilities that process more than 2,000 bbl of oil per day. Previously operators were allowed to estimate these flare/vent volumes. The revised regulations will improve the accuracy of flaring data but may increase reported volumes. Long-term targets will be determined once data has been collected for multiple years under the revised regulations.</p>							



Supporting Performance Measures	Type	2010 Actual	2011 Actual	2012 Actual	2013 Plan	2013 Actual	2014 Plan	2015 Request
Total Number of Compliance Inspections Completed (BUR)	A	23,619	20,537	23,025	24,000	24,195	25,000	25,000
Contributing Programs								
Operations, Safety and Regulation								
<p>On April 30, 2010, the President directed the Secretary to conduct a 30-day review of the Deepwater Horizon event and to report what additional precautions and technologies should be required to improve the safety of oil and gas exploration and production operations on the outer continental shelf. One of the key recommendations included in that report, as well as other subsequent reports, is that the BSEE needs to increase its oversight and evaluate/ revise the manner in which it conducts its drilling inspections.</p>								
<p>Comments</p> <p>Since 2010, the inspector/investigator workforce has increased over 40% and BSEE has begun to develop and implement a new inspection strategy that focuses on risk and the use of advanced inspection technologies. Inspection performance trends are not increasing as fast as previously planned due to an increased focus on the witnessing of complex high-risk activities (e.g., BOP testing and cement/casing activities) that consume more resources to inspect and the extended time required to hire and train new inspectors so they can independently conduct inspections and other safety/environmental enforcement work. Additionally, there is a high rate of turnover with inspectors seeking employment with industry. For these reasons, it is difficult to determine how many inspections will be completed beyond FY 2014.</p>								
Supporting Performance Measures	Type	2010 Actual	2011 Actual	2012 Actual	2013 Plan	2013 Actual	2014 Plan	2015 Request
Conduct full Coast Guard inspections on X% of manned offshore facilities annually (BUR)	A	16.5% (169/1021)	14.3% (141/985)	14.3% (133/932)	10%	24% (229/959)	10%	10%
Contributing Programs								
Operations, Safety and Regulation								
<p>Inspection of U.S. Coast Guard regulated items is a function that was provided for by regulation but one for which BSEE is not reimbursed. Assumption of limited responsibilities by BSEE was pursued following a report by the Inspector General that the U.S. Coast Guard was not conducting inspections of safety items on fixed facilities, as required by law. At this time, BSEE inspectors conduct a limited FPSIP (fixed platform self inspection program) inspection on every platform that they visit and have an annual target of conducting full FPSIP inspections on 10 percent of manned facilities.</p>								
Comments								

*This page intentionally left blank.*

## **Administrative Operations**



# FY 2015 PERFORMANCE BUDGET REQUEST

## Administrative Operations Activity

**Table 7: Administrative Operations Activity Budget Summary**

		2013 Actual	2014 Enacted	Fixed Costs and Related Changes (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2015 Request	Changes from 2014 (+/-)
<b>Administrative Operations</b>	(\$000)	14,756	15,560	+116	-	-	15,676	+116
	FTE <sup>1/</sup>	223	232	-	-	+15	247	+15

<sup>1/</sup> The technical adjustment of 15 FTE aligns current staffing levels to those projected for the budget year base program. The FTE growth reflects current hiring trends that support measured growth, considering the challenges of filling technical positions across the Bureau. No additional funding is requested as a result of this adjustment.

### SUMMARY OF 2015 PROGRAM CHANGES

Request Component	Amount (\$000)	FTE
FTE technical adjustment		+15
<b>Total Program Changes:</b>	<b>-</b>	<b>+15</b>

### JUSTIFICATION OF 2015 PROGRAM CHANGES

The 2015 budget request for the Administrative Operations Activity is \$15,676,000 and 247 FTE, a net increase of \$116,000 and +15 FTE from the 2014 Enacted.

**FTE technical adjustment (+15 FTE):** The technical adjustment of 15 FTE aligns current staffing levels to those projected for the budget year base program. The FTE growth reflects current hiring trends that support measured growth, considering the challenges of filling technical positions across the Bureau. No additional funding is requested as a result of this adjustment.

### PROGRAM OVERVIEW

The Administrative Operations Activity consists of the following: Acquisition Management Division, Equal Employment Opportunity Division, Finance Division, Human Resources Division, Management Support Division, and Technology Services Division. These administrative services are provided to BSEE as well as the Bureau of Ocean Energy Management (BOEM) through a reimbursable service agreement. By utilizing a shared service model, BSEE and BOEM can continue to improve their best practices and maximize the use of administrative funds.

**Acquisition Management Division:** The Acquisition Management Division is responsible for the execution and administration of BSEE and BOEM contracts and financial assistance agreements. By collaborating with the customer organizations, they create quality business solutions that help to accomplish the mission goals of the Bureaus. The Division provides acquisition and financial assistance

policy guidance, cost and price analysis, and advice to procurement and program personnel. They conduct acquisition management and other internal control reviews of procurement activities. They also administer the purchase line of the BSEE and BOEM charge card programs as well as their competitive sourcing programs. In addition, they manage the Business and Economic Development Program to maximize opportunities for small, disadvantaged, and women-owned businesses, as well as historically black colleges and universities as both prime contractors and subcontractors. They also oversee all acquisition career management programs.

***Equal Employment Opportunity Division (EEOD):*** The EEOD develops, monitors, and operates the Equal Employment Opportunity (EEO) program for BSEE and BOEM in compliance with the Civil Rights Act of 1964, the Equal Employment Opportunity Act of 1972, Executive Order 11478, departmental directives, and other related statutes and orders. Its goal is to ensure that workforce activities are inclusive, and that they promote the full utilization and exchange of skills and talents.

The Division provides advice and guidance to managers, supervisors, and employees regarding EEO policies and procedures. EEOD provides technical advice and consultation to managers on recruitment strategies for affirmative employment designed to improve low participation rates of various groups in BSEE and BOEM. EEOD provides oversight of special initiative programs designed to involve more women, minorities, and people with disabilities throughout all levels of management. The Division also provides an alternative dispute resolution program, counseling and mediation services, as well as formal EEO complaint processing.

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

This Division is responsible for the administrative accounting operations of both BSEE and BOEM. The FD manages the administrative accounting system; audits and schedules bills for payments; collects debts; develops financial data; prepares financial reports; provides advice and guidance on financial matters; and maintains liaison with departmental offices and other Federal agencies.

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

The HR Division also leads all BSEE and BOEM workforce-planning initiatives, which include analyzing the current workforce, identifying future workforce needs, and preparing plans for building the workforce needed in the future. The long-term benefits of workforce-planning initiatives include the ability of BSEE and BOEM to meet their mission and performance goals. As regulators, BSEE must be able to keep pace with the latest technological advances. In support of these efforts, the Division works with its customers to adopt a comprehensive recruitment and training system in order to attract the best talent to the public service while continuing to provide the training and education necessary to keep its workforce at the leading edge of industry innovation.

The Division focuses on employee relations and services, including personnel program evaluation, labor/management relations, advising employees about conflict of financial interest and standards of conduct, and administering incentive awards programs, family friendly programs, the Federal Equal Opportunity Recruitment Program, and Senior Executive Service program. In addition, the Division is responsible for the development of training policy and oversight of a Bureau-wide Learning Management System that will serve as a valuable workforce planning and management tool. The HR Division also coordinates all departmental mandated employee development initiatives for implementation in BSEE and BOEM.

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

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

**Technology Services Division:** The Technology Services Division (TSD) ensures the efficient and effective planning, management and acquisition of information technology and information resources within BSEE, BOEM, and ONRR and ensures compliance with all DOI and Federal information resources management policies and guidelines. In alignment with the Department's IT Transformation, the Division clearly distinguishes the information technology needs of the Bureau's mission and enterprise functions.

The TSD provides a central foundation to manage the large volume of information and data used in the scientific, engineering, and management activities of the BSEE and BOEM programs. At the core of the IT capabilities is the Technical Information Management System (TIMS). TIMS automates the business and regulatory functions of BSEE and BOEM and brings diverse information into a central database. This enables BSEE and BOEM Regions and Headquarters to share and combine data; to standardize processes, forms, reports, and maps; to promote the electronic submission of data; to enforce data integrity through relational database technology; and to release accurate, consistent information to the public sector.

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

management and analysis will allow the Bureau to better identify trends and statistics critical to assessing broader indicators of risk. A more collaborative and streamlined knowledge management system will also better enable agency-wide innovation and adaptation in all aspects of offshore safety, response preparedness, and environmental protection.

The TSD also manages and maintains the Geological Interpretive Tools (GIT) system, which represents the basis of essentially all BOEM determinations requiring geoscience analysis. GIT allows BOEM to improve productivity by quantifying analyses, analyzing digital data in three-dimensions (3-D), fully integrating geophysical and geological data analysis, and reducing risks and uncertainty in decision-making processes. In addition, TSD has developed an extensive Geographic Information System (GIS) capability for nearly all BSEE and BOEM offshore maps and leasing processes, providing us the means to define, describe, analyze, and account for every acre of Federal offshore-submerged lands.

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



## **General Support Services**



# FY 2015 PERFORMANCE BUDGET REQUEST

## General Support Services Activity

**Table 8: General Support Services Budget Summary**

		2013 Actual	2014 Enacted	Fixed Costs and Related Changes (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2015 Request	Changes from 2014 (+/-)
General Support Services	(\$000)	11,967	13,513	+399	-	-	13,912	+399
	FTE	-	-	-	-	-	-	-

### JUSTIFICATION OF FY 2015 PROGRAM CHANGES

The FY 2015 budget request for the General Support Services Activity is \$13,912,000 and 0 FTE, a net increase of \$399,000 from the 2014 Enacted.

### PROGRAM OVERVIEW

The General Support Services Activity provides Bureau-wide infrastructure support to BSEE. This activity funds actual infrastructure costs associated with office space, security, utilities, and voice/data communications for all organizational needs to carry out the Bureau's primary missions. BSEE will continue to provide some of these services to BOEM through a reimbursable services agreement.

Funding for shared activities and related support services for both BSEE and BOEM is used for:

- Rental and security of office space
- Workers' compensation and unemployment compensation
- Voice and data communications
- The Department's Working Capital Fund (WCF)
- Annual building maintenance contracts
- Mail services
- Printing costs.

The two major program objectives are to provide safe and secure facilities that will contribute to the productivity and efficiency of the employees in achieving goals and objectives, and to provide appropriate services in support of the BSEE and BOEM operating programs.

*This page intentionally left blank.*

## **Executive Direction**



# FY 2015 PERFORMANCE BUDGET REQUEST

## Executive Direction Activity

**Table 9: Executive Direction Budget Summary**

		2013 Actual	2014 Enacted	Fixed Costs and Related Changes (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2015 Request	Changes from 2014 (+/-)
<b>Executive Direction</b>	(\$000)	17,182	18,121	+106	-	-	18,227	+106
	FTE <sup>1/</sup>	103	104	-	-	+8	112	+8

<sup>1/</sup> The technical adjustment of 8 FTE aligns current staffing levels to those projected for the budget year base program. The FTE growth reflects current hiring trends that support measured growth, considering the challenges of filling technical positions across the Bureau. No additional funding is requested as a result of this adjustment.

### SUMMARY OF 2015 PROGRAM CHANGES

Request Component	Amount (\$000)	FTE
FTE technical adjustment		

### JUSTIFICATION OF 2015 PROGRAM CHANGES

The 2015 budget request for the Executive Direction Activity is \$18,227,000 and 112 FTE, a net increase of \$106,000 and +8 FTE from the 2014 Enacted level.

**FTE technical adjustment (+8 FTE):** The technical adjustment of 8 FTE aligns current staffing levels to those projected for the budget year base program. The FTE growth reflects current hiring trends that support measured growth, considering the challenges of filling technical positions across the Bureau. No additional funding is requested as a result of this adjustment.

### PROGRAM OVERVIEW

The Executive Direction Activity provides Bureau-wide leadership, direction, management, coordination, communications strategies, and outreach for the entire organization to carry out its primary mission. The Executive Direction Activity funds the Office of the Director, Investigations and Review Unit, Office of Budget, Office of Policy and Analysis, Office of Public Affairs, Office of Congressional Affairs, and Office of International Programs.

#### *Office of the Director*

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

#### *Investigations and Review Unit (IRU)*

The IRU serves as a team of professionals with investigations training who promptly and credibly respond to allegations or evidence of misconduct and unethical behavior by Bureau employees; pursue allegations of misconduct by oil and gas companies involved in offshore energy projects and investigate significant incidents to inform safety and environmental protection improvement. In 2013, BSEE assigned specific staff to support managers with internal matters. The IRU shares allegations of internal misconduct with the DOI's Office of Inspector General (OIG), determining jointly which office conducts any investigation of those allegations.

### ***Office of Budget***

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

### ***Office of Policy and Analysis***

The Office of Policy and Analysis serves as the principle office to provide the Director with independent review and analysis of programmatic and management issues. Additionally, the office leads, coordinates, and monitors many cross-program initiatives, assuring a consistent, BSEE-wide implementation that directly supports congressional, Presidential and departmental directives, laws, mandates and guidance.

The Office of Policy and Analysis fulfills the Director's responsibilities in several critical areas including strategic and performance planning, policy and program evaluation and internal controls. It is also responsible for ensuring that programmatic plans and policies are consistent with and integrated into the overall Bureau mission and responsibilities, as well as with Department and Administration policy frameworks. In addition, the office administers and coordinates internal reviews, and oversees and assures implementation of recommendations made by oversight groups such as the Government Accountability Office and the OIG.

### ***Office of Public Affairs (OPA)***

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

### ***Office of Congressional Affairs (OCA)***

The OCA serves as the primary point of contact with Congress, and is responsible for the coordination of all communication and outreach with congressional offices, as well as ensuring a consistent message and



the effective exchange of information. The OCA serves as the liaison for BSEE on all congressional and legislative matters that affect BSEE with Congress, the Department, and other Federal executive agencies.

***Office of International Programs***

The Office of International Programs serves as the primary point of contact between BSEE and BOEM and the Department's Office of International Affairs. The office also maintains an open line of communication regarding BSEE's and BOEM's programs and policies with the Department of State and the international programs within all relevant U.S. agencies such as the Department of Energy, the Department of Commerce, and the Department of the Treasury.

The Office of International Programs becomes involved in international initiatives consistent with the mission and goals of BSEE and BOEM. Responsibilities also include reporting to the Department's Office of International Affairs on all BSEE and BOEM international engagements; advising BSEE's international travelers on matters of security, protocol and travel requirements; structuring international Memoranda of Understanding and other international cooperation agreements; and coordinating BSEE programs for visiting international delegations.

*This page intentionally left blank.*

## **Oil Spill Research**



# FY 2015 PERFORMANCE BUDGET REQUEST

## Oil Spill Research Appropriation

**Table 10: Oil Spill Research Budget Summary**

		2013 Actual	2014 Enacted	Fixed Costs and Related Changes (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2015 Request	Changes from 2014 (+/-)
Oil Spill Research	(\$000)	14,120	14,899	-	-	-	14,899	-
	FTE	19	22	-	-	-	22	-

### JUSTIFICATION OF 2015 PROGRAM CHANGES

The 2015 budget request for the Oil Spill Appropriation is \$14,899,000 and 22 FTE; no net change from the 2014 Enacted level.

### PROGRAM OVERVIEW

The Oil Spill Research (OSR) appropriation funds oil spill response research, Ohmsett – the National Oil Spill Response Research & Renewable Energy Test Facility, and oil spill prevention, abatement, planning, preparedness, and response functions for all facilities seaward of the coastline of the United States that handle, store, or transport oil. These activities support the DOI strategic mission of protection of environmental resources and economic interests of the Nation.

Funding for OSR activities is appropriated from the Oil Spill Liability Trust Fund (OSLTF). As intended by the Oil Pollution Act of 1990, the companies that produce and transport oil are supporting research and activities to improve oil spill response capabilities. Appropriated funds are awarded through a competitive process to academia and qualified companies from throughout the U.S. who have the scientific and engineering expertise, and qualifications necessary to successfully meet the research goals of BSEE to improve all phases of offshore oil spill response.

### PERFORMANCE OVERVIEW

In October 2011, BSEE formally came into existence and established the Oil Spill Response Division (OSRD). This division maintains two focus areas; oil spill response research (OSRR) and oil spill response compliance. These two areas support the BSEE 2015 Strategic Plan and are influenced by this plan's direction.

The research mission involves coordination with other Federal partners. This is achieved through representation on the Interagency Coordinating Committee on Oil Pollution Research (ICOPR), which identifies national priorities for oil spill response research, provides a forum for Federal entities to engage in information transfer of the latest science and engineering related to oil spill prevention and response, and works with Canadian partners who are developing a Five Year Strategic Plan for Oil Spill Research in Canadian Arctic Waters. Internally, BSEE, through the Response Research Unit is conducting the foundational work to move research and development projects into innovative new methods to respond to an oil spill and identify the best available technologies for both mechanical and alternative response.

The OSR funding is used by BSEE to improve the ability to effectively remove oil from water and protect the environment when oil is discharged from offshore oil facilities. This need is highlighted in the many lessons learned from the *Deepwater Horizon* incident. Weaknesses and gaps specifically in mechanical and alternative response technologies are noted in the Incident Specific Preparedness Review, the Deepwater Horizon Federal On-Scene Coordinator report, and a report by the National Incident Commander during this spill of national significance. Research is focused on improving those response tactics such as offshore in situ burn and subsea dispersant use that were found to be viable options. Funding will also be dedicated to finding new and more efficient ways to prevent or reduce the rate of oil being discharged from a source, locate spilled oil, recover or treat oil that is spilled, and communicate a common operations picture to both the spill responders and the public during spill responses. Responding to an oil spill in the Arctic environment presents many unique challenges and funding will also be utilized to understand these implications and advance response technologies and procedures to ensure the least impact to the environment and to human safety.

In addition to the oil spill research described below, BSEE Safety and Engineering Research in the Emerging Technologies program includes technical studies to understand the technologies that industry employs to prevent an oil spill from happening, such as blowout preventers, drilling fluid design, and well-bore cementing procedures.

***Oil Spill Response and Planning:*** The BSEE is the lead agency for ensuring the highest oil spill response preparedness standard in the offshore environment through innovative research and an effective regulatory oversight program. The OSRD compliance staff provides continuous Federal oversight that requires reoccurring compliance actions during the entire lifecycle of offshore oil and gas facilities, from drilling a well to decommissioning and removal. OSRD conducts approximately 200 plan review activities a year to ensure the nearly 145 approved Oil Spill Response Plans (OSRPs) remain updated. These activities are triggered by significant changes to an operator's response plans/capabilities or to meet recurring update requirements during the entire lifecycle of an offshore oil and gas facility. OSRD staff also conducts equipment validation activities at about 50 staging areas, attends at least 35 industry led exercises, and initiates about 15 unannounced government led exercises each year to ensure plans are executable. OSRD commits time to daily monitoring, tracking, and investigation into approximately 1,500 reported offshore spills a year, maintaining a record for risk analysis and targeted proactive enforcement actions. After a spill greater than 42 gallons, OSRD conducts follow up activities to ensure the owner or operator uses lessons learned to improve preparedness for the next spill.

Internal and external coordination is imperative to strengthening the Nation's readiness for an oil spill. BSEE staff participates in Area Committees, Regional Response Teams, and in the National Response Team and its subcommittees to represent issues pertaining to offshore. BSEE collaborates with other Federal and State response agencies when reviewing oil spill response plans. BSEE also collaborates with international partners. Internally, OSRD is working with other BSEE divisions to proactively identify spills that were not reported in order to take enforcement actions for notification violations. During responses to incidents offshore, BSEE supports all levels of response organizations as subject matter experts in offshore oil spill response.

***Oil Spill Response Research (OSRR):*** BSEE is the principal Federal agency funding offshore oil spill response research and maintains a comprehensive, long-term research program (in place since the 1970's) to improve oil spill response technologies and procedures. The OSRR program provides research leadership and funding to improve the technology and procedures for the detection, containment, treatment, and/or cleanup of oil spills that may occur on the OCS. Emphasis is always on oil spill prevention and research related to securing a source when a spill occurs thereby reducing the amount of oil impacting the environment. The program seeks to enhance communication capabilities, develop

computer enhanced “smart” technologies, remote sensing tools; and remotely operated technologies that will reduce the risk to responders and increase the potential operating window in areas such as the Arctic where the harsh environment and prolonged periods of low light present challenges to current technology. Specific research efforts focused on geographic challenges include Arctic environments, high pressure wells, and the ever-challenging deep water areas of the Gulf of Mexico.

The OSRR program is responsive to the information and technological needs of the Bureau’s regional and district offices and to specific requirements and limitations in BSEE authority. Information derived from the OSRR program is directly integrated into BSEE’s operations and is used in making regulatory decisions pertaining to plan approvals, safety and pollution prevention inspections, enforcement actions, and training requirements. Research results are also transferred to rule writers, investigators, plan reviewers, and others that need this information to ensure safe operations and assist BSEE in its efforts to independently keep pace with industry’s fast paced technological advancements. Response technologies identified by the OSRR program focus on preventing offshore operational spills from reaching sensitive environments and habitats.

The OSRR projects are offered competitively to all interested parties throughout the country. Funding is ultimately awarded to those applicants who have the proven people, skills, and experience necessary to successfully complete the research and complement the body of scientific knowledge on oil spill response.

The current OSRR projects cover a wide spectrum of oil spill response issues and include laboratory, meso-scale and full-scale field experiments. Recent oil spill response research examples include methods to:

- Determine the dispersant effectiveness when applied via subsea injection methods, its impact on worker safety by reducing the Volatile Organic Compounds (VOC) that rise to the surface of the water, and modeling efforts to forecast how the dispersed oil will travel through the water column;
- Enhance in situ burning including how to estimate the burn potential in icy waters;
- Detect and quantify oil in the water column in addition to detecting, quantifying, and mapping oil in and under ice;
- Enhance development and communication of a common operating picture to all Federal, State, and local responders as well as the public;
- Reduce the impact of hydrate formations on capping stack operations; and
- Understand the impact of various ice concentrations on recovery efficiencies of mechanical skimming systems.

In 2015, BSEE will continue research to:

- Develop, test, and evaluate enhanced mechanical recovery technologies, especially those designed for use in Arctic conditions;
- Refine capabilities to detect and recover oil in and under ice, including technological advances in remotely controlled operations to reduce risk to personnel and increase the operational window;
- Develop command and control systems that incorporate and automate science into the decision-making process during a response;
- Understand the temporary storage options of recovered oil in the Alaskan Arctic;
- Establish an estimate of the period of time that environmental conditions might preclude an oil spill response from being conducted safely in the Alaskan Arctic;
- Understand the impact of extremely cold temperatures upon skimming systems’ hoses and hose couplings;

- Model the potential impact of various spill scenarios in the Alaskan Arctic, in conjunction with our Federal partners;
- Develop a tool for rapid measurement of the amount of oil emanating from a submerged oil release; and
- Develop realistic oil simulants that will replicate the behavior of oil droplets in the subsea environment, in conjunction with our Federal partners.

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

***Ohmsett - The National Oil Spill Response Research and Renewable Energy Test Facility:*** Ohmsett is one of the world's largest tow/wave tanks designed to test and evaluate full scale equipment for the detection and response to spilled oil. Ohmsett is one of the only facilities where oil spill response testing, training, and research can be conducted with a variety of crude and refined oil products in varying wave conditions. The heart of Ohmsett is a large, outdoor, above-ground concrete test tank that is 667 feet long, 65 feet wide, 11 feet deep and filled to a depth of eight feet with 2.6 million gallons of crystal clear saltwater. Ohmsett also has the capability to test scaled renewable energy systems such as current and wave energy converters. No other agency operates a facility like Ohmsett.

Ohmsett plays an important role in developing the most effective response technologies as well as preparing responders by using the most realistic training available. The facility provides testing and research capabilities to help the government fulfill its regulatory requirements and meet its goal of clean and safe operations. Major Federal clients such as the U.S. Coast Guard (USCG) National Strike Force and the U.S. Navy (USN) rely on Ohmsett for their oil spill responder training needs.

Many of today's commercially available oil spill cleanup equipment and products have been tested at Ohmsett and a considerable body of performance data and information on mechanical response equipment has been obtained there. Response planners use this information in reviewing and approving facility response and contingency plans. Ohmsett is also the premier training site for government agency and private industry oil spill response personnel to test their own full-scale equipment. Some of the more recent testing activities included oil spill response equipment testing in a simulated Arctic environment, remote sensing of spilled oil, wave energy conversion device tests, skimmer and boom tests, dispersant tests, alternative fuel recovery tests, and industry oil spill response training classes.

Due to the facility's coastal location, the effects of Hurricane Sandy were unavoidable. Damage sustained from wind, storm surge, and debris caused the facility to temporarily suspend operational status for three weeks. The BSEE is coordinating its reconstruction efforts with the National Park Service in order to return the facility to pre-Hurricane Sandy condition. Additional efforts are being undertaken to prevent similar damage from occurring with future storms. These mitigation efforts include elevating vulnerable equipment and hardening/protecting assets that cannot be relocated.

The Ohmsett facility requires constant maintenance and periodic upgrades. While a 2013 feasibility study indicated that the current Ohmsett tank can accommodate some small-scale subsea dispersant injection research, it recommended that a new vertical tank be added to the facility. The BSEE is exploring the feasibility and costs of constructing and operating a new vertical test tank, which if built, would be one of the only tanks in the world that could be used for simulating a subsea release and conducting associated research for flow rate determinations, subsea dispersant application ratios, and dispersant equipment designs.



BSEE is building on knowledge learned from recent tests, such as skimmers in broken ice conditions and cold water dispersant testing, to plan for a series of subsequent tests in similar conditions. In 2014, BSEE is conducting several projects to enhance the test measurement parameters available for researchers at Ohmsett including expanding the facility's existing Arctic simulation capabilities. Information on Ohmsett can be found at [www.ohmsett.com](http://www.ohmsett.com).



**Figure 2: Ohmsett Facility in New Jersey**

**Table 11: Performance Overview Table- Oil Spill Research Appropriation**

Supporting Performance Measures	Type	2010 Actual	2011 Actual	2012 Actual	2013 Plan	2013 Actual	2014 Plan	2015 Request
Achieve a utilization rate of X% at Ohmsett, the national oil spill response test facility (BUR)	A	93% (222/240)	84% (202/240)	94% (226/240)	85%	93% (206/222)	85%	85%
Contributing Programs	Oil Spill Research							
Comments	Ohmsett is the National Oil Spill Response Test Facility located in New Jersey. At Ohmsett, clients can test oil spill response equipment in realistic conditions and have training in the use of the equipment. This measure evaluates the utilization level of the facility. The increased focus on oil spill response, as well as expanded uses for the facility such as dispersant training and renewable energy wave tests, have sustained overall utilization rates at around 85%.							

## **Appendices**



# Bureau of Safety and Environmental Enforcement

## Section 404 Compliance

Section 404 of Public Law 113-76, the Consolidated Appropriations Act, 2014, states:

### *DISCLOSURE OF ADMINISTRATIVE EXPENSES*

*SEC. 404. 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 Committee on Appropriations for approval.*

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

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

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

The BSEE regularly evaluates these support arrangements jointly with each customer agency. BSEE's costs to provide these services are also carefully managed and jointly approved by the respective agencies. Changes between cost allocations to BSEE and the customer agency may change to reflect actual agreements signed annually, and these changes would not be presented as a reprogramming. BSEE's internal bureau assessment reported for 2015 reflects the alignment of the bureau's administrative support requirements based on estimated FTE allocations between BSEE and its customers. Customer payments are recorded as reimbursable funding to BSEE.

As outlined in the General Support Services (GSS) program justification, the GSS activity includes essential fixed costs to support BSEE's program missions such as rent, telecommunications, the DOI working capital fund, and service contracts. The table below provides the actual WCF billings to the BSEE for 2013 and 2014 and estimates for 2015.

	<b>FY 2015</b> <b>Dollars in Thousands (\$000)</b>
<b>External Administrative Costs</b>	
General Support Services	
Working Capital Fund Centralized Billing	3,268
Working Capital Fund Direct Billing	827
<b>Subtotal</b>	<b>4,095</b>
<b>Internal Bureau Assessments</b>	
Operations, Safety and Regulations	2,523
<b>Total Assessments of Bureau Programs</b>	<b>6,618</b>

# Bureau of Safety and Environmental Enforcement

## Working Capital Fund Centralized Bill

(Dollars in thousands)

<b>Account</b>	<b>2013 Actual</b>	<b>2014 Actual</b>	<b>2015 Estimate</b>
Document Management Unit	42.5	0.0	0.0
FOIA Tracking & Reporting System	16.1	46.9	45.9
Alaska Affairs Office	7.5	6.4	6.4
Alaska Resources Library and Information Services	41.0	43.5	43.5
Departmental News and Information	9.0	9.6	9.5
Departmental Museum	15.2	11.3	11.3
FedCenter	2.1	1.9	1.9
Compliance Support ESF-11/ESF-11 Website	2.3	2.3	2.3
Invasive Species Council	17.2	17.6	17.6
Invasive Species Coordinator	3.2	3.2	3.2
Passport and Visa Services	8.6	14.2	4.9
CPIC	2.2	2.7	2.7
Consolidated Financial, Internal Controls & Performance	9.6	7.5	5.2
Travel Management Center	0.9	1.0	1.6
e-Travel	14.8	8.4	9.1
Interior Collections Management System	2.1	2.1	2.1
Space Management Initiative	3.6	3.7	3.7
Planning and Performance Management	13.6	12.4	12.4
Department-wide Worker's Compensation Program	2.9	3.1	3.1
OPM Federal Employment Services	4.2	3.7	4.1
Accessibility & Special Hiring Programs (fka ATC)	3.5	6.5	6.5
Human Resources Accountability Team	6.9	6.7	6.9
Employee and Labor Relations Tracking System	0.3	0.3	0.3
Consolidated Employee Assistance Program	0.0	0.0	8.1
EEO Complaints Tracking System	0.6	0.6	0.4
Special Emphasis Program	0.5	0.4	0.4
Occupational Safety and Health	19.0	16.0	15.9
Safety Management Information System	14.6	12.9	12.8
Leadership Development Programs	8.7	9.9	9.8
Department-Wide Train Programs (incl. Online Learning)	24.7	27.8	23.4
Learning and Performance Center Management	14.6	7.3	10.0
DOIU Management	8.2	7.0	6.9
Security (Classified Information Facility)	5.5	5.2	5.1
Law Enforcement Coordination and Training	10.1	6.9	6.9
Security (MIB/SIB Complex)	144.7	147.1	196.0
Victim Witness Coordinator	2.0	2.0	1.9
Federal Executive Board	3.4	2.8	2.8
Interior Operations Center	24.6	22.5	23.0
Emergency Preparedness (COOP)	9.3	11.3	11.2
Emergency Response	12.9	11.1	11.1

## Bureau of Safety and Environmental Enforcement

### Working Capital Fund Centralized Bill

(Dollars in thousands)

Account	2013 Actual	2014 Actual	2015 Estimate
MIB Emergency Health and Safety	2.9	3.4	4.6
Aviation Management	386.0	830.9	840.4
Electronic Records Management	12.7	19.6	45.9
Enterprise Services Network	174.8	180.6	73.8
Enterprise Services Network – Central Bill Pass Thrus	0.0	0.0	109.8
Architect & IT Port Perf Mgmt (fka Enterprise Architect	31.6	34.5	100.7
Independent Verification and Validation – Risk Mgmt	19.1	21.0	38.3
IT Budget Formulation & Port Dev. (fka Capital Plan	23.1	25.7	75.2
Privacy and Civil Liberties	4.1	8.2	14.9
IT Security – Information Assurance Division	10.5	0.0	0.0
Information Management Assurance Division Leadership	0.0	6.7	19.5
Assessment & Authorization Services	0.0	2.3	6.6
IT Security	0.0	3.1	5.7
Solutions, Design & Innovation (SDI) (fka Web Comm	5.0	4.4	4.4
Enterprise Directory Services (fka Active Directory)	34.0	25.2	30.8
Enterprise Resource Management	11.1	17.5	17.7
Enterprise Continuous Diagnostics and Monitoring	0.0	0.0	11.9
Enterprise Security Info & Event Mgmt Solution (SIEM)	0.0	0.0	25.8
Identity Credential Access Mgmt (fka DOI Access-Pers)	11.5	12.6	12.7
IT Asset Management	8.6	9.3	7.7
Threat Management	25.1	25.5	15.8
IOS Collaboration	8.4	9.6	9.7
Unified Messaging	17.4	7.9	9.9
Federal Relay Service	0.3	0.3	0.6
IT Transformation Planning (ITT)	0.0	185.5	185.5
Hosting Services (fka Hosting/Cloud Services)	0.0	14.6	8.7
ITD ISSO Information Assurance Operations	0.0	7.6	7.6
ITD MIB Data Networking	0.0	10.7	10.7
ITD PPCD Privacy Records	0.0	15.3	15.3
ITD Telecommunication Services	0.0	24.6	24.6
ITD Integrated Digital Voice Communications System	0.0	17.4	17.4
ITD Desktop Services	0.0	3.3	0.0
FBMS Help Desk – Customer Support Center	0.0	126.2	0.0
Alternative Dispute Resolution (ADR) Training	0.6	0.5	0.5
Mail and Messenger Services	32.0	38.5	51.8
Health Unit	6.2	0.0	0.0
Special Event Services	1.0	0.0	0.0
Safety, Environmental, and Health Services	10.2	20.5	27.5
Shipping/Receiving & Moving Services	7.1	12.0	16.4
Vehicle Fleet	1.9	2.1	2.1



# Bureau of Safety and Environmental Enforcement

## Working Capital Fund Centralized Bill

(Dollars in thousands)

<b>Account</b>	<b>2013 Actual</b>	<b>2014 Actual</b>	<b>2015 Estimate</b>
Personal Property Account Srvs (fka Prop Account Srvs)	13.5	17.1	22.9
Family Support Room	0.6	0.0	0.0
Interior Complex Management & Services	18.8	18.1	24.5
Departmental Library	28.6	10.1	10.2
Mail Policy	4.2	3.3	3.3
Moving Services	5.1	0.0	0.0
Conference & Special Events Srvs (fka Audio Vis Srvs)	26.3	28.8	38.7
Conservation and Education Partnerships	2.9	3.2	3.2
Space Management Services	6.8	10.0	13.5
Interior Asset Disposal System O&M	0.0	0.0	2.5
Contingency Reserve	1.8	0.0	0.0
Cooperative Ecosystem Study Units	10.0	21.2	21.2
CFO Financial Statement Audit	542.2	535.7	259.4
e-Government Initiatives (WCF Contributions Only)	48.8	51.1	32.0
Ethics	6.6	5.6	5.5
FOIA Appeals	10.4	22.0	22.0
IBC IT Security Improvement Plan	7.5	0.0	0.0
MIB Data Networking	9.8	0.0	0.0
Information Management- Records Management	6.2	0.0	0.0
Telecommunication Services	22.4	0.0	0.0
Integrated Digital Voice Communications System	17.3	0.0	0.0
Desktop Services	3.4	0.0	0.0
FPPS/Employee Express - O&M	136.8	168.1	166.7
Transportation Services (Household Goods)	1.7	1.7	1.7
IDEAS	7.0	2.5	0.0
FBMS Infrastructure Hosting & Support	0.0	0.0	214.1
FBMS Master Data Systems & Hosting	14.1	10.9	0.0
FBMS Master Data Management	0.4	0.5	0.5
Consolidated Financial Statement System	8.4	6.7	0.0
Boise Acquisition Office	70.0	221.8	24.9
FBMS Hosting / Applications Management	64.5	68.3	0.0
FBMS Redirect - IDEAS	29.1	0.0	0.0
FBMS Help Desk – Customer Support Center	120.2	0.0	0.0
<b>TOTAL</b>	<b>2,623.3</b>	<b>3,439.6</b>	<b>3,267.5</b>

## Bureau of Safety and Environmental Enforcement

### *Working Capital Fund Centralized Bill*

(Dollars in thousands)

<b>Account</b>	<b>2013 Actual</b>	<b>2014 Actual</b>	<b>2015 Estimate</b>
Ocean Coastal Great Lakes Activities	0.0	20.0	20.0
e-OPF	18.2	39.9	39.9
EAP Consolidation	7.1	9.9	0.0
Worker's Comp Nurse Case Management	0.0	1.5	1.5
Albuquerque Learning & Performance Center	2.4	2.4	2.4
Online Learning	6.0	6.0	6.0
Washington Leadership & Performance Center	6.3	6.3	6.2
Anti-virus Software Licenses	49.0	16.4	16.4
Unified Messaging	305.7	164.2	164.2
ICAM (fka INFO ASSURANCE – DOI Access)	89.8	84.0	84.7
Data at Rest Initiative	6.0	2.4	2.4
Hosting Services (fka Hosting/Cloud Services)	0.0	12.9	12.4
ITD Customer Support Services Division	0.0	1.1	0.0
Enterprise Services Network	420.7	0.0	0.0
Creative Communications	3.9	4.0	4.0
Federal Flexible Savings Account (FSA) Program	10.1	10.1	10.1
ESRI Enterprise Licenses	47.6	35.3	44.2
FBMS Change Orders	10.2	10.0	0.0
Customer Support Services Division	1.1	0.0	0.0
Reimbursable Mail Services	1.0	0.0	0.0
Payroll & HR Systems	276.1	251.3	262.1
OLES BSEE Detailee	0.0	150.0	150.0
Acquisition Services	10.8	0.0	0.0
<b>TOTAL</b>	<b>1,272.0</b>	<b>827.7</b>	<b>826.5</b>

**Bureau of Safety and Environmental Enforcement**

**Employee Count by Grade**  
(Total Employment)

	FY 2013 Actuals	FY 2014 Estimate	FY 2015 Request
Executive Level V .....	1	1	1
SES .....	6	6	6
<b>Subtotal .....</b>	<b>7</b>	<b>7</b>	<b>7</b>
SL - 00 .....	0	0	0
ST - 00 .....	0	0	0
<b>Subtotal .....</b>	<b>0</b>	<b>0</b>	<b>0</b>
GS/GM -15 .....	45	45	45
GS/GM -14 .....	130	132	134
GS/GM -13 .....	210	216	221
GS -12 .....	79	92	103
GS -11 .....	106	139	172
GS -10 .....	3	3	3
GS - 9 .....	45	45	45
GS - 8 .....	19	19	19
GS - 7 .....	61	61	61
GS - 6 .....	16	16	16
GS - 5 .....	28	28	28
GS - 4 .....	15	15	15
GS - 3 .....	0	0	0
GS - 2 .....	0	0	0
GS - 1 .....	0	0	0
<b>Subtotal .....</b>	<b>757</b>	<b>811</b>	<b>862</b>
Other Pay Schedule Systems .....	0	0	0
<b>Total employment (actuals &amp; estimates) .....</b>	<b>764</b>	<b>818</b>	<b>869</b>

*This page intentionally left blank.*

## Bureau of Safety and Environmental Enforcement

### Offshore Safety and Environmental Enforcement (OSEE)

#### MAX Tables and Budget Schedules

<b>Program and Financing</b> <i>(dollars in millions)</i>				
<b>Treasury Account ID: 14-1700</b>		<b>2013 Actual</b>	<b>2014 Estimate</b>	<b>2015 Estimate</b>
<b>Obligations by program activity</b>				
0001	Appropriations	53	83	70
0002	Offsetting Collections	107	163	144
<b>0799</b>	<b>Total direct obligations</b>	<b>160</b>	<b>246</b>	<b>214</b>
0802	Reimbursable Service Agreements	42	37	37
<b>0900</b>	<b>Total new obligations</b>	<b>202</b>	<b>283</b>	<b>251</b>
<b>Budgetary resources: Unobligated balance:</b>				
1000	Unobligated balance brought forward, Oct 1	70	88	30
1011	Unobligated balance transfer from other accounts [14-1917] *	2	0	0
1021	Recoveries of prior year unpaid obligations	2	0	0
<b>1050</b>	<b>Unobligated balance (total)</b>	<b>74</b>	<b>88</b>	<b>30</b>
<b>Budget authority: Appropriations, discretionary:</b>				
1100	Appropriation	61	64	66
1130	Appropriations permanently reduced – sequester	-3	0	0
<b>1160</b>	<b>Appropriation, discretionary (total)</b>	<b>58</b>	<b>64</b>	<b>66</b>
<b>Spending authority from offsetting collections, discretionary</b>				
1700	Offsetting Collections (Cost Recovery)	6	8	8
1700	Offsetting Collections (Rental Receipts)	53	51	51
1700	Collected (Inspection Fee)		65	65
1700	(Reimbursable Service Agreements	43	37	37
1701	Change in uncollected payments, Federal sources	-2	0	0
1711	Spending authority from offsetting collections - Inspection Fees - transferred from accounts [14-1917]	64	0	<b>0</b>
1723	New and/or unobligated balance-spending authority - offsetting collections temporarily reduced – sequester	-6	0	0
<b>1750</b>	<b>Spending authority from offsetting collections, discretionary (total)</b>	<b>158</b>	<b>161</b>	<b>161</b>
<b>1900</b>	<b>Budget authority (total)</b>	<b>216</b>	<b>225</b>	<b>227</b>
<b>1930</b>	<b>Total budgetary resources available</b>	<b>290</b>	<b>313</b>	<b>257</b>
<b>Memorandum (non-add) entries:</b>				
<b>1941</b>	<b>Unexpired unobligated balance, end of year</b>	<b>88</b>	<b>30</b>	<b>6</b>
<b>Change in obligated balance: Unpaid obligations:</b>				
3000	Unpaid obligations, brought forward, Oct 1	83	101	135
3010	Obligations incurred, unexpired accounts	202	283	251

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

<b>Program and Financing (continued)</b> <i>(dollars in millions)</i>				
<b>Treasury Account ID: 14-1700</b>		<b>2013 Actual</b>	<b>2014 Estimate</b>	<b>2015 Estimate</b>
3020	Outlays (gross)	-182	-249	-226
3040	Recoveries of prior year unpaid obligations, unexpired	-2	0	0
<b>3050</b>	<b>Unpaid obligations, end of year</b>	<b>101</b>	<b>135</b>	<b>160</b>
<b>Uncollected payments:</b>				
3060	Uncollected payments, Federal sources, brought forward, Oct 1	-21	-19	-19
3070	Change in uncollected payments, Federal sources, unexpired	2	0	0
<b>3090</b>	<b>Uncollected payments, Federal sources, end of year</b>	<b>-19</b>	<b>-19</b>	<b>-19</b>
<b>Memorandum (non-add) entries:</b>				
3100	Obligated balance, start of year	62	82	116
3200	Obligated balance, end of year	82	116	141
<b>Budget authority and outlays, net: Discretionary:</b>				
4000	Budget authority, gross	216	225	227
<b>Outlays, gross:</b>				
4010	Outlays from new discretionary authority	99	158	159
4011	Outlays from discretionary balances	83	91	67
<b>4020</b>	<b>Outlays, gross (total)</b>	<b>182</b>	<b>249</b>	<b>226</b>
<b>Offsets against gross budget authority and outlays:</b>				
<b>Offsetting collections (collected) from:</b>				
4030	Federal sources	-43	-37	-37
4033	Non-Federal sources	-59	0	0
4034	Offsetting governmental collections	0	-124	-124
<b>4040</b>	<b>Offsets against gross budget authority and outlays (total)</b>	<b>-102</b>	<b>-161</b>	<b>-161</b>
<b>Additional offsets against gross budget authority only:</b>				
4050	Change in uncollected payments, Federal sources, unexpired	2	0	0
4070	Budget authority, net (discretionary)	116	64	66
4080	Outlays, net (discretionary)	80	88	65
<b>4180</b>	<b>Budget authority, net (total)</b>	<b>116</b>	<b>64</b>	<b>66</b>
<b>4190</b>	<b>Outlays, net (total)</b>	<b>80</b>	<b>88</b>	<b>65</b>
<b>Memorandum (non-add) entries</b>				
5090	Unavailable balance, SOY: Offsetting collections	0	6	6
5091	Unavailable balance, EOY: Offsetting collections	6	6	6
* Unobligated Balance of \$2M was brought forward from BOEMRE and transferred from BOEM to BSEE.				

## Bureau of Safety and Environmental Enforcement

### Offshore Safety and Environmental Enforcement (OSEE)

<b>Object Classification</b> <i>(dollars in millions)</i>				
<b>Treasury Account ID: 14-1700</b>		<b>2013 Actual</b>	<b>2014 Estimate</b>	<b>2015 Estimate</b>
<b>OSEE (Direct Obligations)</b>				
1111	Personnel compensation: Full-time permanent	52	57	59
1121	Civilian personnel benefits	16	17	17
1210	Travel and transportation of persons	1	3	3
1231	Rental payments to GSA	9	9	9
1251	Advisory and assistance services	6	1	1
1252	Other services from non-Federal sources	56	130	106
1253	Other goods and services from Federal sources	11	1	1
1255	Research and development contracts	4	14	14
1260	Supplies and materials	1	3	3
1310	Equipment	4	1	1
1410	Grants, subsidies, and contributions		10	
<b>1990</b>	<b>Subtotal, obligations</b>	<b>160</b>	<b>246</b>	<b>214</b>
<b>OSEE (Reimbursable Obligations)</b>				
2111	Personnel compensation: Full-time permanent	12	12	12
2121	Civilian personnel benefits	3	3	3
2231	Rental payments to GSA	6	5	5
2251	Advisory and assistance services	5	3	3
2252	Other services from non-Federal sources	4	5	5
2253	Other goods and services from Federal sources	9	8	8
2255	Research and development contracts	1	0	0
2310	Equipment	2	1	1
<b>2990</b>	<b>Subtotal, obligations</b>	<b>42</b>	<b>37</b>	<b>37</b>
<b>9999</b>	<b>Total new obligations</b>	<b>202</b>	<b>283</b>	<b>251</b>

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

<b>Program and Financing</b> <i>(dollars in millions)</i>				
<b>Treasury Account ID: 14-8370</b>		<b>2013 Actual</b>	<b>2014 Estimate</b>	<b>2015 Estimate</b>
<b>Obligations by program activity</b>				
0001	Direct program activity	13	20	18
<b>0900</b>	<b>Total new obligations</b>	<b>13</b>	<b>20</b>	<b>18</b>
<b>Budgetary Resources : Unobligated balance:</b>				
1000	Unobligated balance brought forward, Oct 1	6	8	3
<b>Budget Authority: Appropriations, discretionary</b>				
1101	Appropriation (special or trust fund)	15	15	15
1132	Appropriations temporarily reduced – sequester	-1	0	0
<b>1160</b>	<b>Appropriation, discretionary (total)</b>	<b>14</b>	<b>15</b>	<b>15</b>
<b>Spending authority from offsetting collections, discretionary:</b>				
1700	Collected	1	0	0
<b>1750</b>	<b>Spending authority from offsetting collections, discretionary (total)</b>	<b>1</b>	<b>0</b>	<b>0</b>
<b>1900</b>	<b>Budget authority (total)</b>	<b>15</b>	<b>15</b>	<b>15</b>
<b>1930</b>	<b>Total budgetary resources available</b>	<b>21</b>	<b>23</b>	<b>18</b>
<b>Memorandum (non-add) entries:</b>				
<b>1941</b>	<b>Unexpired unobligated balance, end of year</b>	<b>8</b>	<b>3</b>	<b>0</b>
<b>Change in obligated balance: Unpaid obligations:</b>				
3000	Unpaid obligations, brought forward, Oct 1	10	13	15
3010	Obligations incurred, unexpired accounts	13	20	18
3020	Outlays (gross)	-10	-18	-15
<b>3050</b>	<b>Unpaid obligations, end of year</b>	<b>13</b>	<b>15</b>	<b>18</b>
<b>Memorandum (non-add) entries:</b>				
3100	Obligated balance, start of year	10	13	15
3200	Obligated balance, end of year	13	15	18
<b>Budget authority and outlays, net: Discretionary:</b>				
4000	Budget authority, gross	15	15	15
<b>Outlays, gross:</b>				
4010	Outlays from new discretionary authority	4	8	8
4011	Outlays from discretionary balances	6	10	7
<b>4020</b>	<b>Outlays, gross (total)</b>	<b>10</b>	<b>18</b>	<b>15</b>



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

<b>Program and Financing (continued)</b> <i>(dollars in millions)</i>				
<b>Treasury Account ID: 14-8370</b>		<b>2013 Actual</b>	<b>2014 Estimate</b>	<b>2015 Estimate</b>
<b>Offsets against gross budget authority and outlays:</b>				
<b>Offsets against gross budget authority and outlays:</b>				
4033	Non-Federal sources	-1		
4070	Budget authority, net (discretionary)	14	15	15
4080	Outlays, net (discretionary)	9	18	15
<b>4180</b>	<b>Budget authority, net (total)</b>	<b>14</b>	<b>15</b>	<b>15</b>
<b>4190</b>	<b>Outlays, net (total)</b>	<b>9</b>	<b>18</b>	<b>15</b>

<b>Object Classification</b> <i>(dollars in millions)</i>				
<b>Treasury Account ID: 14-8370</b>		<b>2013 Actual</b>	<b>2014 Estimate</b>	<b>2015 Estimate</b>
<b>OSR (Direct Obligations)</b>				
1111	Personnel compensation: Full-time permanent	2	2	2
1121	Civilian Personnel Benefits	1	1	1
1252	Other services from non-Federal sources	3	7	5
1255	Research and development contracts	6	10	10
1990	Subtotal, obligations	12	20	18
<b>OSR (Reimbursable Obligations)</b>				
2252	Other services from non-Federal sources	1	0	0
<b>9999</b>	<b>Total new obligations</b>	<b>13</b>	<b>20</b>	<b>18</b>

**Bureau of Safety and Environmental Enforcement**  
**Oil Spill Research (OSR)**  
**Hurricane Sandy Disaster Relief Supplemental**  
**Appropriations Act of 2013**

<b>Program and Financing</b> <i>(dollars in millions)</i>					
<b>Treasury Account ID: 14-1920</b>			<b>2013 Actual</b>	<b>2014 Estimate</b>	<b>2015 Estimate</b>
<b>Obligations by program activity</b>					
0001	Direct program activity		3	0	0
<b>0900</b>	<b>Total new obligations</b>		<b>3</b>	<b>0</b>	<b>0</b>
<b>Budgetary resources: Budget authority: Appropriations, discretionary:</b>					
1100	Appropriation		3	0	0
<b>1930</b>	<b>Total budgetary resources available</b>		<b>3</b>	<b>0</b>	<b>0</b>
<b>Change in obligated balance: Unpaid obligations:</b>					
3000	Unpaid obligations, brought forward, Oct 1		0	2	0
3010	Obligations incurred, unexpired accounts		3	0	0
3020	Outlays (gross)		-1	-2	0
<b>3050</b>	<b>Unpaid obligations, end of year</b>		<b>2</b>	<b>0</b>	<b>0</b>
<b>Memorandum (non-add) entries:</b>					
3100	Obligated balance, start of year		0	2	0
3200	Obligated balance, end of year		2	0	0
<b>Budget authority and outlays, net: Discretionary:</b>					
4000	Budget authority, gross		3	0	0
<b>Outlays, gross (total)</b>					
4010	Outlays from new discretionary authority		1	0	0
4011	Outlays from discretionary balances		0	2	0
<b>4020</b>	<b>Outlays, gross (total)</b>		<b>1</b>	<b>2</b>	<b>0</b>
4070	Budget authority, net (discretionary)		3	0	0
4080	Outlays, net (discretionary)		1	2	0
<b>4180</b>	<b>Budget authority, net (total)</b>		<b>3</b>	<b>0</b>	<b>0</b>
<b>4190</b>	<b>Outlays, net (total)</b>		<b>1</b>	<b>2</b>	<b>0</b>

**Bureau of Safety and Environmental Enforcement**  
**Oil Spill Research (OSR)**  
**Hurricane Sandy Disaster Relief Supplemental**  
**Appropriations Act of 2013**

<b>Object Classification</b> <i>(dollars in millions)</i>				
<b>Treasury Account ID: 14-1920</b>		<b>2013 Actual</b>	<b>2014 Estimate</b>	<b>2015 Estimate</b>
<b>OSR (Direct Obligations)</b>				
1252	Other services from non-Federal sources	1	0	0
1253	Other goods and services from Federal sources	2	0	0
<b>9999</b>	<b>Total new obligations</b>	<b>3</b>	<b>0</b>	<b>0</b>

*This page intentionally left blank.*

---

# Bureau of Safety and Environmental Enforcement

## Authorizing Statutes

### Outer Continental Shelf (OCS) Lands Program

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

42 U.S.C. 7401, <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 Mexico. OCS activities in those non-excepted areas will require pollutant emission permits administered by the EPA or the States.
P. L. 112-42, Section 432	Consolidated Appropriations Act of 2012, amended the Clean Air Act by transferring air quality jurisdiction from the EPA to DOI for OCS activities in the Beaufort Sea and Chukchi Sea OCS Planning Areas of the Arctic OCS.
16 U.S.C. 470-470W6	The <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.
P.L. 104-58	The <u>Deepwater Royalty Relief Act</u> provides royalty rate relief for offshore drilling in deepwater of the Gulf of Mexico (GOM).
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. 1501-1557	<u>Appropriation Accounting</u>
5 U.S.C. 1104 <u>et seq.</u>	<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>
<b>Oil Spill Research</b>	
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).