BUDGET JUSTIFICATIONS

The United States Department of the Interior

and Performance Information
Fiscal Year 2017

BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT

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BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT

FY 2017 Greenbook

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Director’s Preface

FY 2017 BUDGET JUSTIFICATIONS
Bureau of Safety and Environmental Enforcement

Director's Preface

As the Administration works to support domestic energy production, the Bureau of Safety and Environmental (BSEE) is taking the necessary steps to provide effective oversight of oil and gas development on the U.S. Outer Continental Shelf (OCS), promoting a culture of safety and environmental protection and ensuring compliance with Federal regulations within the offshore oil and gas industry.

The 2017 BSEE budget fully supports the President's strategy by ensuring that 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 2017, BSEE 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. The Bureau will bolster its capacity for analyzing data gained through incident reporting requirements, near-miss reporting, and real-time monitoring. The Bureau will also continue to work with industry to better understand their safety processes, so that BSEE can mitigate and reduce risk. Through these initiatives and others, the Bureau will continue to ensure that offshore development occurs in a safe and environmentally responsible way.

BSEE's efforts are supported by six strategic goals identified in the Bureau's FY 2016-19 Strategic Plan: three operational excellence goals and three organizational excellence goals. These strategic goals guide BSEE's decision-making and investment strategies.

Operational Excellence Goals: The foundation of BSEE's work includes permitting, inspections, investigations, enforcement, and preparedness – all of which support safety and environmental protection.

- **Promote Safety:** BSEE reduces risk to those working offshore by advancing a culture of safety that encourages industry to go beyond baseline regulatory compliance.

- **Protect the Environment:** BSEE promotes environmental stewardship through integrated prevention, compliance, and preparedness activities.

- **Conservation:** BSEE actively identifies and pursues opportunities to improve oil and gas recovery and to ensure accurate production measurement.

Organizational Excellence Goals: BSEE's organizational excellence goals support the Bureau's ability to execute its operational goals.

- **People:** BSEE is an employer of choice: BSEE values, engages, and supports its people so they can excel.

- **Information:** BSEE consistently collects, analyzes, and uses quality information to drive decision making.

- **Transparency:** BSEE promotes transparency through processes that ensure consistency, efficiency, accountability, and collaboration.

BSEE's FY 2017 budget will continue to focus on supporting risk-based oversight, promoting research and development of new technologies, scientific investments, and monitoring techniques to best manage the country's natural resources, and ensuring safe and environmentally responsible development of the Nation's offshore energy resources.

General Statement

FY 2017 PERFORMANCE BUDGET REQUEST

Bureau of Safety and Environmental Enforcement

General Statement

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

BSEE Summary ($000)				
Account/Activity	**FY 2015 Actual**	**FY 2016 Enacted**	**FY 2017 Request**	**Change from FY 2016**
Offshore Safety & Environmental Enforcement (OSEE)				
Environmental Enforcement	8,314	8,314	8,314	-
Operations, Safety and Regulation	133,597	144,954	145,150	196
Administrative Operations	15,676	18,268	18,268	-
General Support Services	13,912	-	-	-
Executive Direction	18,227	18,236	18,236	-
Total, OSEE	**189,726**	**189,772**	**189,968**	**+196**
Offsetting Collections				
Offsetting Rental Receipts	-50,412	-49,399	-37,922	+11,477
Cost Recovery Fees	-5,510	-7,808	-5,608	+2,200
Inspection Fees	-55,460	-59,000	-65,000	-6,000
Total, Offsetting Collections	**-111,382**	**-116,207**	**-108,530**	**+7,677**
Net, OSEE	**78,344**	**73,565**	**81,438**	**+7,873**
Oil Spill Research	**14,899**	**14,899**	**14,899**	**-**
Current BSEE Funding	**93,243**	**88,464**	**96,337**	**+7,873**
Total BSEE Funding	**204,625**	**204,671**	**204,867**	**+196**
Full Time Equivalents (FTE)				
Total Direct FTE	674	756	756	-
Total Reimbursable FTE (Reimbursable Agreements)	111	125	125	-
Total FTE	**785**	**881**	**881**	**-**

As the United States' regulator of offshore energy exploration, production, and development, the Bureau of Safety and Environmental Enforcement (BSEE) promotes safety, protects the environment, and conserves energy resources offshore through vigorous regulatory oversight and enforcement. The Bureau's jurisdiction and regulatory responsibilities are defined by the Outer Continental Shelf Lands Act (OCSLA), which outlines Federal responsibility over the submerged lands of the Outer Continental Shelf (OCS). BSEE ensures compliance with provisions of other Federal laws, including the National Environmental Policy Act (NEPA), the Clean Air Act, the Clean Water Act, the Federal Oil and Gas Royalty Management Act, and the Oil Pollution Act of 1990.

BSEE uses the full range of authorities, policies, and tools to ensure safety, oil spill response preparedness, environmental stewardship, and appropriate development of offshore oil, natural gas, and renewable energy resources. Key functions include:

- An offshore regulatory program that establishes critical standards and regulations and emphasizes a culture of safety in all offshore activities;

- A technical review process for planned operations and emerging technology that ensure that risks are properly identified and minimized;

- Oil spill preparedness through evaluation of industry oil spill response plans, inspection of response equipment, verification of operator and contractor competencies, completion of government-initiated unannounced exercises to ensure compliance with regulatory requirements, and oil spill response research and development to develop and refine new and existing technologies;

- Funding technical and scientific research to enhance the information and technology needed to build and sustain the organizational, technical, and intellectual capacity within and across BSEE's key functions that can keep pace with industry's technological improvements, encourage innovation in regulation and enforcement, and reduce risks through systematic assessment and regulatory enforcement actions;

- Investigation of incidents and allegations of unsafe and/or illegal conduct during offshore operations; and

- Enforcement of all applicable environmental and operational regulations, as well as ensuring that operators adhere to the stipulations of their approved leases, plans, and permits.

The energy resources and activities under BSEE's jurisdiction are vast as the OCS is a major source of energy for the U.S. In fiscal year 2015, OCS leases offshore Alaska, California, and in the Gulf of Mexico (GOM) provided 553 million barrels of oil and 1.3 trillion cubic feet of natural gas, accounting for about 16 percent of the Nation's oil production and about 5 percent of domestic natural gas production[1, 2]. The Energy Information Administration projects offshore production will continue to grow through 2040, as the pace of development activity quickens and new large development projects, predominantly in the deepwater and ultra-deepwater areas of the GOM, are brought into production.

[1] For additional details regarding OCS oil and gas production see: http://www.data.bsee.gov/homepg/data_center/production/ocsprod.asp

[2] Data percentages were derived from total domestic oil and gas production numbers listed at http://www.eia.gov.

FY 2017 BUDGET REQUEST

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

BSEE was established on October 1, 2011, to ensure the safe and responsible development of our Nation's offshore energy resources. As the Administration works to support domestic energy production, BSEE is taking the necessary steps to provide effective oversight of oil, natural gas, and renewable energy development on the OCS, promoting a culture of safety and environmental protection and ensuring compliance with Federal regulations within the offshore oil and gas industry. The Bureau has set organizational priorities based on focus areas outlined in the Bureau's FY 2016-19 Strategic Plan. The Plan identifies six strategic goals: three operational excellence goals that encapsulate BSEE's core functions including inspections, permitting, investigations, enforcement and preparedness; and three organizational excellence goals focused on BSEE's internal capacity to execute these functions. One of BSEE's organizational excellence goals is to value, engage and support its people so they can excel. Critical to accomplishing this goal is the Bureau's ability to recruit, develop, and retain a diverse workforce. To meet growing manpower demands, BSEE continues to engage in an aggressive hiring effort to ensure that it has the expertise and staffing levels to implement a more comprehensive inspection and risk mitigation program. These focus areas strategically prioritize the Bureau's actions, and are strengthened by BSEE's guiding principles of clarity, consistency, predictability, and accountability to the American public and the regulated community.

As offshore operations continue to expand and move into new environments that require new technologies, BSEE continues to adapt its oversight and regulatory approach. Programs have been established that identify, evaluate, and promote emerging technologies that will decrease risks associated with offshore oil and gas development while increasing safety for offshore workers. BSEE undertakes research on new technologies, the results of which assist the Bureau in staying current with expanding operations, as well as future activities on the OCS, such as inspecting proposed renewable energy projects and evaluating technological advances that allow for deeper drilling at higher temperatures and pressures.

Additionally, BSEE is responsible for oversight of companies' oil spill response plans including BSEE's government initiated unannounced exercise program. Through these exercises, many of which involve actual deployment of response assets, BSEE assesses an operator's ability to mount and sustain a spill response. These exercises also allow government entities with regulatory authorities for response to test actual response protocols and decision-making processes.

Assessing and Managing Risk

Risk management is an integral component of a safety culture. It is the lens through which BSEE views the interaction between technology, processes, and the human element. It provides the foundation for how BSEE regulates and enforces standards and, therefore, how BSEE approaches safety and environmental stewardship on the OCS. To better assess and manage risk, the Bureau has strengthened both its regulations and programs in the following areas:

Safety on Production Facilities: A proposed production safety systems rule that will provide the first updates to regulations for production safety systems since the late 1980's is in the final process stage and should be finalized in FY 2016. This rule incorporates best practices for equipment and systems that protect 2500 facilities that are currently producing oil and gas on the OCS.

Well Control during Drilling Operations: BSEE has put new rules in place that strengthen requirements for blowout preventer (BOP) maintenance and testing. Additionally, BSEE published a comprehensive proposed rule that will address a myriad of systems and processes, including BOPs involved in well control operations. This proposed rule is intended to account for all aspects of well control operations in order to reduce risks that could lead to technical and operational failures such as those that resulted in the loss of well control and explosion aboard the *Deepwater Horizon*. The Bureau is in the process of developing a final rule after careful review of comments received and anticipates publishing a final rule in mid FY 2016.

Safety Culture: The Safety and Environmental Management System (SEMS) program is one of the major components of BSEE's hybrid regulatory approach which combines prescriptive and performance-based rules. The goal is to encourage the offshore oil and gas industry to adopt an approach to safety that looks beyond baseline compliance with regulations toward a safety culture that promotes improved awareness and continuous improvement in operational safety and environmental performance. The SEMS program is meant to be a tool through which companies actively identify, manage, and improve safety performance related to human behavior, organizational structure, leadership, monitoring of critical equipment and processes, and adoption of standards, processes, and procedures – not simply become a compilation of required documentation. BSEE continues to incorporate the principles of SEMS as part of its inspection program, which has traditionally focused on compliance issues.

Arctic Exploration: As part of the Administration's commitment to developing America's domestic energy resources safely, the Department of the Interior (DOI) issued proposed draft regulations in 2015 to help ensure that any future exploration in the Arctic is done responsibly and subject to the highest safety standards. The draft regulations support the Administration's coordinated and deliberative approach to the Arctic by requiring specialized practices for conducting exploratory drilling operations in this unique and challenging environment as well as the use of performance-based standards to ensure that operators have taken the necessary steps for proper internal controls and planning for oil spill prevention, containment, and response. Recognizing the complexities of an Arctic response, BSEE is also working with Federal partners in the creation of a government-wide plan that would support the government presence in Alaska during a major spill. Efforts also continue with Arctic Nations to plan and execute circumpolar spill response exercises, develop databases of Arctic-specific response equipment, address questions on movement of equipment and people across borders during emergencies, and assessing the

risks of oil spills as the Arctic waters become more accessible to shipping and hydrocarbon exploration and production.

Research and Collaboration: Important research and assessment involving emerging technology, critical safety equipment, and risk assessment is performed by BSEE. These programs are focused on providing useful analysis and regulatory tools that can address specific safety concerns arising out of the use of new and emerging technology or to assist in the analysis of incidents. BSEE's programs include extensive collaborations with other Federal entities such as Department of Energy's (DOE) National Labs and the National Aeronautics and Space Administration (NASA). BSEE is also actively engaged in joint research programs with industry to verify the performance of equipment being used to develop high-temperature and high-pressure reservoirs. BSEE's Best Available and Safest Technology (BAST) program, which assesses the performance of current equipment, helps to ensure that operators have installed the best available technology for critical operations. Coordination of this activity is helped by the Offshore Energy Safety Institute (OESI) which provides an independent forum for dialogue, shared learning, and cooperative research among academia, government, industry, and other stakeholders. The OESI is a neutral ground for the exploration of issues of offshore risk that are of common concern to industry and regulators.

Ohmsett: Important oil spill response research is conducted at Ohmsett, the National Oil Spill Response Research and Renewable Energy Test Facility, which is managed by BSEE. Ohmsett is the largest outdoor testing facility of its type in North America, comprised primarily of a 667 foot long saltwater tank. Located near Leonardo, New Jersey, Ohmsett provides the Bureau, as well as other facility users from around the world, a unique oil spill response training and testing environment that simulates real-world conditions in a safe and controlled environment. With the ability to test with real crude oil, equipment manufacturers, scientists, regulators, and first responders can test and train on various response methods at a scale and with wave conditions that, to a great extent, mimics those encountered offshore. Additional information on the facility is located in the Oil Spill Preparedness and Research section of the Executive Summary.

Interagency Coordinating Committee on Oil Pollution Research (ICCOPR): BSEE also participates in the ICCOPR, which provides a forum for research collaboration that looks at oil spill prevention, preparedness, and response. The ICCOPR, a congressionally-mandated body comprised of staff from 15 Federal agencies, provides a venue for agencies to share their latest research, regulations, and policies; explore opportunities for collaboration on research; and identify emerging issues that need national attention. Collaboration on oil spill response research is not limited to the Federal Government, but also includes industry organizations, both domestically and internationally, such as the American Petroleum Institute (API), and the International Oil and Gas Producers, respectively.

Technology Assessment: The Engineering Technology Assessment Center (ETAC) in Houston, Texas, is strengthening BSEE's ability to assess novel and emerging technologies by keeping pace with an increasingly complex industry. Through ETAC, the Bureau works more closely with Original Equipment Manufacturers and participates more fully with standards-setting bodies such as the API, the American Society of Mechanical Engineers (ASME), and the National Association of Corrosion Engineers (NACE). The Center serves as the primary liaison between BSEE and OESI. The Federal staff engineers will work with OESI on joint industry projects. The ETAC is intended to supplement activities that are already

occurring at the regional level by providing additional technical expertise with BSEE staff and contract support.

Data Collection and Sharing: In May 2015, BSEE launched the SafeOCS program, an initiative aimed at collecting and analyzing near-miss data. SafeOCS is a voluntary and completely confidential system in which the Bureau of Transportation Statistics (BTS) will collect and analyze near-miss reports. The aggregated data will be shared with the general public and industry to assist in the identification of safety trends and potential safety issues. BSEE's new regulatory initiatives also mandate the sharing of key data within industry to ensure that equipment reliability issues can be quickly identified and addressed before an incident occurs.

These achievements represent important steps to promote offshore safety as well as protect life, property, and the environment. As planned, BSEE continues to define and implement reforms and to hire the personnel needed to ensure the safe and responsible development of America's offshore energy resources.

International Collaboration

BSEE engages regularly with its international counterparts in order to promote the safe and environmentally responsible development of offshore energy resources globally. BSEE has established itself as a leader in international cooperation, occupying leadership roles in multilateral fora such as the International Regulators Forum, the Arctic Offshore Regulators Forum, the Arctic Council bodies, such as the Emergency Prevention, Preparedness, and Response Working Group, and the International Offshore Petroleum Environment Regulators group. Additionally, BSEE places a priority on maintaining strong bilateral relationships with a number of international partners such as Canada and Mexico. This is particularly true for neighboring regulators, with whom the exchange of information and best practices is essential in facilitating greater regulatory certainty and providing for cooperation on oil spill prevention and preparedness in adjoining maritime jurisdictions. BSEE also works regularly with the Department of State and DOI Office of International Affairs in providing technical assistance to select countries on the verge of becoming significant oil and gas producers.

Strategic Planning

In FY 2017, BSEE will continue implementation of its 2016 - 2019 Strategic Plan. Three key initiatives will inform the plan's implementation: (1) refinement of a comprehensive set of output and outcome-based performance measures; (2) implementation of an enterprise risk-management framework to facilitate information sharing and identify the risk relationships among and within programs; and (3) implementation of its national program manager model to ensure consistency across regions. These initiatives support both effective decision making and assessment of the Bureau's progress in meeting its priorities.

Additionally, focus areas highlighted in the 2016 - 2019 Strategic Plan include:

- Ensure a consistent, national approach to detection of noncompliance and incident investigation.
- Examine the full life cycle of offshore operations and adapt to changing conditions.

- Further incorporate risk-based decision making into core safety functions.
- Rigorously enforce all environmental protection and oil spill preparedness requirements.
- Collaboratively generate nationwide policies, procedures, Notice to Lessees (NTLs), and regulations among headquarters and the regions.
- Improve engagement with employees to foster a culture of collaboration within BSEE.
- Develop and sustain a well-trained, high-performing and diverse workforce.
- Maintain productive relationships with Congress, the Department, key departmental Bureaus and offices, other government agencies, international partners, tribes, and non-governmental stakeholders.
- Enhance BSEE's decision making through the collection, management, and analysis of high quality information.
- Deliver high-quality administrative services and products to internal and external customers.
- Drive the continued modernization of Information Technology (IT) and information management processes and infrastructure to effectively support our mission and decision making processes.

Clear and Consistent Policies and Implementation

During FY 2016, BSEE began an effort to strengthen internal controls and to better track and demonstrate results for mission-critical operations. BSEE identified national program managers with direct lines of responsibility for managing major program functional areas. The designated national program leads will coordinate policy development, in collaboration with the Regions, which establish the programmatic framework in support of the Bureau's mission. The Regional Directors will apply resources to execute these policies at the field level. This governance model provides collaborative decision-making structures necessary for policy development and consistent enactment that directly advance the Bureau's goals of safety, environmental stewardship, and responsible energy development on the OCS. Principal functions include: (1) setting overall strategy for the programs, including performance measures; (2) establishing priorities for resource allocation; and, (3) monitoring program performance.

PROPOSED ARCTIC RULE

February 2015 – BSEE and BOEM released proposed regulations that seek to ensure that future exploratory drilling operations on the U.S. Arctic Outer Continental Shelf are conducted in a safe and environmentally responsible manner. Using a combination of performance-based and prescriptive standards, the proposed regulations codify and further develop current Arctic-specific operational standards that seek to ensure that operators take the necessary steps to plan through all phases of offshore exploration in the Arctic.

PROPOSED WELL CONTROL RULE

April 2015 – In response to the findings of investigations into the *Deepwater Horizon* tragedy, and following a thorough evaluation of recommendations from industry groups, equipment manufacturers, Federal agencies, academia, and environmental organizations, Secretary of the Interior Sally Jewell announced proposed regulations to better protect human lives and the environment from oil spills. The proposed well control rule:

- Includes more stringent design requirements and operational procedures for critical well control equipment used in offshore oil and gas operations.

- Addresses the range of systems and equipment related to well control operations.
- Includes reforms in well design, well control, casing, cementing, real-time monitoring, and subsea containment.
- Requires improved controls of all repair and maintenance activities through the lifecycle of the blowout preventer and other well control equipment.
- Provides verification of the performance of equipment designs through third party verification, enhanced oversight of operations through real-time monitoring viewed onshore, and requires operators to, during operations, use engineering best standards that reduce risk.

Compliance, Inspections, and Enforcement

Based on recommendations from investigatory and oversight reports, internal and external reviews of operations, and reorganization studies, BSEE is implementing a number of improvements to its inspection regime. BSEE will continue to look for improvements to enhance its investigation, analysis, regulatory, inspection, and compliance programs based on risk considerations within those programs.

Risk-based Inspections: The Bureau is actively implementing a risk-based inspection methodology for use at various levels within the regulatory program. Through the identification and quantification of risk, such as through analyzing leading and lagging indicators, BSEE can better gauge operator performance and improve its analysis of the effectiveness of redundant physical controls (barrier analysis) on well operations. In the first quarter of FY 2016, BSEE piloted a risk-analysis methodology for production facilities. The Bureau is actively deploying this methodology which, when combined with findings from our annual inspection program and trends identified in the third party SEMS audits, will enable BSEE to effectively focus its attention in the areas or operations which pose the greatest risk to safe operations. Inspection strategies which apply this risk methodology to help focus inspections on selected topics are currently being pilot tested. Additionally, BSEE is preparing to shift from purely compliance inspections to a system that provides a more comprehensive assessment of the overall safety of operations and facilities.

Performance Targets: 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. To ensure a safe working environment, the Bureau has established ambitious performance targets for the thousands of inspections of OCS facilities and operations conducted each year, which go beyond the coverage of tens of thousands of safety and pollution prevention components, and address overall safety management programs that prevent offshore accidents and oil spills.

Systems and Data Analysis: BSEE is working to refine internal controls and processes and expand the use of information and data management systems to enhance continuous offshore safety enforcement and 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. New protocols are being advanced to emphasize risk-based oversight with the intent of identifying and focusing inspections on the "riskiest" activities and facilities by utilizing real-time monitoring technologies to improve and increase the regulatory oversight of critical offshore operations and equipment.

Federal Partnerships: The Bureau values its close cooperative relationships with Federal partners on the OCS, and is also working to strengthen resources through intra- and interagency cooperation. For example, the Bureau continues to improve upon its longstanding memorandum of understanding (MOU) and a series of subject matter specific memorandums of agreement (MOAs) with the U.S. Coast Guard (USCG) and is focusing on shared resources, cross-training, and cooperation in Federal enforcement efforts on the OCS. One of the more successful engagements is through the BSEE and USCG Response Work Group, which looks at ways to better coordinate respective oil spill exercise and response equipment inspection programs, address lessons learned, get updates on field activities, and promote routine communication at all levels throughout both organizations. Also, BSEE has been involved in discussions on continuous safety improvement and safety culture policy with other Federal partners focused on High Reliability Organizations, such as the Department of Transportation (DOT), Pipeline and Hazardous Materials Safety Administration (PHMSA); and the Nuclear Regulatory Commission (NRC). BSEE continues to actively seek new opportunities to share information across U.S. government agencies and internationally.

Oil Spill Preparedness and Research

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

Oil Spill Response Plan: The Oil Spill Response Plan (OSRP) is one of the most important aspects of ensuring that offshore energy exploration and production activities foster environmental stewardship. An OSRP is required of each offshore facility and is approved when the owner/operator of an offshore facility has demonstrated the ability to respond to a worst-case discharge to the maximum extent practicable. BSEE further ensures the preparedness of the offshore community by assessing the quality and performance of response equipment listed in the plans - including skimmers, pumps, booms, and integrated fast response vessels. During annual training and exercises, BSEE requires that plan holders hone and demonstrate their understanding and skills in managing all aspects of a response, including how to mobilize both equipment and people quickly and safely.

Abatement: Deepwater operators must now have specialized equipment to help stop the flow of an uncontrolled well release and to capture oil being released from a leak source. The equipment includes highly sophisticated capping stacks and pollution containment domes for deepwater wells. The training associated with the use of subsea containment and control equipment was codified through the BSEE initiative to develop a unique set of positions within the Incident Command System structure – positions that are now reflected in the USCG Incident Management Handbook.

Research and Development: The OSRP within BSEE continues to aggressively implement a comprehensive, long-term research program dedicated to improving spill response options for oil spills in offshore environments, including the Arctic. The program is based upon a strategic plan that recognizes the evolving risks in offshore exploration and production and the constant mission of protecting the environment. BSEE is focused on improving the methods and technologies used for oil spill detection from aerial and subsea platforms and vehicles, smart technologies, surface slick and subsurface plume measurement and quantification, surface and subsea containment, treatment with dispersants, recovery using mechanical devices, oil and water separation systems, and clean up using various technologies including in-situ burning of the oil. During FY 2017, BSEE intends to fund research on advancing new technology for in-situ burn efficiency, remote sensing tools for oil spill detection and thickness determination, and the development of “smart” skimming technologies. Additionally, BSEE plans to undertake additional research projects that will provide science to support the understanding of dispersant effectiveness in various operating environments. BSEE will also continue to work with Federal partners such as the USCG and the National Oceanic and Atmospheric Administration (NOAA), and international organizations such as the International Association of Oil and Gas Products (IOGP) to engage in a continuous program of global information exchange to help facilitate forward movement on oil spill research and the identification of the best technologies available worldwide.

Oil Spill Research funding also provides for the operations and maintenance of Ohmsett, an integral part of offshore oil spill response preparedness for the Nation. The Ohmsett facility recently completed a scheduled five-year test tank renovation and the construction of a new warehouse to replace the one destroyed during Hurricane Sandy. Mitigation efforts to harden and protect Ohmsett assets from future

extreme weather events were completed concurrently. The Bureau intends to continue to expand Ohmsett's capabilities to further facilitate advances in oil spill response and meet the venue-needs of the oil spill response community.

FY 2017 BUDGET HIGHLIGHTS

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

In FY 2017, BSEE estimates offsetting collections will be comprised of $37.9 million from rental collections, $5.6 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 ***Environmental Enforcement*** Activity funds: environmental compliance activities related to issuing permits associated with plans; inspections of environmental measures and enforcement regulation; and monitoring industry compliance with mitigation and other environmental requirements through office and field inspections.

- The ***Operations, Safety and Regulation*** Activity funds: OCS permit application reviews; inspections of OCS facilities including critical high-risk activities; offshore operator oil spill planning and preparedness compliance; investigations; 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. BSEE also provides administrative services, such as human resources, procurement, and finance to BOEM and other entities within the Department on a reimbursable basis.

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

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.

In FY 2017, the following BSEE budget changes are proposed:

General Reduction (-$122,000/0 FTE): In order to support BSEE's highest priority needs in FY 2017, the Bureau proposes a general reduction to its primary operating account that will be achieved through administrative savings efforts, such as reducing non-essential travel expenses. Included within this general reduction are the following increases and decreases:

- **General Increase in Base Appropriated Funding to Offset Reduction in Offsetting Collections (+7,555,000; 0 FTE):** The proposed increase to appropriated funding offsets the estimated decrease in rental receipt and cost recovery revenue as discussed below. Although offsetting revenue is set to decline, program requirements will not, and it is critically important for the Bureau to maintain adequate base program capacity to achieve its mission, as industry continues to move drilling and production operations into deeper waters and more hostile operating environments.

- **General Reduction - Changes in Offsetting Collections (-7,677,000; 0 FTE):**

    - **Rental Receipts (-11,477,000; +0 FTE):** Rental receipts are the second largest of three different offsetting collections credited to the BSEE OSEE account to help defray the cost of operations. This decrease to rental receipts revenue is the result of two compounding factors. First, fewer leases are being sold as the OCS matures in terms of exploration prospects and world oil prices decline. Second, the decline in the number of leases subject to rentals is expected to accelerate because some of the active leases were issued with shorter primary terms than before and a large number of deepwater leases are expected to expire around FY 2017.

    - **Cost Recovery Fees (-$2,200,000; 0 FTE):** Cost recovery fees are the smallest of three different offsetting collections credited to the BSEE OSEE account to help defray the cost of operations. This decrease in revenue generated from cost recovery fees reflects the trend of actual collections.

    - **Inspection Fees (+$6,000,000; +0 FTE):** Inspection fees are the largest of three different offsetting collections credited to the BSEE OSEE account to help defray the cost of operations. This increase in inspection fees aligns with the Bureau's FY 2016 budget request, and reflects an increase of $6,000,000 from FY 2016 Enacted levels based on a proposed inspection fee structure that would allow BSEE to charge an inspection fee for each visit to certain OCS facilities.

Fixed Costs (+$531,000): Projected increases for fixed costs such as rent, salary increases, central billing, IT transformation for the Department's Working Capital Fund, and other items are fully funded by this request.

Fund Special Pay for Oil and Gas Occupations (+$3,924,000 / -$3,924,000): Sustaining the Department's energy programs requires the ability to attract and retain qualified personnel in fields that

are highly competitive for skilled professionals that are in scarce supply. The Department's ability to compete for talent in this dynamic sector of the economy is a problem across Interior's oil and gas development and inspection programs. The competition with industry to attract and retain talented, skilled candidates is intense, and industry does not hesitate to compensate its mission-critical personnel at the highest levels possible. As a result, it is very difficult to compete for and retain top tier staff because BSEE's employment package is not competitive with that of industry. Authority provided by Congress since 2012 has allowed BOEM and BSEE to offer higher rates of pay to employees within specific job series (geophysicists, geologists, inspectors and petroleum engineers) in the Gulf of Mexico Region. In August 2015, OPM issued special salary tables expanding on this authority. The OPM salary tables applicable to BOEM and BSEE currently cover additional mission critical occupational series in the Gulf of Mexico Region, and the Department continues to work actively with OPM to expand this incentive in order to meet critical workforce gaps in other BOEM and BSEE regions and for DOI employees engaged in onshore energy development and inspection.

Base funding will be used to support revised pay rates providing for an increase in current locality pay rates to "Base + 35%" for each occupation/location approved for the special rates. BSEE expects that the recently approved OPM special salary rates will further assist the Bureau with recruitment and retention of mission critical technical positions.

OSR Appropriation - No change from the FY 2016 Enacted level.

Performance Summary

In FY 2017, BSEE will focus attention on priority areas and continue implementing its goals to advance its regulatory oversight mission. A key component toward achieving this goal is the Bureau's effort to develop a performance management system that will support implementation of the Bureau's 2016 - 2019 Strategic Plan. This system, the Performance Management Framework, involves developing and refining a suite of meaningful performance measures that managers can use to inform decision making and communicate the value of the mission to stakeholders. Measures will be based on outputs and outcomes that demonstrate how the Bureau achieves results in implementing its mission. An emphasis on data will strengthen BSEE's overall ability to examine and understand how it achieves results.

Additional efforts underway will support BSEE's abilities to measure performance, and to assess effectiveness and priorities. For example, BSEE is currently in the process of implementing an enterprise-wide risk management system to help identify and prioritize areas of risk for the Bureau. By assessing and comparing organizational risks, as well as strengths, weaknesses, and opportunities, the Bureau is able to consider any impacts that ongoing and future industry trends may have on BSEE's role as a regulator. Program audits and reviews conducted by the Government Accountability Office (GAO), the Office of Inspector General, and external organizations will also continue to provide input to BSEE's performance and evaluation processes. Results from the enterprise risk management system, audits and reviews, and other initiatives (e.g., real-time monitoring, near-miss reporting, enforcement reform, and human capital strategic planning) will further inform the Bureau's efforts to continuously improve mission performance.

Performance Results - Evidence and Evaluation

In FY 2017, BSEE will focus attention on priority areas and refine its outcome measures to assess results and to better position the Bureau to achieve its mission in four main categories:

1) Incidents – including injuries, fatalities, fires, hazmat, and loss of well control
2) Operations – including incidents of non-compliance (INCs) and violations
3) Systems and subsystems – including environmental integrity, plans, and permits
4) Safety culture – including SEMS maturity and corrective actions

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

- Make informed management decisions for the Bureau;
- Improve program implementation and motivate performance through increased quality of program outputs and efficiency of processes.
- Report performance to government and industry stakeholders in order to enhance accountability and transparency; and
- Communicate the value of the mission to stakeholders and support the Strategic Plan and mission of the Bureau;

Description of Plans/Actions Underway to Use Evidence and Innovation: In conjunction with BOEM, BSEE continues to reform practices and policies to realize the full vision for OCS management.

Improving Permit and Plan Review: In FY 2013, BSEE completed the first phase of development for its ePermits initiative, which will reduce review processing time by 30-40 percent for permits, plans, and other submitted document reviews. BOEM's ePlans initiative is being conducted in parallel with ePermits, and BSEE is working closely with BOEM on this initiative to develop common electronic submissions and processes for both ePermits and ePlans and to identify points of interagency information exchange. In FY 2014, BSEE completed the second phase of the ePermits initiative, which employed BSEE subject-matter experts to document the internal business processes that are used to collect the data necessary for permit and plan decision-making by the agency. BSEE will also develop automated processes to populate data in BSEE's Technical Information Management System (TIMS). In FY 2015, BSEE and BOEM completed user requirements in the form of user case documentation that will inform users and developers in constructing the ePermits and ePlans components. In August 2015, BSEE awarded two contracts using the requirement and user case documentation to start development of the new ePermits and ePlans components. In October 2015, initial work started on establishing the permitting framework and the first permit actions, which relate to the submission of oil spill plans. The current schedules call for initiating the remaining five permit categories at approximately six-month intervals, with completion of the ePermits project in April, 2018.

Bureau of Safety and Environmental Enforcement

Secretarial Initiatives, Agency Priority Goals, and Administration Management Initiatives

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

Secretarial Initiatives

Powering Our Future and Responsible Use of the Nation's Resources

Through early planning, thoughtful mitigation, and the application of sound science, Interior is working to ensure that the Administration's comprehensive energy strategy includes not only traditional sources, but also the further development of low emission energy resources – such as offshore wind – to help mitigate the causes of climate change. BSEE's FY 2017 budget fully supports this strategy with a focus on supporting risk-based oversight, assessment of emerging technologies to keep pace with the energy sector, and ensuring safe and environmentally responsible development of the Nation's offshore energy resources. Funds will be used to recruit and sustain engineers, inspectors, investigators, and oil spill planning and prevention specialists within a robust organization that sustains the technical and intellectual capacity to keep pace with BSEE's energy stakeholders. These activities are described further under the Oil and Gas Management Section.

Building a Landscape-Level Understanding of Our Resources – Science Coordination

BSEE's FY 2017 budget continues to promote research and development of new technologies and monitoring techniques to best manage the country's natural resources and heritage. The FY 2017 budget supports integrated efforts to achieve sound resource management outcomes.

BSEE uses applied science and engineering expertise to administer the Nation's development of offshore energy resources. BSEE evaluates current policies and research that address the impacts of extreme weather conditions on offshore energy activities and infrastructure. The Bureau also provides representation and technical expertise to the National Ocean Council, Climate Change Taskforce, Science Advisor and Scientific Integrity Officer Working Groups, the Interagency Coordinating Committee on Oil Pollution Research, the National Response Team's Science and Technology subcommittee, and other expert panels to further the Department's policies for climate adaptation.

Research and development programs help achieve the Administration's priority of responsible energy and minerals development. With a focus on safety research, BSEE is able to help ensure that conventional energy development can occur while mitigating risks and potential adverse impacts.

BSEE is participating in the Arctic Council's Emergency Prevention, Preparedness, and Response Working Group to develop strategies to respond quickly and effectively to releases of pollutants from vessels or exploration and development activities. The Bureau also participates in the Arctic Council's Protection of the Arctic Marine Environment Working Group and chairs the Arctic Offshore Regulators Forum. In collaboration with the other Arctic Nations, research is being conducted to better protect resources that could be impacted from spills in Arctic waters.

Building a 21st Century Department of the Interior

The FY 2017 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 use of information management; optimized programs, business processes, and facilities; and a network of innovative cost controlling measures that leverage strategic workforce alignment to realize an effective 21st Century Interior organization.

BSEE is developing and implementing an enterprise-wide risk-management (ERM) system to provide deliberate and consistent analysis of internal and external risks that threaten the Bureau's ability to achieve its mission. The ERM breaks down silos and provides a holistic view of organizational challenges that, when viewed in context, provides better insight about how to most effectively prioritize and manage risks to mission delivery. BSEE seeks to integrate ERM into existing organizational processes for efficient and effective identification, assessment, and treatment of risks, as well as for facilitating continual organizational improvement.

The Bureau collects a significant amount of data to support its complex regulatory mission. To better leverage the use of the data it collects, BSEE is implementing a Data Stewardship Program. The program will modernize data systems, standardize definitions, and increase accessibility of Bureau data both internally and externally. BSEE's Data Stewardship Program will facilitate informed decision making across the organization and will support the DOI and BSEE strategic plans with common goals and objectives. The program will work to implement three strategic goals: provide and maintain an effective data stewardship framework to support effective Data Management; enhance the collection, standardization, accuracy, completeness, consistency, consolidation and storage of data; and strengthen data management and release practices.

The Data Stewardship Program develops, implements, and updates consistent data definitions, policies, procedures, and processes related to organization-wide data administration, data quality, data management processes, and technology. It also monitors Bureau-wide adherence to data management, data definitions, business rules, validation, and standards.

Finally, as discussed in a later section, the Bureau continues to pursue initiatives to recruit, retain, and train a highly skilled workforce and maintain a work environment that provides a high level of employee satisfaction.

Agency Priority Goals

Renewable Energy Resource Development

Goal: By September 30, 2017, increase approved capacity authorized for renewable (solar, wind, geothermal, and hydropower) energy resources affecting DOI managed lands, while ensuring full environmental review, to at least 16,600 Megawatts (since the end of FY 2009).

Bureau Contribution: Secretarial Order (S.O.) 3299 directed the creation of 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 provide independent safety and environmental oversight and enforcement of offshore activities. In accordance with S.O. 3299, BOEM is in the process of transferring the renewable energy responsibilities of environmental oversight, facility permitting, facility inspections, and regulatory enforcement to BSEE.

Implementation Strategy: A BSEE/BOEM transition team is managing the effort to re-designate the renewable energy regulations in 30 CFR Part 585 between the two agencies. BSEE is also drafting a series of touch-point documents to guide the interdependencies between BOEM and BSEE. Both Bureaus together are updating the interagency MOU to clearly define roles and responsibilities when the re-designation is published. BSEE is currently a cooperating agency on all NEPA documents related to renewable energy projects on the Federal OCS and reviews all offshore wind proposed projects to determine if a BSEE approved OSRP will be needed, and provides subject matter expertise for engineering and plan review of project planning documents. After the re-designation, BSEE will revise the existing renewable energy regulations for OCS operations to incorporate best practices as advised by a number of contracted studies, new standards, and lessons learned.

Performance Metrics: The performance metrics that will be developed are similar to those currently used in conventional offshore energy development.

Oil and Gas Resource Management

Goal: By September 30, 2017, the Bureau of Land Management (BLM) will complete 100 percent of the inspections for Federal and Indian potential high risk oil and gas production cases annually to better ensure accountability and safety.

Bureau Contribution: In 2011, the Government Accountability Office (GAO) added the DOI's management of oil and gas on leased Federal lands and waters to their High Risk List due to lack of assurance of collecting a fair share of revenue, the inability to hire, train, and retain staff, and the reorganization of Bureaus performing offshore oversight immediately following the *Deepwater Horizon* oil spill. Sufficient progress was made with the establishment of BOEM, BSEE, and the Office of Natural Resources Revenue (ONRR), and GAO has declared that the reorganization issues and concerns have been addressed. However, Interior's revenue collection and human capital challenges remain a concern.

BSEE has taken a number of actions to address long-term hiring and retention challenges raised in the January 2014 GAO Report entitled *Oil and Gas-Interior Has Begun to Address Hiring and Retention Challenges but Needs to Do More*. The Bureau is committed to hiring and retaining a highly skilled, qualified, and diverse workforce dedicated to accomplishing BSEE's mission to promote safety, protect the environment, and conserve resources offshore through vigorous regulatory oversight and enforcement.

In FY 2017, BSEE will continue to implement its Human Capital Strategic Plan, which addresses anticipated workforce changes and gaps in critical skills and competencies. The plan defines BSEE's goals and strategies to address its most immediate human capital priorities which are to recruit, hire, train, and deploy the very best people to accomplish BSEE'S mission. In August 2015, the Office of Personnel Management (OPM) approved special pay rates for BSEE's mission critical positions in the Gulf of Mexico Region, including petroleum engineers, civil engineers, geophysicists, geologists, and inspectors. It is expected that the recently approved OPM special salary rates will further assist the Bureau with recruitment and retention within these core specialized series that are central to BSEE'S mission.

Implementation Strategy and Performance Metrics: The Bureau has undertaken the following strategic initiatives to further enhance the management of oil and gas resources on the OCS:

Regulatory Development - Under the OCSLA, BSEE is responsible for developing and updating extensive regulations implementing authority to regulate oil and natural gas exploration, development, and production operations on the OCS. BSEE's regulations and ongoing regulatory development activities reflect advancements in technology, and help achieve the goals of regulating and enforcing OCS safe operations by reducing risks, strengthening emergency preparedness, and promoting environmental stewardship. They also build BSEE's capacity to keep pace with OCS industry technological improvements.

The foundation of this program is a set of regulations that govern offshore energy operations from engineering specifications for offshore facilities to training requirements for OCS workers. BSEE continually reviews and revises these regulations to incorporate the most effective requirements for safety and environmental protection on the OCS, and continues to improve efficiency in its regulatory program. The Bureau has evaluated its regulatory development processes and its process for issuing guidance to OCS lessees and has implemented changes to improve the efficiency of those processes.

The BSEE decommissioning rule was published in the Federal Register on December 4, 2015. This rule amends the regulations to require lessees and owners of operating rights to submit summaries of actual decommissioning expenditures incurred after completion of certain decommissioning activities for oil and gas and sulphur operations on the OCS. This information will help BSEE to better estimate future decommissioning costs related to OCS leases, rights-of-way, and rights of use and easement. These estimates will provide BOEM with the needed information to ensure that adequate financial assurance is in place to protect the Federal Government from being left with significant costs if a lessee files for bankruptcy.

In FY 2016, BSEE's Office of Offshore Regulatory Programs will continue developing proposed and final rules that will improve safety and reduce risks to persons, property, and the environment while

helping to conserve the resources of the OCS. For additional information on Regulatory Development, refer to the Operations, Safety and Regulation Activity chapter.

Standards Program - BSEE continues to work with industry groups on standards development and assessing those standards for possible incorporation into BSEE's regulations. The Bureau participates on nearly 100 different standards development committees with organizations such as the American Petroleum Institute (API), the American Society for Testing and Materials (ASTM) International, the American Society of Mechanical Engineers (ASME), and the National Association of Corrosion Engineers (NACE) International. Most of the standards development organizations are located in Houston, Texas. In FY 2016, BSEE opened a Houston office and has made a concerted effort to increase staff in Houston to ensure substantial day-to-day communication with these organizations. In addition, BSEE has identified subject matter experts from the regional and district offices to attend meetings between the Bureau and these organizations to provide input on standards development from a regulator's perspective. The Bureau's representation at these meetings is critical to ensure the knowledge of the content of the standards under development, as well as influencing the direction and extent of the standard itself, are being communicated. The incorporation of consensus standards into the regulations provides efficiencies for the agency in its regulatory program. Attendance at standards meetings also assists BSEE in keeping up with the latest technological advances within industry and develops the intellectual capacity of the Bureau's engineers through interaction with recognized industry experts.

Risk-Based Inspections - The Risk-Based Inspection (RBI) program seeks to build upon past experience by incorporating upfront analysis of select leading risk indicators to more efficiently identify facilities likely to have a reportable incident of any kind in the upcoming fiscal year. By applying the Bureau's RBI methodology to specific facilities demonstrating defined risk characteristics, BSEE intends to focus a higher portion of its inspection resources on operational areas that present a heightened probability of experiencing a safety or environmental incident.

A pilot program testing the proposed RBI methodology was launched in December 2015. Five facilities were identified using the RBI model. The identified facilities have different risk profiles, with different risk characteristics contributing to the selection of each for the pilot. The pilot program is anticipated to continue through May 2016, after which time, the RBI program will be evaluated for consideration for broad application throughout BSEE's OCS inspection activities.

Real-Time Monitoring - As described in the Operations, Safety and Regulation Activity chapter, BSEE is working to incorporate Real-Time Monitoring (RTM) capabilities in its programs to improve and increase regulatory oversight of critical offshore operations and equipment. The intent of RTM is to develop, test, and implement reforms that significantly improve BSEE's Inspection and Enforcement Program by using innovative technologies and risk-based inspection criteria. This technology provides an opportunity to strengthen Interior's oversight of OCS operations and substantially enhance the Department's ability to more safely and responsibly manage OCS resources.

Training - The BSEE Offshore Training Branch (OTB) develops and provides for the delivery of the training curriculum for BSEE employees. The OTB works closely with BSEE managers, including at the regional and district levels, to ensure that the annual training requirements (as outlined in BSEE policy)

for BSEE engineers and inspectors are met. Individual training records are established, maintained, and monitored for BSEE personnel.

The Bureau designs and delivers training that meets the unique and varied needs of BSEE's technical staff and integrates the latest technical expertise and practices of industry. The OTB's efforts directly support the Bureau's goal to "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." Throughout FY 2015, 109 courses were offered with 979 participants completing 23,980 training contact hours. This reflects a 2.5 percent increase from FY 2014 training levels.

BSEE is also working to establish a leadership development program across all areas within the Bureau. The program will be available to BSEE employees across all occupational series and grade levels. By utilizing supervisory and managerial competencies, employees will be able to develop the leadership skills necessary to grow within the organization and serve as effective leaders. To facilitate the development of both leadership and mentoring programs, the Human Resources (HR) Division has created an Office for Leadership Development and Engagement, which when fully staffed will strive to improve growth opportunities and strategic engagement across the workforce.

Climate Change Adaptation Management

Goal: By September 30, 2017, the DOI will mainstream climate change adaptation and resilience measures into program and regional planning, capacity building, training, infrastructure, and external programs, as measured by scoring 300 of 400 points through the Strategic Sustainability Performance Plan scorecard.

Climate change is a leading threat to natural and cultural resources across the country. Changes in climate can exacerbate existing threats from drought, floods, and wildfires and present a growing challenge to the resilience of communities. The Bureau's FY 2017 budget request provides funding to improve understanding climate change impacts and will help develop adaptation and/or mitigation measures out in the field.

Bureau Contribution: The Bureau supports the Secretary's commitment to ensure that agencies are integrating climate change adaptation into policies, plans, programs, and operations.

Implementation Strategy: The Bureau's efforts to support this initiative include 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.

- Assess greenhouse gas venting and flaring offshore and use appropriate technology to identify gas emissions in excess of approved venting and flaring requests and decrease such emissions when possible. BSEE will also review and comment on API standards that address this.

- Evaluate current policies and research that address the impacts of extreme weather conditions on offshore energy activities and infrastructure due to climate change and warming sea trends.

- Continue to coordinate with other Federal partners and stakeholders to explore opportunities to research programs and policies that can help incentivize planning for and addressing the impacts of climate change.

Performance Metrics: The Bureau reports on the status of its climate change adaptation initiatives on a quarterly basis to the Department. In addition, BSEE will consider ways to incorporate climate change adaptation into the Bureau's performance management framework, which is currently under development.

Engaging the Next Generation

Goal: By September 30, 2017, DOI will provide 100,000 work and training opportunities over four fiscal years (FY 2014 through FY 2017) for individuals age 15 to 35 to support Interior's mission.

Bureau Contribution: In FY 2014, Secretary of the Interior Sally Jewell formalized an ambitious initiative to inspire millions of young people to 'Play, Learn, Serve and Work' outdoors. For the health of our Nation's economy and public lands, it is critical that the Federal Government work now to establish meaningful and deep connections between young people – from every background and every community – and America's great outdoors. To meet this expectation, BSEE has taken a number of steps to implement the Department's youth initiative. The Bureau has identified leaders in each of BSEE's Regions to coordinate youth-based activities and programs. A core component of BSEE's youth engagement strategy is the support of the development of Science, Technology, Engineering, and Math (STEM) programs at schools across the Nation. The goal of the Program is to connect youth with BSEE's mission and the skill sets utilized within the Bureau. In particular, BSEE is seeking opportunities to help under-resourced areas develop these programs. BSEE's Youth Representatives are working to create partnerships between local schools and facilitating teacher training and/or curriculum design for science classes related to oil and gas incidents. These training initiatives are focused on encouraging children to explore future learning opportunities within the STEM disciplines.

Implementation Strategy: When possible, BSEE hosts and participates in youth engagement activities for youth of all ages. These events, which are educational in nature, provide participants with an opportunity to interact directly with BSEE personnel. In FY 2015, BSEE participated in 35 college recruiting events and hosted numerous youth programs and events. For example, BSEE hosted petroleum engineering students and faculty from the Colorado School of Mines, met with high school STEM students and teachers at the Offshore Technology Conference, and held "Bring a Child to Work Day" with elementary school students. In FY 2016, BSEE plans to increase the number of youth program and events by 20 percent over FY 2015 levels.

Several internship programs have been implemented across the organization. These programs encourage students to become familiar with the mission and functions of the BSEE offshore program and encourage career opportunities in the public sector. The Pathways Program allows students to be exposed to the

work of the government through Federal internships while pursuing their degree. Every year, BSEE attends recruiting opportunities nationwide and promotes engineering internships with colleges/ universities across the country. The program allows engineering students to become familiar with the mission and functions of BSEE's offshore program. The Recent Graduates Program provides developmental opportunities for those potential employees who have recently completed their studies.

Performance Metrics: BSEE will follow the Department's guidance for performance metrics in the categories of 'Learn' and 'Work.' The 'Work' metrics focuses on the number of work and training opportunities provided, and the total number of hours associated with the work and training opportunities for individuals 35 years and younger. The 'Learn' metrics focuses on capturing the breadth of Bureau/office educational programs for K-12 students and teachers.

President's Management Agenda

The Department supports the President's Management Agenda to build a better government, one that delivers continuously improving results for the American people and renews their faith in government. The Bureau is actively involved in the government-wide effort to bring forward the most promising ideas to improve government effectiveness, efficiency, spur economic growth, and promote people and culture. BSEE supports achievement of the President's Management Agenda objectives in these four pillars as described in the following paragraphs.

Effectiveness:

Customer Service

BSEE has several key activities designed to improve services directly provided to citizens. The Bureau will continue to modernize the permitting and inspection processes through the development and maintenance of eWell, ePermits, and eInspections. These programs will streamline the application process, enhance communication, and provide more transparency in operations. The eWell interface will allow industry to securely submit permit applications, reports and shut-in information. The ePermit interface will enable electronic submission of applications and allow operators to pay any required fees online, while providing a workflow tool to track the application process. Lastly, the eInspections program will automate the collection and use of inspection support documentation and results.

Additionally, BSEE recently completed the procurement of tools to expand its Business Intelligence capabilities. The expanded use of Business Intelligence allows for the ability to provide information to the public more readily, thus giving better insight into the Bureau's activities and capabilities. It also provides managers and leaders the capability to unlock the data the Bureau possesses to drive data driven decision making.

Smarter IT Delivery

All BSEE and BOEM IT investments follow established Capital Planning and Investment Control and IT governance processes to prioritize and select projects that best support the mission in the most cost-effective manner. BSEE's emphasis on improving the Inspection and Enforcement Program and both Bureaus' focus on risk management are factored into investment selection decisions made by the IT governance boards.

TIMS serves as the primary mission IT investment for BOEM and BSEE activities. TIMS has been undergoing planned modernization to support improved data accuracy and access as well as enhanced risk management. Completed efforts include eWell (FY 2011 - 2012) and eInspections (FY 2013 - 2015). Intensive planning efforts are underway for the next enhancements, ePlans (BOEM) and ePermits (BSEE), which began development in FY 2015, and will continue through FY 2017.

The IT Enterprise provides infrastructure and office automation services to BOEM, BSEE, and ONRR, with costs for those services shared across the three organizations. The infrastructure and office automation services are essential to the operation of the mission systems and the ability of staff in the three organizations to perform mission tasks. The services delivered by the Enterprise include Network and Telecommunications Services, IT Security Services, IT Service Desk, User Account Services, Systems Operations, and Continuity of Operations, and Disaster Recovery Support Services.

The overall estimated cost for maintaining the shared Enterprise IT Services in FY 2017 is $17 million, with BSEE's portion of this being approximately $7 million. This cost includes a nationwide contract for operation and maintenance of all the infrastructure related systems, office automation applications, and remote access solutions, as well as software licenses, hardware maintenance, and technology refresh of equipment.

Efficiency:

Strategic Sourcing

BSEE's Acquisition Management Division (AMD) continues to support the use of shared procurement services and implementing innovative and creative procurement solutions through the following methods and techniques:

- Use of both the General Services Administration (GSA) Multiple Award Schedules and NASA's Solutions for Enterprise-Wide Procurement (SEWP) contracts as part of the Bureau's day-to-day operations.

- Utilize DOI strategic sourcing initiatives, such as the DOI Cloud Hosting Service contract, as well as DOI-wide Blanket Purchase Agreements (BPA's).

- Coordinate with other agencies to leverage expertise for the use of Strategic Sourcing Initiatives through interagency agreements with Department of Energy (DOE), NOAA, and GSA.

- Support DOI's eFiling and commerce initiative and actively participate in the on-going beta test for the filing system that is scheduled to be fully implemented in FY 2017.

Shared Services

BSEE provides services to other Bureaus on a cost reimbursable basis. The Bureau has established a number of benchmark processes and tools to provide BOEM and BSEE management information that is critical to understanding the impacts of funding increases and decreases. The Bureau tracks and reports costs and obligations by object class, performance metrics, and workload. Both cost and performance data is analyzed against historical data to identify trends, and opportunities for efficiencies. Over the last two years, despite significant growth in staffing and activity within the programs and Bureaus supported, BSEE has maintained a steady level of operational costs associated with its administrative operations.

Benchmark and Improve Mission Support Operations

To enhance program accountability, BSEE uses a combination of funding allocations and a variety of program-specific financial codes to ensure the thorough tracking of OCS-related expenditures. Funding allocations are calculated by activity and by program. This allows the Bureau to target funding in the Financial and Business Management System to specific geographic regions or for a specific purpose. For example, BSEE allocations include the targeting of funds for the Alaska, Gulf of Mexico, and Pacific OCS Regions, as well as for the Emerging Technologies Program.

Allocations for OCS-related expenditures are determined at the beginning of each fiscal year and are based on the program or region's past performance, future projected requirements, and new initiatives. The allocations can be modified during the fiscal year in response to unforeseen requirements and/or developments in OCS technologies, and are continuously monitored through the tracking process described above to ensure accuracy and availability of funds to support OCS-related expenditures.

Economic Growth:

Open Data

BSEE continues to develop and maintain its IT investments by enhancing the Bureau's capability to collect and manage data. Through enhanced data use, BSEE will be able to make better decisions, as well as make data available to the public in an accessible way while protecting privacy, proprietary, and business confidential information. The major initiatives currently underway at BSEE are described above.

BSEE has begun transitioning to a data stewardship framework within the Bureau to facilitate the development and implementation of standards, policies and procedures, and improve the quality and accessibility of administrative data for analytical purposes. The Bureau works to protect proprietary and personally identifiable information through existing policies and procedures, and endeavors to update these as appropriate to maintain compliance and provide individuals and organizations the necessary

assurances regarding the integrity of critical information assets. Furthermore, BSEE is working in concert with the Department and other Bureaus to make progress towards a comprehensive inventory of data assets as instructed by OMB M-13-13. Finally, BSEE is moving toward substantive increases in access to high-value data assets and analytical capacity through the implementation of an Enterprise Risk Management framework and relevant software solutions, as well as various data-driven program performance evaluation and risk identification tools.

People and Culture:

Staffing

One of BSEE's six strategic goals is to value, engage and support its people so they can excel. Critical to accomplishing this goal is the Bureau's ability to recruit, develop, and retain a diverse workforce.

BSEE had 679 employees on board as of October 2012. Through aggressive hiring efforts, BSEE has been able to make significant strides toward recruiting and hiring to its full staffing levels, and has 836 employees onboard through December 2015. However, BSEE still has considerable recruiting and hiring to do to reach full staffing levels. The Bureau anticipates achieving full staffing by the end of FY 2017. As a result of significant pay and benefit gaps between the Federal compensation structure, and what private industry can pay its workforce, it has been challenging for BSEE to recruit and retain staff. Competition with private industry to recruit and retain engineers, inspectors, and other scientific job series has been especially challenging. The special pay rate authority provided by Congress for certain critical job series has helped to meet hiring and retention goals by leveling salaries for technical positions at BSEE against the equivalent positions in the industrial sector.

In August 2015, OPM built upon the legislative authority by approving special pay rates for BSEE's mission critical positions in the Gulf of Mexico Region, including petroleum engineers, civil engineers, geophysicists, geologists, and inspectors. As of December 2015, BSEE is in the process of requesting OPM approval for similar special salary rates for mission-critical positions within its Alaska and Pacific Region offices. It is expected that the recently approved OPM special salary rates will further assist with recruitment and retention within these core specialized series that are central to the BSEE mission. BSEE will monitor the impact these new rates have on its recruitment and retention efforts, through a newly created Office for Workforce Analysis and Planning within the HR Division.

Additionally, to mitigate the challenges BSEE faces, the Bureau is utilizing all hiring and compensation flexibilities available to include recruitment, retention, relocation, superior qualifications, special hiring needs appointments, student loan repayment, and creditable non-federal/non-military service for leave accrual. The HR Division recently completed a supervisory guide on compensation flexibilities to promote usage and clarify regulations.

Job Training and Employment Programs

BSEE promotes training for potential and current employees who desire professional growth and career advancement. The Bureau is also dedicated to advancing talent from within through a wide range of training, mentorship, and development opportunities.

BSEE is currently working to establish a leadership development program across all areas within the Bureau. This program will be available to BSEE employees across all occupational series and grade levels. By utilizing supervisory and managerial competencies, employees will be able to develop the leadership skills necessary to grow within the organization and serve as effective leaders. To facilitate the development of both leadership and mentoring programs, the HR Division has created an Office for Leadership Development and Engagement, which when fully staffed will strive to improve growth opportunities and strategic engagement across the workforce.

The Bureau's National Offshore Training Program (NOTP) provides comprehensive, multi-tiered, professional development opportunities for BSEE inspectors, engineers, and scientists to assist in providing safe and environmentally sound offshore oil and gas operations. The NOTP supports the Bureau's goals by identifying and providing up-to-date training and development opportunities to staff involved in inspecting or approving the use of new technologies for offshore oil and gas operations. The technical training is practical and focuses on the latest technology for areas such as deepwater drilling and subsea operations. The classes are taught by renowned subject matter experts to ensure continued education and development that enhances professional competence and personal satisfaction.

Performance Summary

FY 2017 PERFORMANCE BUDGET

Strategic Objective Performance Summary

The FY 2017 budget request provides the resources needed to carry out the core functions of 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 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 2017 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 2017 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.* 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 21st Century Department of the Interior*.

The 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 the Ohmsett National Oil Spill Response Research test facility each fiscal year. BSEE's current GPRA measures, supporting measures, and their respective results are included in the following Goal Performance table. In FY 2017 BSEE will continue the work started in FY 2016 to refine and expand on program performance measures.

Table 2: Goal Performance Tables

Mission Area 2, Goal 1: Secure America's Energy Resources							
Strategic Objective Metrics **Strategic Plan Measure / Efficiency or other Bureau-Specific Measure**	**2012 Actual**	**2013 Actual**	**2014 Actual**	**2015 Actual**	**2016 Enacted**	**2017 Pres. Budget Request**
Strategic Plan Measures						
Amount (in barrels) of operational offshore oil spilled per million barrels produced (excluding Hurricane-related spills) (SP)	0.30 (142/476 million)	0.099 (est.) (47.86/482 million)	0.14 (73.01/506 million)	0.034 (est.) (19/552 million)	1.00	1.00
Comments: *The estimated oil spill value for FY 15 does not include any spill volumes associated with the Taylor Energy debris field in the Gulf of Mexico.*						
Contributing Programs: Operations, Safety and Regulation						
Number of Recordable Injuries per 200,000 Offshore Man Hours Worked (DOI-Regulated Activities ONLY) (SP)	0.332 (200/602)	0.379 (228/601)	0.342 (205/599)	0.241 (est.) (155/643)	0.400	0.400
Comments: *This strategic plan measure is an incident rate of all Recordable Injuries (i.e., injuries that require medical treatment beyond first aid and fatalities) that occur during DOI-regulated activities in the fiscal year for every 200,000 offshore man hours worked (which is the approximate equivalent of 100 full-time workers). The value for FY 15 is an estimate because final data is not yet available.*						
Contributing Programs: Operations, Safety and Regulation						

Table 2: Goal Performance Tables (Continued)

Strategic Objective Metrics **Strategic Plan Measure / Efficiency or other Bureau-Specific Measure**	**2012 Actual**	**2013 Actual**	**2014 Actual**	**2015 Actual**	**2016 Enacted**	**2017 Pres. Budget Request**
Efficiency or other Bureau-Specific Measures						
Total Number of Compliance Inspections Completed (BUR)	23,025	24,195	21,033	18,944 (est.)	18,500	18,500
Comments: *BSEE's total inspections for FY 2015 are below the target of 21,000. This decrease can be attributed to the following rationale, which focuses on the Gulf of Mexico where the majority of BSEE's inspections occur:* *First, the total for BSEE's FY 2015 compliance inspections is a rough estimate because not all of the data from BSEE's District Offices in the Gulf of Mexico has been submitted and verified at this time. Second, several new technology systems were introduced in the Gulf of Mexico this year which have increased the time per inspection due to a learning curve for users along with the need to resolve defects discovered in the new systems. These new systems allow inspectors to conduct more thorough inspections and require the inspector to more accurately document the components and safety devices reviewed and tested, but also require additional time per inspection. Third, BSEE has hired a significant number of new inspectors who need to shadow more experienced inspectors. These new inspectors must also meet core curriculum training requirements before they are able to work independently (57% of inspectors have less than 3 years with BSEE). Fourth, offshore inspectors continued to undertake more comprehensive inspections in deeper water (more complex facilities with more process components), which lengthens the time associated with inspections. Finally, the level of activity in the Gulf is shifting as the total number of platforms has decreased over the last five years from 3,129 in 2011 to 2,345 in 2015. In addition, the amount of shallow water rig activity in the Gulf of Mexico was significantly reduced in 2015 due to a decline in oil prices. Shallow water activity is currently at the lowest level seen in the last 20 years.*						
Contributing Programs: Operations, Safety and Regulation						
Achieve a utilization rate of X% at Ohmsett, the national oil spill response test facility (BUR)	94% (226/240)	93% (206/222)	87% (201/231)	96% (228/237)	85%	85%
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 percent. In FY 2015 actual, available days were reduced from 240 to 237 because the tank was frozen for three days.*						
Contributing Programs: Oil Spill Research						

Budget Table

Bureau of Safety and Environmental Enforcement

Budget At A Glance Table

Dollars in Thousands ($000)

	2015 Actual	2016 Enacted	Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2017 Request
Appropriation: Operations, Safety, and Environmental Enforcement						
Environmental Enforcement Activity	**8,314**	**8,314**	**+35**	**-**	**-35**	**8,314**
General Reduction					*[-35]*	
Activity Total, Environmental Enforcement	**8,314**	**8,314**	**+35**	**-**	**-35**	**8,314**
Operations, Safety and Regulation Activity	**133,597**	**144,954**	**+318**	**-**	**-122**	**145,150**
General Reduction					*[-122]*	
Activity Total, Operations, Safety and Regulation	**133,597**	**144,954**	**+318**	**-**	**-122**	**145,150**
Administrative Operations Activity	**15,676**	**18,268**	**+97**	**-**	**-97**	**18,268**
General Reduction					*[-97]*	
Activity Total, Administrative Operations	**15,676**	**18,268**	**+97**	**-**	**-97**	**18,268**
General Support Services Activity	**13,912**	**-**	**-**	**-**	**-**	**-**
Activity Total, General Support Services	**13,912**	**-**	**-**	**-**	**-**	**-**
Executive Direction Activity	**18,227**	**18,236**	**+81**	**-**	**-81**	**18,236**
General Reduction					*[-81]*	
Activity Total, Executive Direction	**18,227**	**18,236**	**+81**	**-**	**-81**	**18,236**
TOTAL, Operations, Safety, and Environmental Enforcement	**189,726**	**189,772**	**+531**	**-**	**-335**	**189,968**
Appropriation: Oil Spill Research						
Oil Spill Research	**14,899**	**14,899**	**-**	**-**	**-**	**14,899**
Activity Total, Oil Spill Research	**14,899**	**14,899**	**-**	**-**	**-**	**14,899**
TOTAL, Oil Spill Research	**14,899**	**14,899**	**-**	**-**	**-**	**14,899**
TOTAL, Bureau of Safety and Environmental Enforcement	**204,625**	**204,671**	**+531**	**-**	**-335**	**204,867**

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Bureau of Safety and Environmental Enforcement

Summary of Requirements Table

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

	2015 Actual	2016 Enacted					2017 Request		Change from 2016 (+/-)	
	Amount	*FTE*	Amount	Fixed Costs & Related (+/-)	Internal Transfers (+/-)	Program Changes (+/-) *FTE* / Amount	*FTE*	Amount	*FTE*	Amount
Offshore Safety & Environmental Enforcement										
Environmental Enforcement										
Direct Appropriation	*3,027*	30	3,027	+35	-	-35	30	3,027	-	-
Offsetting Collections	*5,287*	-	5,287	-	-	-	-	5,287	-	-
Subtotal, Environmental Enforcement	*8,314*	30	8,314	+35	-	-35	30	8,314	-	-
Operations, Safety and Regulation										
Direct Appropriation	*51,833*	476	51,928	+318	-	+7,555	476	59,801	-	+7,873
Offsetting Collections	*81,764*	-	93,026	-	-	-7,677	-	85,349	-	-7,677
Subtotal, Operations, Safety and Regulation	*133,597*	476	144,954	+318	-	-122	476	145,150	-	+196
Administrative Operations										
Direct Appropriation	*5,027*	247	6,016	+97	-	-97	247	6,016	-	-
Offsetting Collections	*10,649*	-	12,252	-	-	-	-	12,252	-	-
Subtotal, Administrative Operations	*15,676*	247	18,268	+97	-	-97	247	18,268	-	-
General Support Services										
Direct Appropriation	*4,401*	-	-	-	-	-	-	-	-	-
Offsetting Collections	*9,511*	-	-	-	-	-	-	-	-	-
Subtotal, General Support Services	*13,912*	-	-	-	-	-	-	-	-	-
Executive Direction										
Direct Appropriation	*14,056*	106	12,594	+81	-	-81	106	12,594	-	-
Offsetting Collections	*4,171*	-	5,642	-	-	-	-	5,642	-	-
Subtotal, Executive Direction	*18,227*	106	18,236	+81	-	-81	106	18,236	-	-
Total	***189,726***	**859**	**189,772**	**+531**	-	**-335**	**859**	**189,968**	-	**+196**
Total Direct Appropriation	*78,344*	859	73,565	+531	-	+7,342	859	81,438	-	+7,873
Total Offsetting Collections	*111,382*	-	116,207	-	-	-7,677	-	108,530	-	-7,677
Total, OSEE	***189,726***	**859**	**189,772**	**+531**	-	**-335**	**859**	**189,968**	-	**+196**

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Bureau of Safety and Environmental Enforcement

Fixed Costs and Internal Realignment

Fixed Cost Changes and Projections	2016 Total	2017 Change
Change in Number of Paid Days This column reflects changes in pay associated with the change in the number of paid days between 2016 and 2017.	n/a	-674
Pay Raise The change reflects the salary impact of the 1.6% programmed pay raise increases as provided in the June, 2015 Circular A-11.	n/a	+1,329
Departmental Working Capital Fund The change reflects expected changes in the charges for centrally billed Department services and other services through the Working Capital Fund. This includes an assessment for the Department's IT Transformation initiative. These charges are detailed in the Budget Justification for Department Management.	3,968	+303
Worker's Compensation Payments The amounts reflect projected changes in the costs of compensating injured employees and dependents of employees who suffer accidental deaths while on duty. Costs for 2017 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.	264	-91
Unemployment Compensation Payments The amounts reflect projected changes in the costs of unemployment compensation claims to be paid to the Department of Labor, Federal Employees Compensation Account, in the Unemployment Trust Fund, pursuant to Public Law 96-499.	11	+1
Rental Payments The amounts reflect changes in the costs payable to General Services Administration (GSA) and others for office and non-office space as estimated by GSA, as well as the rental costs of other currently occupied space. These costs include building security; in the case of GSA space, these are paid to Department of Homeland Security (DHS). Costs of mandatory office relocations, i.e. relocations in cases where due to external events there is no alternative but to vacate the currently occupied space, are also included.	9,290	-337
Baseline Adjustments for O&M Increases In accordance with space maximization efforts across the Federal Government, this adjustment captures the associated increase to baseline operations and maintenance requirements resulting from movement out of GSA or direct-leased (commercial) space and into Bureau-owned space. While the GSA portion of fixed costs will go down as a result of these moves, Bureaus often encounter an increase to baseline O&M costs not otherwise captured in fixed costs. This category of funding properly adjusts the baseline fixed cost amount to maintain steady-state funding for these requirements.	n/a	0

Internal Realignments and Non-Policy/Program Changes	FY 2017
	0

Total, Fixed Costs and Related Changes in 2017	+531

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Offshore Safety and Environmental Enforcement

Appropriation

Bureau of Safety and Environmental Enforcement

Language Citations

Appropriations Language

Note: Brackets indicate the language will be deleted; italics represent new 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, [$124,772,000]*$124,968,000*, of which [$67,565,000]*$81,438,000* is to remain available until September 30, [2017]*2018* and of which [$57,207,000]*$43,530,000* 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 [2016]*2017* appropriation estimated at not more than [$67,565,000]*$81,438,000*.

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 [2016]*2017*, 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 [2016]*2017*, not less than 50 percent of the inspection fees expended by the Bureau of Safety and Environmental Enforcement will be used to fund personnel and mission-related costs to expand capacity and expedite the orderly development, subject to environmental safeguards, of the Outer Continental Shelf pursuant to the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.), including the review of applications for permits to drill.

(Department of the Interior, Environment, and Related Agencies Appropriations Act, 2016.)

General Provisions

(See General Provisions chapter of the Office of the Secretary 2017 budget justification.)

OUTER CONTINENTAL SHELF INSPECTION FEES

SEC. 107. (a) In fiscal year [2016]*2017*, 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. *Facilities that are subject to multiple inspections shall pay additional fees for each inspection.* Fees for fiscal year [2016]*2017* 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]*related to inspection of* drilling rigs shall be assessed for all inspections completed in fiscal year [2016]*2017*. Fees for fiscal year [2016]*2017* 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 *for the annual fees* under subsection (b) within 60 days, with payment required within 30 days of billing. [The] *For all other fees under subsections (b) and (c) above, 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.

Justification of Proposed Language Changes

Purpose: Sec. 107. The provision provides the authority to charge Outer Continental Shelf oil and gas operators a fee for the OCS facilities that the Bureau of Safety and Environmental Enforcement inspects.

Explanation of change: The Department proposes to modify the provision to extend the authority to charge inspection fees through FY 2017 and to clarify that facilities subject to multiple inspections are subject to additional fees for each inspection.

BUREAU OF OCEAN ENERGY MANAGEMENT, REGULATION AND ENFORCEMENT REORGANIZATION

SEC. 108. The Secretary of the Interior, in order to implement a reorganization of the Bureau of Ocean Energy Management, Regulation and Enforcement, may transfer funds among and between the successor offices and bureaus affected by the reorganization only in conformance with the reprogramming guidelines *described in the report accompanying this Act***[**for division F in the explanatory statement described in section 4 (in the matter preceding division A of this consolidated Act)**]**.

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

Explanation of change: The Department proposes to modify the provision to require reporting in accordance with the reprogramming guidelines provided by the Appropriations Committees.

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Bureau of Safety and Environmental Enforcement

Mandatory Budget and Offsetting Collections Proposals

This chapter describes legislative proposals included in the budget submission that would impact receipts and mandatory spending levels. For a complete, detailed discussion of the Department's proposals, please refer to the General Provision section of the Office of the Secretary FY 2017 Budget Justification. The FY 2017 budget assumes oil and gas reforms proposed for 2016 will continue into 2017. Also discussed below are trends in offsetting collections, including the projected future decline in offsetting rentals receipts, which if realized, has the potential to significantly impact future budgets for both BOEM and BSEE.

FEDERAL OIL AND GAS REFORMS

The 2017 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. 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 establishing minimum royalty rates for oil, gas, and similar products; adjusting the standard onshore oil and gas royalty rate; analyzing a price-based tiered royalty rate, and repealing legislatively-mandated royalty relief for "deep gas" wells. Diligent development requirements include shorter primary lease terms, stricter enforcement of lease terms, and monetary incentives to move leases into production (for example, a new statutory per-acre fee on nonproducing leases). Revenue collection improvements include simplification of the royalty valuation process and permanent repeal of Interior's authority to accept in-kind royalty payments. Collectively, these reforms will generate roughly $1.7 billion in revenue to the Treasury over ten years, of which about $1.2 billion would result from statutory changes. Many states also will benefit from higher Federal revenue sharing payments as a result of these reforms.

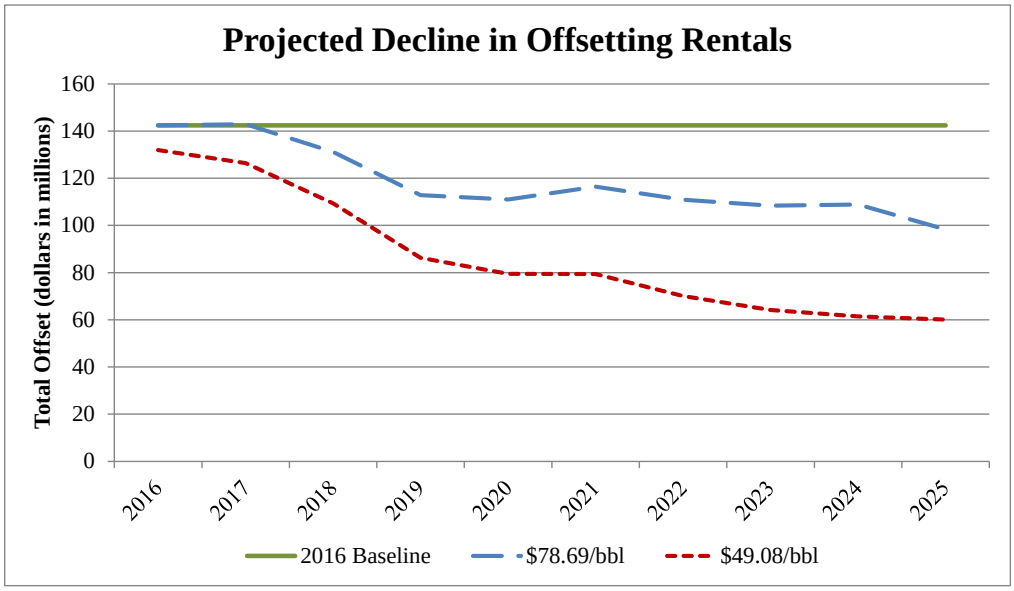
PROJECTED DECLINES IN OFFSETTING RENTAL RECEIPTS

Significant portions of the total budgets for BOEM and BSEE are offset by revenue from rental receipts, cost recoveries, and – for BSEE – inspection fees. However, based on current economic assumptions, projected declines in rental revenue are predicted to create budgetary shortfalls over the next decade.

Specifically, the FY 2016 President's Budget, released in February 2015, included offsetting rental projections that assumed higher oil and gas prices (estimates for FY 2016 assumed oil prices of $79 per barrel of oil). Using those assumptions, the offsetting rentals were projected to begin a steady decline between FY 2017 and FY 2018. However, the outlook one year later has changed significantly, and updated projections are for much lower oil and gas prices ($49 per barrel for FY 2016), suggesting a more

immediate and substantial decline is likely beginning in FY 2016. The projected decline is illustrated in the chart below.

Figure 1: Projected Decline in Offsetting Rentals



Using the offsetting rental amount included in the FY 2016 President's Budget as a baseline (the solid line in the graph above), the updated offsetting rental projections reflect growing shortfalls are likely between 2016 and 2025, as demonstrated in Table 3 below. If oil and gas prices recover and exceed current projections in future years, this trend may change.

Table 3: Comparison of Offsetting Rental Receipt Projections

Comparison of Offsetting Rental Receipt Projections *(dollars in millions)*										
	2016	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
FY 2016 Baseline	142.36	142.36	142.36	142.36	142.36	142.36	142.36	142.36	142.36	142.36
2016 President's Budget ($78.69/bbl)	142.36	142.86	131.16	112.82	111.00	116.38	110.93	108.36	108.86	98.32
Surplus/Shortfall (vs. 2016 Baseline)	*0.00*	*0.50*	*-11.20*	*-29.54*	*-31.36*	*-25.98*	*-31.43*	*-34.00*	*-33.50*	*-44.04*
2017 President's Budget ($49.08/bbl)	131.94	126.41	109.34	86.27	79.45	79.37	70.05	64.19	61.47	60.06
Surplus/Shortfall (vs. 2016 Baseline)	*-10.42*	*-15.95*	*-33.02*	*-56.09*	*-62.91*	*-62.99*	*-72.31*	*-78.17*	*-80.89*	*-82.30*

Total rental receipts in a given year are based on the number of active leases subject to rent and the rental terms that apply to those leases. These terms vary based on the water depth of the lease and the age of the lease. Beginning with Sale 208 in 2009, BOEM established rental rates in the Gulf of Mexico at $7/acre in water depths less than 200 meters and $11/acre in water depths of 200+ meters. The offsetting rental receipts are calculated by subtracting the total annual rental receipts collected on active leases from the amount that would have been paid by these same leases in the same year at rental rates in effect on August 5, 1993 ($3/acre).

Several factors contribute to the projected accelerating downward trend in rental receipts. First, fewer leases are being sold in the Gulf of Mexico as the area matures and world oil prices decline. The Gulf of Mexico as an oil and natural gas resource basin has been heavily leased and developed for over 50 years. While there are still abundant estimated undiscovered oil and gas resources, finding and developing them is becoming technologically and economically more challenging. For this reason, fewer tracts are expected to be leased. Second, a decline in the number of leases subject to rentals is expected to accelerate because, beginning in 2010, primary terms for leases in 800-1600 meters were shortened from ten years to a "7+3" year approach, wherein a lessee receives an extended initial period (i.e., ten years) if a well is drilled within the first seven years. BOEM anticipates approximately 90 percent of these leases to be returned after the primary seven year term, resulting in fewer deepwater rent-generating leases around FY 2017. Although many of those are likely to be re-leased, their re-acquisition may not keep pace with relinquishment. Third, the downturn is, in some respects, a result of the success of BOEM's leasing strategy. BOEM modified its fiscal policies in the Gulf of Mexico five times since 2007 to encourage industry to lease and hold fewer non-producing leases, consistent with the Administration's policy on encouraging diligent development of leases.

MEASURES TO ADDRESS THE DECLINE IN OFFSETTING RENTAL RECEIPTS

As noted above, in FY 2017, offsetting rental revenue for BOEM and BSEE is projected to be $15.9 million below FY 2016 levels. For FY 2017, the Department proposes to change the existing allocation of offsetting rental receipt revenue between the two bureaus and provide additional appropriated dollars to fill most of the remaining shortfall for both bureaus. Instead of 65 percent of rental receipt revenues going to BOEM and 35 percent going to BSEE, the revenues would be split 70 / 30 percent between BOEM and BSEE, respectively, as shown below.

Table 4: Allocation of Offsetting Rentals to BOEM and BSEE

(dollars in millions)

	2016		2017	
Offsetting Rentals	142.360		126.408	
BOEM Share	*65%*	92.961	*70%*	88.486
BSEE Share	*35%*	49.399	*30%*	37.922

Because this change still results in a decrease of nearly $11.5 million to BSEE's budget, the 2017 request proposes to offset most of this reduction through an increase of $7.5 million in direct appropriations. BSEE's request also returns the inspection fee offset to $65 million, to include adjusting the fee structure by charging a facility inspection fee for each inspection rather than one annual fee, and reduces anticipated cost recovery fee collections by $2.2 million.

It is important to note that while rent-producing leases are declining, overall OCS activity does not necessarily follow the same trend. The Gulf of Mexico OCS, as a geologic province, is quite mature in terms of exploration prospects. While activity in shallow water has decreased in recent years, deepwater activity has remained robust, and – according to the U.S. Energy Information Administration – deepwater oil and natural gas production will continue to increase over the coming decade. BOEM anticipates that,

with this increase in deepwater production, there will also be a corresponding increase in associated plan reviews and environmental work. While the 2017 Request proposes a solution to address the projected 2017 shortfall for BOEM and BSEE, further changes will be necessary in 2018 and beyond, if the projected rental receipt trend continues. BOEM and BSEE will continue to work with the Department and OMB to assess future revenue trends and funding options.

Environmental Enforcement

FY 2017 PERFORMANCE BUDGET REQUEST

Environmental Enforcement Activity

Table 5: Environmental Enforcement Activity Budget Summary

		2015 Actual	2016 Enacted	Fixed Costs and Related Changes (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2017 Request	Changes from 2016 (+/-)
Environmental Enforcement	($000)	8,314	8,314	+35	-	-35	8,314	-
	FTE	*21*	*30*	-	-	-	*30*	-

SUMMARY OF 2017 PROGRAM CHANGES

Request Component	Amount ($000)	FTE
General Reduction	-35	-
Total Program Changes:	**-35**	**-**

JUSTIFICATION OF 2017 PROGRAM CHANGES

The 2017 budget request for the Environmental Enforcement Activity is $8,314,000 and 30 FTE; which represents no net change from the FY 2016 Enacted level.

General Reduction (-$35,000/0 FTE): In order to support BSEE's highest priority needs in FY 2017, the Bureau proposes a general reduction in funding for Environmental Enforcement activities to be realized through the implementation of the national program management model for environmental stewardship.

PROGRAM OVERVIEW

In FY 2016, the Department of the Interior reorganized the management structure within BSEE including the realignment of 30 FTE previously assigned to the Environmental Enforcement Division. Of those positions, 5 FTE have been assigned to the newly formed Environmental Compliance Division (ECD), and 25 FTE have been assigned to BSEE's Regional Offices to support the Bureau's environmental compliance and enforcement activities.

The ECD clarifies roles and responsibilities for the development of clear policy on environmental compliance and ensures that BSEE complies with all applicable environmental statutes in the exercise of its authorities. The realignment identifies leadership for primary functions and enhances transparency, consistency, predictability, and accountability within the organization. BSEE is currently focusing its efforts on establishing clear and consistent national policies, program performance measures, and improving the accountability of major mission areas.

Operationally, the ECD is responsible for the Bureau's compliance with the National Environmental Protection Act (NEPA), Endangered Species Act (ESA), Marine Mammal Protection Act (MMPA), and Tribal consultation requirements. The ECD also maintains oversight of Outer Continental Shelf (OCS) operator activity through monitoring and enforcement actions specific to mitigations, conditions of approval, and lease stipulations placed on the operators. All ECD responsibilities support the Bureau's mission functions of exploration, production, and decommissioning. The identification of regulatory needs for enhanced environmental compliance efforts will be coordinated with the SEMS program.

To ensure early programmatic success, BSEE's Environmental Stewardship Collaboration Group is determining a Work Plan Priority for FY 2016. The purpose of this effort is to clarify and describe the Bureau's environmental stewardship vision and mission, build upon existing program goals, activities and inter-relationships, and focus on identifying new ways of enhancing environmental stewardship within BSEE. Environmental stewardship includes: accountability for environmental responsibilities, compliance, enforcement, preparedness, prevention, and response research.

While environmental policies are established by the ECD at BSEE headquarters, the Bureau's compliance and enforcement activities are conducted by personnel located in the Regional Offices. In maintaining consistency with other BSEE programs, such as the Office of Offshore Regulatory Programs, the ECD coordinates and focuses its compliance efforts on the riskiest offshore operations. These activities include:

- Ensuring BSEE compliance with NEPA and corollary environmental requirements such as the Endangered Species Act and Coastal Zone Management Act under other statutes and regulations;

- Establishing and communicating clear objectives and performance measures for the environmental stewardship program, including national standard operating procedures and a common communication strategy;

- Monitoring industry compliance with mitigation and other environmental requirements; evaluating various environmental mitigation measures to determine their adequacy and appropriately distributing findings; and evaluating, prioritizing, and coordinating potential non-compliance or apparent violations related to environmental requirements;

- Development of a national BOEM/BSEE mitigation structure that incorporates evolving mitigation concepts, such as standardized monitoring protocols, landscape-scale planning and DOI's other guiding principles for a mitigation strategy;

- Coordinating with BOEM and other Federal, State, and local agencies in matters involving environmental compliance and enforcement; and

- Coordinating and providing subject matter expertise to support compliance and enforcement activities.

BSEE's environmental enforcement programs have pursued over 200 environmental violation cases since October 1, 2011. These include violations associated with NEPA, Outer Continental Shelf Lands Act (OCSLA), Clean Air Act, Clean Water Act, ESA, MMPA, Magnuson-Stevens Fishery Conservation and Management Act, and the National Historic Preservation Act. This also includes the first assessment of an environmentally specific civil penalty ($430,000) in the history of offshore regulatory activities that did not include a significant oil spill – a case in which a dolphin became fatally entangled with a line being used in survey operations.

Funding received by the ECD in FY 2017 will be 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.

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Operations, Safety and Regulation

FY 2017 PERFORMANCE BUDGET REQUEST

Operations, Safety and Regulation Activity

Table 6: Operations, Safety and Regulation Activity Budget Summary

		2015 Actual	2016 Enacted	Fixed Costs and Related Changes (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2017 Request	Changes from 2016 (+/-)
Operations, Safety and Regulation	($000)	133,597	144,954	+318	-	-122	145,150	+196
	FTE	*443*	*476*	-	-	-	*476*	-
Major Program IT Investments								
Technical Information Management System (TIMS) [1/]	($000)	[18,365]	[13,485]				[12,023]	-
	FTE	-		-	-	-	-	-

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

SUMMARY OF 2017 PROGRAM CHANGES

Request Component	Amount ($000)	FTE
General Reduction	-122	-
Special Pay for Oil and Gas Occupations	+3,924 / -3,924	-
Total Program Changes:	**-122**	**-**

JUSTIFICATION OF 2017 PROGRAM CHANGES

The 2017 budget request for the Operations, Safety and Regulation Activity is $145,150,000 and 476 FTE; a net increase of +$196,000 and 0 FTE over the FY 2016 Enacted level.

General Reduction (-$122,000/0 FTE): In order to support BSEE's highest priority needs in FY 2017, the Bureau proposes a general reduction in funding for Operations, Safety and Regulation activities that will be achieved through administrative savings efforts, such as reducing non-essential travel expenses. Included within this general reduction are the following increases and decreases:

- **General Increase in Base Appropriated Funding to Offset Reduction in Offsetting Collections (+7,555,000; 0 FTE):** The proposed increase to appropriated funding offsets the estimated decrease in rental receipt and cost recovery revenue as discussed below. Although offsetting revenue is set to decline, program requirements will not, and it is critically important for the Bureau to maintain adequate base program capacity to achieve its mission, as industry continues to move drilling and production operations into deeper waters and more hostile operating environments.

- **General Reduction - Changes in Offsetting Collections (-7,677,000; 0 FTE):**

    - **Rental Receipts (-11,477,000; +0 FTE):** Rental receipts are the second largest of three different offsetting collections credited to the BSEE OSEE account to help defray the cost of operations. This decrease to rental receipts revenue is the result of two compounding factors. First, fewer leases are being sold as the OCS matures in terms of exploration prospects and world oil prices decline. Second, the decline in the number of leases subject to rentals is expected to accelerate because some of the active leases were issued with shorter primary terms than before and a large number of deepwater leases are expected to expire around FY 2017.

    - **Cost Recovery Fees (-$2,200,000; 0 FTE):** Cost recovery fees are the smallest of three different offsetting collections credited to the BSEE OSEE account to help defray the cost of operations. This decrease in revenue generated from cost recovery fees reflects the trend of actual collections.

    - **Inspection Fees (+$6,000,000; +0 FTE):** Inspection fees are the largest of three different offsetting collections credited to the BSEE OSEE account to help defray the cost of operations. This increase in inspection fees aligns with the Bureau's FY 2016 budget request, and reflects an increase of $6,000,000 from FY 2016 Enacted levels based on a proposed inspection fee structure that would allow BSEE to charge an inspection fee for each visit to certain OCS facilities.

Fund Special Pay for Oil and Gas Occupations (+$3,924,000 / -$3,924,000): Sustaining the Department's energy programs requires the ability to attract and retain qualified personnel in fields that are highly competitive for skilled professionals that are in scarce supply. The Department's ability to compete for talent in this dynamic sector of the economy is a problem across Interior's oil and gas development and inspection programs. The competition with industry to attract and retain talented, skilled candidates is intense, and industry does not hesitate to compensate its mission-critical personnel at the highest levels possible. As a result, it is very difficult to compete for and retain top tier staff because BSEE's employment package is not competitive with that of industry. Authority provided by Congress since 2012 has allowed BOEM and BSEE to offer higher rates of pay to employees within specific job series (geophysicists, geologists, inspectors and petroleum engineers) in the Gulf of Mexico Region. In August 2015, OPM issued special salary tables expanding on this authority. The OPM salary tables applicable to BOEM and BSEE currently cover additional mission critical occupational series in the Gulf of Mexico Region, and the Department continues to work actively with OPM to expand this incentive in order to meet critical workforce gaps in other BOEM and BSEE regions and for DOI employees engaged in onshore energy development and inspection.

Base funding will be used to support revised pay rates providing for an increase in current locality pay rates to "Base + 35%" for each occupation/location approved for the special rates. BSEE expects that the recently approved OPM special salary rates will further assist the Bureau with recruitment and retention of mission critical technical positions.

PROGRAM OVERVIEW

BSEE works to ensure 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 Outer Continental Shelf (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 to promote safe and clean operations and conserve 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 (SEMS), real-time monitoring, conservation management, emerging technologies' evaluations, compliance and enforcement, and oil spill response planning and preparedness.

During FY 2016, BSEE began an effort to strengthen internal controls and to better track and demonstrate results for these mission-critical operations. BSEE identified national program managers with direct lines of responsibility for managing major program functional areas. The goals of this effort are to promote transparency, consistency, predictability, and accountability for national programs, and consistently develop program policies, procedures, and accountability and performance measures for major program functional areas.

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 numerous aspects of offshore oil and gas operations, from engineering specifications to training for workers on offshore facilities. BSEE will continually review these regulations, and update and revise them as necessary, to ensure they include the most effective requirements for safety and environmental protection on the OCS. The Bureau will also continue its efforts to improve its rulemaking efficiency. These efforts will focus on the identification and evaluation of regulatory needs; streamlining the regulatory development process to ensure that risk-based, 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. BSEE will continue to coordinate its regulatory efforts with the United States Coast Guard (USCG) and other agencies to avoid unnecessary duplication and to maximize consistent and efficient regulation of OCS activities. Beyond prevention, BSEE is also reviewing oil spill abatement and subsea containment to reduce the duration of spills from oil exploration, development, and production infrastructure.

BSEE's rulemaking efforts will be prioritized based on a comprehensive review of the existing oil and gas regulations and on review of safety and environmental risks, new developments in industry practices and OCS technology, results of research projects by BSEE and its contractors, and information about other changing circumstances. In addition, BSEE will continue to work with industry groups on standards

development and will assess relevant standards for possible incorporation into BSEE's regulations. The regulatory approach will continue to use performance-based regulations wherever they can be effectively implemented, which will allow BSEE to take a hybrid approach to regulating industry.

Specific regulatory efforts will address: installation, maintenance, and decommissioning of DOI-regulated OCS pipelines; updating oil spill planning and response requirements; improvements to the SEMS rules regarding process safety, performance of audits, and sharing of information; and safety issues related to helicopters and helipads on fixed platforms. In addition to new regulations, BSEE will continue issuing guidance to operators to ensure the successful implementation of the regulations on well control, arctic development, and production safety systems that are anticipated to be issued in 2016.

BSEE will also be expanding its efforts with respect to offshore renewable energy. BSEE will revise the existing renewable energy regulations for OCS operations to incorporate best practices as advised by a number of contracted studies, new standards, and lessons learned. BSEE also seeks opportunities to incorporate offshore wind industry standards.

Standards Development: In FY 2017, BSEE will continue to actively participate with external Standards Development Organizations (SDOs) to develop new or revised standards for safety and environmental protection on the OCS consistent with the National Technology Transfer and Advancement Act of 1995. The objective of this activity is to optimize the use of national and international standards in regulations for safe and environmentally sound development of OCS resources; collaborate with SDOs to expedite the development of industry best practices; increase BSEE's knowledge and awareness of standards related to oil and natural gas development on the OCS and their applicability to the regulatory regime; and facilitate BSEE's ability to provide input on the standards. BSEE will also continue to take a leadership role in establishing more effective communication links between international standards organizations and other international regulators to ensure industry best practices continue to improve.

The new technology center in Houston will ensure that BSEE staff is located near the center of standards developing activity and able to become actively engaged in the proceedings on a regular basis. In addition, a directory of over 50 subject matter experts has been compiled from all of BSEE's regional and district offices to assist in Standards Development.

Risk-based Review and Assessment: The foundation of safe operations on the OCS begins with leading edge prevention through risk identification, assessment, mitigation, management, and oversight during the permit review process. Based upon the risks identified and associated with operators' permit submissions, BSEE will be able to focus permit review efforts in FY 2017 on the areas of greatest concern to the public and address those areas with improved policy, guidance, and procedures. Using the permit process to identify the critical barriers needed for well containment and the associated risks of failure will help BSEE identify components and systems to focus on in the new risk-based inspection program.

BSEE, the Argonne National Laboratory, and industry continue the development of procedures for performing barrier analyses of offshore oil and gas structures similar to those performed in the nuclear industry. The use of these tools 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 should be the focus of additional inspection or could be candidates for review for failure analysis, lifecycle systems performance reliability, and/or best available and safest technology (BAST).

Inspections, Investigations, and Risk Management: Safety is a priority for both BSEE staff and for the operations that occur under BSEE's jurisdiction. 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 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.

BSEE is also supplementing the existing inspection program in the Gulf of Mexico with a risk-based inspection methodology that allows the Agency to target resources at the "riskiest" facilities and safety components. This methodology utilizes information obtained from third party SEMS audits and the annual compliance inspections to identify safety trends and concerns. These risk-based inspections go beyond the typical compliance review and focus on the performance of comprehensive safety audits with multi-discipline teams consisting of engineers and inspectors. These audits evaluate and measure issues such as the successful implementation of safety management systems, proper contractor oversight, and adequate training of personnel. BSEE is also developing a pilot program for the Pacific Region in 2017 that will provide for more targeted and flexible approach toward performing inspections. This will include elements of risk-based inspections that are being used in the GOM along with new approaches such as the use of third-party verification where appropriate for less critical systems. More targeted and comprehensive inspection and oversight activities, most notably on drilling operations and higher risk facilities, combined with the increased complexity 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.

To meet the growing manpower demands, BSEE continues to engage in an aggressive hiring effort to ensure that it has the expertise and staffing levels to implement a more comprehensive inspection and risk mitigation program. BSEE's inspection workforce has increased significantly since 2010 to a total of 123 on board as of November 2015. Engineers have grown to 215 during this timeframe. In response to the Bureau's growing need for inspector and engineering training, as well as employee health and safety standards, BSEE established a National Offshore Training Program to improve how it provides the inspection and engineering workforce with the tools required to successfully perform oversight responsibilities in an efficient manner. To ensure continuous improvement in this training program and to ensure that the inspection and engineering workforce has the skill sets and training to properly perform risk-based assessments, the program will begin instituting comprehensive cross-training in 2017 on topics such as the assessment of safety management systems, risk analysis, use of real-time data during inspections, and the management of safety barrier systems.

The identification and collection of key safety data is critical in the identification of safety trends and the successful mitigation of risks. Recent rulemakings on well control and production safety systems have included provisions designed to increase data sharing across industry. BSEE continues to work with industry to develop voluntary programs that collect, analyze, and disseminate this information. For example, BSEE has launched the SafeOCS program, which is a voluntary and completely confidential system in which the Bureau of Transportation Statistics (BTS) collects and analyzes near-miss reports. The data provided through this program summarizes oil and gas activities from the past year, compares data to previous years, and analyzes trends. In 2016, BSEE worked closely with the Society of Petroleum of Engineers and industry to develop a framework for a single comprehensive international database that would collect all safety and reliability data. Refinement of this work and the successful implementation of this type of database is proceeding forward in FY 2017.

Under the Outer Continental Shelf Lands Act (OCSLA), BSEE is required to conduct investigations and prepare an investigation report for each major incident associated with OCS development, and also for lesser incidents at its discretion. The purpose of an investigation is to identify the cause(s) of an incident and to make recommendations to prevent its recurrence and the occurrence of similar incidents. Incidents that meet the requirements of 30 CFR 250.188 are required to be reported to BSEE, which reviews each incident. Based on a tiered approach, BSEE will determine what type and amount of investigative resources will be devoted to an incident depending on the severity and complexity of the event. BSEE initiated 71 investigations for incidents which occurred on the OCS during FY 2015.

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 coordination amongst various government agencies such as the USCG, BSEE promotes effective utilization and coordination of respective investigative resources.

As part of the broader realignment within BSEE implemented at the beginning of FY 2016, BSEE realigned the external functions of the Investigations and Review Unit (IRU), which was created in the aftermath of the Macondo tragedy, into the Safety and Incident Investigations Division (SIID). Establishing this Division better underscores responsibilities for responding and investigating, as appropriate, reportable incidents involving the regulated industry on the OCS. The Division reports to the Deputy Director and is staffed by six former IRU employees.

Risk-based Review and Approval of OCS Permits: The foundation of safe operations on the OCS begins with leading edge prevention through risk identification, assessment, mitigation, management, and oversight during the permit review process. Based upon the risks identified in FY 2016 that are associated with operators' permit submissions, BSEE will be able to focus permit review efforts in FY 2017 on the areas of greatest concern to the public and address those areas with improved policy, guidance, and procedures. Using the permit process to identify the critical barriers needed for well containment and the associated risks of failure will help BSEE identify components and systems that will be the focus of our new risk-based inspection program.

Real-Time Monitoring: In FY 2017, the inspection program will utilize real-time monitoring technologies and facilities to improve and increase the regulatory oversight of critical offshore operations and equipment in deepwater drilling operations. Pending regulations seek to ensure that the agency has complete access to industry real-time onshore monitoring facilities. This gives the agency an alternative or supplemental approach to inspect drilling activities that are occurring many miles offshore. It also provides a mechanism for BSEE engineers and subject matter experts to monitor higher risk drilling operations from onshore locations on a continuous basis.

Engineering Technology Assessment Center (ETAC): The ETAC is located in Houston, Texas, close to industry centers, to provide a Bureau-wide focal point for emerging oil and gas exploration and production technology evaluation. Finalizing the establishment of this center into a fully-operational engineering asset is a strategic priority for FY 2016. An acting ETAC manager has been appointed to identify the engineering skill sets and cutting edge expertise that BSEE will need to make the ETAC fully functional. Having top-level engineering talent and leveraging internal expertise with contract support will provide BSEE a ready means for interaction with the Ocean Energy Safety Institute (OESI) on technology projects. The Center will provide an additional capability for BSEE to augment current technology assessment functions within the regions. Each region will be able to utilize the Center to support its needs. In FY 2017, the ETAC will provide the Director with a nationally-based engineering center of expertise to evaluate newly proposed technologies intended for use in extreme offshore environments. It will establish and manage a flexible base of engineering contracts that provide BSEE up-to-date experts in offshore oil and gas technology, equipment development, failure analysis, and testing protocols. It will also provide technical expertise and liaison capabilities with OESI. The ETAC is establishing professional relationships with equipment manufacturers in the Houston area to keep abreast with the latest developments in offshore oil and gas equipment technology. Finally, the ETAC will provide engineering expertise for the development of new offshore oil and gas regulations and evaluation of proposed industry standards, as well as expertise for evaluating and using the information being developed by the industry's real-time monitoring centers.

Safety and Environmental Management Systems: It has been approximately six years since BSEE first promulgated regulations that required regulated parties on the OCS to develop and implement SEMS. This performance-based program, the cornerstone in BSEE's move toward a hybrid regulatory approach, is designed to help drive the safety and environmental performance of OCS oil and gas operators and contractors beyond attaining full compliance to BSEE's regulations. BSEE's SEMS program, which is modeled after international programs for quality, safety, and environmental management systems, incorporates the elements of American Petroleum Institute's (API) Recommended Practice 75 to focus both industry's and BSEE's attention, resources, and initiatives on recognizing and managing the impacts of human behavior, organizational structure, leadership, monitoring of critical equipment and processes, adoption of standards, processes and procedures, as well as an underlying safety culture to promote continuous improvements in safety and environmental performance.

In FY 2016, BSEE focused on ensuring continuous improvement within the Agency by incorporating elements of SEMS into the risk-based inspection program and increasing SEMS training. BSEE also proactively worked to increase the quality of SEMS programs by supporting and participating in updating API Recommended Practice 75 on Development of a Safety and Environmental Management Program for

Offshore Operations and Facilities, which provides the key requirements for the programs. The objective of this activity is to ensure that SEMS programs used by operators take a comprehensive approach toward:

- Addressing human factors and human behavior.
- Process safety and the management of barriers.
- Management of contractors.

The revisions to this voluntary document will become part of BSEE's regulatory program in FY 2017 once a new SEMS rule is issued and an effective date is established. Additional training within the Agency and the industry will be instituted to successfully implement these new requirements.

Finally, the Bureau will continue work begun in FY 2016 to improve its definition and internal adoption of processes and standard procedures so that every regional office in the Bureau will approach its SEMS oversight responsibilities and operator interactions in the same way. These efforts will include the following:

- Use and enhancement of tools first developed in FY 2016, to assess the maturity level of an operator's management system based on inspector and investigator observations, the depth and breadth of information in each SEMS audit report, and the quality of other interactions between an operator and the Bureau.

- Promote and implement in a consistent way a Regulatory Interpretations process that was developed in FY 2016 to answer questions raised by industry and others on how BSEE interprets its regulatory requirements.

- Use BSEE personnel as audit observers and to independently assess SEMS implementation and overall safety culture on OCS facilities.

- Use BSEE personnel to verify the implementation and efficacy of Corrective Actions proposed after each SEMS audit.

- Investigate, develop, promote, and implement methods to document the role of human factors in improving the effectiveness of an operator's SEMS.

- Conduct focused SEMS audits on critical process elements.

- Use of SEMS subject matter experts on risk-based inspections and incorporate SEMS elements into the annual compliance inspections.

Renewable Energy Inspection Program: Secretarial Order 3299 directed the creation of the Bureau of Ocean Energy Management (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 provide

independent safety and environmental oversight, oil spill preparedness, and enforcement of offshore activities. While BOEM continues to implement an expanding renewable energy program, there are currently no operational units on the OCS; however, to date there are several offshore wind energy projects scheduled to be completed by 2019. BSEE will continue to monitor the progress of these projects.

A BSEE/BOEM transition team is managing the effort to re-designate the renewable energy regulations in 30 CFR Part 585 between the two agencies. BSEE will also draft a series of touch-point documents to guide the interdependencies between BOEM and BSEE before the re-designation is complete. After the re-designation, BOEM and BSEE will revise the existing renewable energy regulations for OCS operations and update existing interagency Memorandum of Understandings (MOU) accordingly.

As part of the transition and in collaboration with BOEM, BSEE participated in the review of the Facility Design Report (FDR) and Fabrication and Installation Report (FIR) for the Sea2Shore subsea transmission cables. These transmission cables were authorized as part of a Right of Way (ROW) grant for an eight nautical mile-long, 200-foot wide corridor in Federal waters on the OCS to connect the Block Island Wind Farm, located in Rhode Island State waters, to the Rhode Island mainland via a substation located on Block Island. The proposed offshore transmission connection will also transmit power from the existing onshore transmission grid to Block Island. The first offshore wind farm in the U.S., the 30 megawatt, 5-turbine Block Island Wind Farm is scheduled to be online in 2016. Soon, the Block Island Wind Farm will not only supply most of Block Island's power, but also reduce air pollution across southern New England for years to come.

BSEE has provided subject matter expertise for reviews of two Department of Energy (DOE) Offshore Wind Advanced Technology Demonstration Projects in Federal waters; (1) the Virginia Offshore Wind Technology Advancement Project (VOWTAP) Site Assessment Plan and the description of their Safety Management System, and (2) the preliminary submittal of their WindFloat Pacific Project Construction and Operations Plan. BSEE also reviews all offshore wind proposed projects to determine if a BSEE approved Oil Spill Response Plan (OSRP) will be needed. To date, three projects have met the criteria and submitted an OSRP.

In addition, the Bureau is actively developing and refining 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 2015, BSEE received the final report from a contracted study to assess current onshore and international offshore inspection practices related to wind turbine facilities and associated electrical transmission systems. The Bureau 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 the facilities, any personnel working on them, and any surrounding structures.

Ocean Energy Safety Institute: The OESI was established in early FY 2014 and is managed by the Texas A&M Engineering Experiment Station's (TEES) Mary Kay O'Connor Process Safety Center, in partnership with the University of Houston and the University of Texas. The OESI, established under a

five-year cooperative agreement, provides 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, States, industry, standards organizations, academia, and the NAS.

OESI has already hosted several forums, including Risk Awareness and Eliminating Barriers to Data Sharing. The forums provided an environment for shared learning, collaboration, and demonstrated opportunities for all parties to work together for the greater good of improving safety on the OCS. During FY 2015, OESI conducted additional forums on the topics of research, human factors, and shallow-water hazards.

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

Emerging Technologies and BAST: BSEE is focused on ensuring that existing and new facilities are using the best available and safest technology for critical equipment that is needed to prevent major accidents or environmental damage. This process is mandated by the OCSLA. The completion and publication of the formal BAST determination procedure in FY 2016 allows the Agency, for the first time, to have a transparent and data driven process for making these determinations in a timely manner. The BAST determination process is a multi-year procedure and makes it possible that evaluation of technologies that were initiated in FY 2016 may be completed in FY 2017.

BSEE has implemented a variety of processes and programs to ensure that it adequately identifies and mitigates risks in the use of new and emerging technology that is needed to develop deepwater and/or high pressure/high temperature resources. The opening of the technology center in Houston in 2016 provides the Bureau with supplemental technical expertise to address these complex issues and also ensure that BSEE has staff located near key technology development and research centers. BSEE initiated an aggressive recruiting program for the technology center in FY 2016 and anticipates having it fully staffed by the end of FY 2017.

In FY 2016, BSEE also began working with NASA to develop a probabilistic risk assessment tool that can be used by the agency and operators to quantify the relative risks of a particular technology or system. This tool will be based on the process that is currently being used to assess the cutting edge technology that is used in the space industry. This work will be supplemented by work which is currently being performed for BSEE by the DOE National Laboratories and through BSEE-initiated research projects and

joint industry projects involving high temperature/high pressure technology and risk-informed decision-making.

The ongoing effort by BSEE to develop performance-based operating regulations can reasonably be 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 regulations would provide. BSEE will be required to commit a substantial and increasing amount of resources to these assessments to evaluate an operator's proposed alternative, verify adherence to approved plans, and determine effectiveness of technologies and procedures employed. The Houston-based Technology Center, the DOE Laboratory System, BSEE's research program, and NASA will all be used to assist in making these assessments.

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 FY 2016, 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 DOE on projects such as early kick detection and advanced downhole signaling transmission.

Compliance and Enforcement: 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 environmental stewardship to create a level playing field for all operators. BSEE also conducts annual performance reviews of each operator as a way to address recurring safety and environmental concerns.

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.

BSEE is actively working to develop a risk-based inspection methodology for use at various levels within the regulatory program. Through the identification and quantification of risk, BSEE can identify key leading and lagging indicators, and better gauge operator effectiveness in employing redundant physical controls (barrier analysis). In the first quarter of FY 2016, BSEE pilot-tested a risk-analysis methodology for production facilities. Preliminary data analyses indicates that the 410 highest-risk platforms in the Gulf of Mexico OCS Region (GOMR), which represents about 20 percent of GOMR platforms, accounted for 80 percent of all accident or pollution events that were reported to BSEE during FY 2014. These platforms also accounted for 84 percent of all major incidents such as fires, explosions, spills, fatalities, and blowouts. The Bureau is actively investigating the deployment and use of this methodology which, when combined with findings from our annual inspection program and trends identified in the

third party SEMS audits, will enable BSEE to effectively focus its attention in the areas or operations which pose the greatest risk to safe operations. Inspection strategies which apply this risk methodology to help focus inspections on selected topics are currently being piloted. Additionally, BSEE is preparing to shift its role as an observer of third party SEMS audits to auditor, as BSEE begins to focus on the status and ultimate closure of the corrective action plans.

In FY 2016, BSEE established the Safety and Enforcement Division to promote consistency in the implementation of the Bureau's enforcement responsibilities and strategy. This Division is responsible for developing national policies and procedures for the enforcement of safety and environmental rules and regulations that govern activities on the OCS, consistent with guidance from the Department and BSEE's Director. The goal is to achieve a high level of compliance, compel safe and environmentally sound results, and ensure that all operators conduct activities in a safe and responsible manner. In implementing the compliance and enforcement program, BSEE will be guided by safety and environmental protection performance goals and adhere to clear, systemic and fair processes. The program will also promote a culture of professionalism throughout the workforce and establish consistent, transparent, and clear processes that will guide program implementation.

Information Technology (IT) and Data Stewardship: BSEE has been working to develop and maintain its IT investments by enhancing the Bureau's capability to collect and manage data. Through enhanced data use, BSEE will be able to make better decisions, as well as make data available to the public in an accessible way while protecting privacy, proprietary information, and business confidential information. To enhance the Bureau's capabilities, BSEE has deployed eWell to all regions, expanded eInspections functionality to include both platforms and rigs, and begun phase 1 development of the ePermits system.

BSEE has incorporated the implementation of the Business Intelligence Tool as an IT and data stewardship goal. This would include the construction of an integrated Business Intelligence environment including software and hardware components that consolidates data from a broad spectrum of data repositories. BSEE data will be presented through a logical data model that reflects business processes using a metadata-driven approach. This will allow the transition from a canned or custom report-driven approach to data analysis and discovery to give users the power to independently obtain the information. The metadata layer will allow for the development of a web-enabled, role-based dashboard built on Oracle's Business Intelligence Foundation Suite and the mapping of current users to the newly developed security model.

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

Finally, BSEE has implemented project cost accounting around IT spending. After a successful pilot of the eInspections project, BSEE will now use project cost accounting for all IT development initiatives. This approach captures spending for Federal labor, contract labor, other contracts, hardware, software, and other costs for projects, thus allowing BSEE to accurately capture the full life-cycle costs for IT spending.

Oil Spill Response Planning and Preparedness: Environmental stewardship refers to responsible use and protection of the natural environment through conservation, enforcement, and sustainable practices. By ensuring offshore facility owners/operators meet the oil spill response preparedness standards set forth by the Clean Water Act, Oil Pollution Act of 1990, and 30 CFR §254, BSEE plays a key role in supporting the Nation's response posture for oil spills that can impact public health and the environment. The Oil Spill Response Plan (OSRP) is one method of ensuring the American public that offshore energy exploration and production is an activity that fosters environmental stewardship. OSRPs are approved when an offshore facility has demonstrated the ability to respond to a worst-case discharge to the maximum extent practicable. In FY 2015, OSPD conducted 246 plan review activities to ensure the 134 approved OSRPs remain updated and in compliance with the regulations. As such, BSEE ensures that the strategies and resources listed in OSRPs are regularly exercised. Exercises allow personnel from facility operators, spill response contractors, and regulatory officials to validate the efficacy of an OSRP. These exercises provide training and practice of strategic and tactical preparedness, protection, response, and recovery capabilities in a risk-reduced environment. In FY 2015, OSPD conducted 18 government-initiated unannounced exercises and audited 81 training and industry exercise activities.

Additionally, BSEE manages the compliance process for monitoring the preparedness and readiness levels of oil spill response equipment owned or contracted by offshore facilities owners/operators. Therefore, BSEE personnel periodically verifies and ensures that equipment listed within the OSRP is properly maintained, ready to be operated, and performs as specified by the manufacturer. In FY 2015, the OSPD conducted 71 separate site visits to verify the location and condition of thousands of pieces of oil spill response equipment.

Table 7: Performance Overview Table - Operations, Safety and Regulation

Mission Area 2, Goal 1: Secure America's Energy Resources							
Strategic Objective Metrics **Strategic Plan Measure / Efficiency or other Bureau-Specific Measure**	**2012 Actual**	**2013 Actual**	**2014 Actual**	**2015 Actual**	**2016 Enacted**	**2017 Pres. Budget Request**
Strategic Plan Measures						
Amount (in barrels) of operational offshore oil spilled per million barrels produced (excluding Hurricane-related spills) (SP)	0.30 (142/476 million)	0.099 (est.) (47.86/482 million)	0.14 (73.01/506 million)	0.034 (est.) (19/552 million)	1.00	1.00
Comments: *The estimated oil spill value for FY 15 does not include any spill volumes associated with the Taylor Energy debris field in the Gulf of Mexico.*						
Contributing Programs: Operations, Safety and Regulation						
Number of Recordable Injuries per 200,000 Offshore Man Hours Worked (DOI-Regulated Activities ONLY) (SP)	0.332 (200/602)	0.379 (228/601)	0.342 (205/599)	0.241 (est.) (155/643)	0.400	0.400
Comments: *This strategic plan measure is an incident rate of all Recordable Injuries (i.e., injuries that require medical treatment beyond first aid and fatalities) that occur during DOI-regulated activities in the fiscal year for every 200,000 offshore man hours worked (which is the approximate equivalent of 100 full-time workers). The value for FY 15 is an estimate because final data is not yet available.*						
Contributing Programs: Operations, Safety and Regulation						
Efficiency or other Bureau-Specific Measures						
Total Number of Compliance Inspections Completed (BUR)	23,025	24,195	21,033	18,944 (est.)	18,500	18,500
Comments: *BSEE's total inspections for FY 2015 are below the target of 21,000. This decrease can be attributed to the following rationale, which focuses on the Gulf of Mexico where the majority of BSEE's inspections occur:* *First, the total for BSEE's FY 2015 compliance inspections is a rough estimate because not all of the data from BSEE's District Offices in the Gulf of Mexico has been submitted and verified at this time. Second, several new technology systems were introduced in the Gulf of Mexico this year which have increased the time per inspection due to a learning curve for users along with the need to resolve defects discovered in the new systems. These new systems allow inspectors to conduct more thorough inspections and require the inspector to more accurately document the components and safety devices reviewed and tested, but also require additional time per inspection. Third, BSEE has hired a significant number of new inspectors who need to shadow more experienced inspectors. These new inspectors must also meet core curriculum training requirements before they are able to work independently (57% of inspectors have less than 3 years with BSEE). Fourth, offshore inspectors continued to undertake more comprehensive inspections in deeper water (more complex facilities with more process components), which lengthens the time associated with inspections. Finally, the level of activity in the Gulf is shifting as the total number of platforms has decreased over the last five years from 3,129 in 2011 to 2,345 in 2015. In addition, the amount of shallow water rig activity in the Gulf of Mexico was significantly reduced in 2015 due to a decline in oil prices. Shallow water activity is currently at the lowest level seen in the last 20 years.*						
Contributing Programs: Operations, Safety and Regulation						

Administrative Operations

FY 2017 PERFORMANCE BUDGET REQUEST

Administrative Operations Activity

Table 8: Administrative Operations Activity Budget Summary

		2015 Actual	2016 Enacted	Fixed Costs and Related Changes (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2017 Request	Changes from 2016 (+/-)
Administrative Operations	($000)	15,676	18,268	+97	-	-97	18,268	-
	FTE	*207*	*247*	-	-	-	*247*	-

SUMMARY OF 2017 PROGRAM CHANGES

Request Component	Amount ($000)	FTE
General Reduction	-97	-
Total Program Changes:	**-97**	**-**

JUSTIFICATION OF 2017 PROGRAM CHANGES

The 2017 budget request for the Administrative Operations Activity is $18,268,000 and 247 FTE, which results in no net change from the FY 2016 Enacted level.

General Reduction (-$97,000/0 FTE): In order to support BSEE's highest priority needs in FY 2017, the Bureau proposes a general reduction in funding for Administrative Operations activities to be realized through administrative savings such as increasing oversight and setting limitations on travel.

PROGRAM OVERVIEW

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

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

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

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

Human Resources (HR) Division: The HR Division develops and implements policies, procedures, guidelines, and standards relating to general personnel management, recruitment and employment, position management and classification, and employee development. Work includes performing all operational personnel services for BSEE, BOEM, and other client organizations including the Department

of the Interior's Office of the Secretary, and providing assistance and guidance related to personnel matters for all regional and field installations.

HR also leads all BSEE 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 Division tailors these services to meet the specific needs of its diverse customers. The long-term benefits of workforce-planning initiatives include the ability of BSEE 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. HR also coordinates all department mandated employee development initiatives for implementation in BSEE and BOEM.

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

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

Technology Services Division (TSD): The TSD ensures the efficient and effective planning, management and acquisition of information technology (IT) and information resources within BSEE, BOEM, and ONRR. The Division ensures compliance with all Federal Information Technology Acquisition Reform Act (FITARA) requirements, as well as other government-wide and departmental

priorities. TSD clearly defines the information technology needs of the Bureaus' mission and enterprise functions, and fulfills those needs as appropriate.

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

In support of the strategic goals of each Bureau, TSD through a collaborative effort with its customer base will redesign its information and knowledge management tools, and enhance the collection, standardization, accuracy, completeness, consistency, and storage of data. These efforts will increase the Bureau's ability to collaborate across current divisions of 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 bureau-wide innovation and adaptation in all aspects of offshore safety, response preparedness, and environmental protection.

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

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

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

overall data architecture, data resource model, data strategies, and manages the data as a corporate resource.

Records, Delegations, and Directives Team: The Records, Delegations, and Directives Team provide effective management of the creation, maintenance, use, preservation, and disposition of all BSEE and BOEM records. The Team also coordinates and manages the Bureau's delegations of authority and directives management programs.

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General Support Services

FY 2017 PERFORMANCE BUDGET REQUEST

General Support Services Activity

Table 9: General Support Services Budget Summary

		2015 Actual	2016 Enacted	Fixed Costs and Related Changes (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2017 Request	Changes from 2016 (+/-)
General Support Services	($000)	13,912	-	-	-	-	-	-
	FTE	-	-	-	-	-	-	-

INTERNAL TRANSFERS

The FY 2017 budget request for the General Support Services Activity (GSS) is $0 and 0 FTE, which results in no net change from the FY 2016 Enacted level.

GSS Activity Realignment

The FY 2016 budget realigned funds from BSEE's General Support Services (GSS) Activity funding into the supported programs based on current FTE levels.

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Executive Direction

FY 2017 PERFORMANCE BUDGET REQUEST

Executive Direction Activity

Table 10: Executive Direction Budget Summary

		2015 Actual	2016 Enacted	Fixed Costs and Related Changes (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2017 Request	Changes from 2016 (+/-)
Executive Direction	($000)	18,227	18,236	+81	-	-81	18,236	-
	FTE	*97*	*106*	-	-	-	*106*	-

SUMMARY OF 2017 PROGRAM CHANGES

Request Component	Amount ($000)	FTE
General Reduction	-81	-
Total Program Changes:	**-81**	**-**

JUSTIFICATION OF 2017 PROGRAM CHANGES

The 2017 budget request for the Executive Direction Activity is $18,236,000 and 106 FTE, which results in no net change from the FY 2016 Enacted level.

General Reduction (-$81,000/0 FTE): In order to support BSEE's highest priority needs in FY 2017, the Bureau proposes a general reduction in funding for Executive Direction activities to be realized through administrative savings such as increasing oversight and setting limitations on travel.

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. In FY 2016, BSEE undertook a functional realignment which has resulted in changes to the activity. In FY 2017, the Executive Direction Activity will fund the Office of the Director, the Integrity and Professional Responsibility Advisor Unit, the Office of Budget, the Office of Policy and Analysis, the Office of Public Affairs, and a combined Office of Congressional and International Affairs**.**

Office of the Director

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

Integrity and Professional Responsibility Advisor (IPRA) Unit

In FY 2016, BSEE created an IPRA position within the Office of the Director. The IPRA is responsible for promptly and credibly responding to allegations or evidence of misconduct, unethical behavior, and unlawful activities by BSEE and BOEM employees. Investigations into the activities of private entities that BSEE regulates will be performed by the Safety and Incident Investigations Division. The IPRA shares allegations of internal misconduct with the DOI's Office of the lnspector General, determining jointly which office conducts an investigation of those allegations. The IPRA manages the process by which allegations of misconduct are reported and investigated and disseminates results to the appropriate officials when tasked with investigating the 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, the Office of Management and Budget (OMB), and Congress. 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 principal office to provide the Director with independent review and analysis of programmatic and management issues. Additionally, the office leads, coordinates, and monitors many cross-program initiatives, ensuring a consistent BSEE-wide implementation that directly supports congressional, presidential and departmental directives, laws, mandates and guidance.

The Office of Policy and Analysis fulfills the Director's responsibilities in several critical areas including strategic and performance planning, policy and program evaluation, enterprise risk management, and internal controls. 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 as well as oversees and ensures the implementation of recommendations made by oversight groups such as the Government Accountability Office and the Office of the Inspector General.

Associate Director of Strategic Engagement

This position serves as a senior advisor to the Director on key mission-critical issues, initiatives, and Bureau functions. In FY 2014, BSEE consolidated management of external affairs under the Associate

Director of Strategic Engagement. The Office of Public Affairs, along with the Office of Congressional and International Affairs, reports to this position.

Office of Public Affairs (OPA)

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

Office of Congressional and International Affairs (OCIA)

OCIA serves as BSEE's primary point of contact for the U.S. Congress and BSEE's international counterparts. The OCIA is responsible for the coordination of all communication and engagements as well as ensuring consistent messaging and effective exchanges of information in these areas.

OCIA manages and analyzes all congressional and legislative matters that pertain to the Bureau. The responsibilities that facilitate these engagements include the analysis of proposed, pending, and enacted legislation for impacts on BSEE's mission, priorities, and goals; preparation of Bureau statements and witnesses before Congress; actively informing Congress of Bureau issues and activities; and providing timely responses to questions from the House, Senate, Congressional Budget Office, and Congressional Research Service. OCIA maintains an open line of communication regarding BSEE's programs and policies with BSEE's authorizing committees, as well as other relevant committees' members and support offices. The OCIA serves as the Bureau's liaison with Congress, the Department, and other Federal executive agencies.

OCIA manages and analyzes the Bureau's international programs and policies to ensure initiatives are consistent with BSEE's mission, priorities, and goals. The responsibilities that facilitate these engagements include structuring international cooperation agreements; organization of technical exchanges; advising BSEE's international travelers on matters of security, protocol, and travel requirements; and, support of BSEE's engagement in international regulatory fora. OCIA maintains an open line of communication regarding BSEE's programs and policies with the Department's Office of International Affairs, the Department of State, and the international programs within all relevant U.S. agencies, such as the Department of Energy, the Department of Commerce, and the Department of the Treasury.

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Oil Spill Research

Appropriation

Bureau of Safety and Environmental Enforcement

Summary of Requirements Table

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

Account	2015 Actual		2016 Enacted						2017 Request		Change from 2016 (+/-)	
	Amount	Total *FTE*		Amount	Fixed Costs & Related (+/-)	Internal Transfers (+/-)	Program Changes (+/-) *FTE*	Program Changes (+/-) Amount	*FTE*	Amount	*FTE*	Amount
Oil Spill Research	***14,899***	**22**		**14,899**	-	-	-	-	**22**	**14,899**	-	-
TOTAL FUNDING, Oil Spill Research	***14,899***	**22**		**14,899**	-	-	-	-	**22**	**14,899**	-	-

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Bureau of Safety and Environmental Enforcement

Language Citations

Appropriations Language

Oil Spill Research Appropriation Account

For necessary expenses to carry out title I, section 1016, title IV, sections 4202 and 4303, title VII, and title VIII, section 8201 of the Oil Pollution Act of 1990, $14,899,000, which shall be derived from the Oil Spill Liability Trust Fund, to remain available until expended.
(Department of the Interior, Environment, and Related Agencies Appropriations Act, 2016.)

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FY 2017 PERFORMANCE BUDGET REQUEST

Oil Spill Research Appropriation

Table 11: Oil Spill Research Budget Summary

		2015 Actual	2016 Enacted	Fixed Costs and Related Changes (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2017 Request	Changes from 2016 (+/-)
Oil Spill Research	($000)	14,899	14,899	-	-	-	14,899	-
	FTE	*17*	*22*	-	-	-	*22*	-

JUSTIFICATION OF 2017 PROGRAM CHANGES

The FY 2017 budget request for the Oil Spill Appropriation is $14,899,000 and 22 FTE; which represents no net change from the FY 2016 Enacted level.

PROGRAM OVERVIEW

The Oil Spill Research (OSR) appropriation funds oil spill response research at Ohmsett (National Oil Spill Response Research and Renewable Energy Test Facility) and oil spill prevention, abatement, planning, preparedness, and response functions for all facilities seaward of the coastline of the U.S. that handle, store, or transport oil. These activities support BSEE's strategic mission overseeing the development of oil and gas resources from the Outer Continental Shelf (OCS) in a safe and environmentally protective manner.

Funding for OSR activities is appropriated from the Oil Spill Liability Trust Fund (OSLTF) which is sustained by an industry excise tax that for 2017 is nine cents per barrel of crude oil produced or imported into the U.S. The excise tax, which is authorized under Section 405 of the Energy Improvement and Extension Act of 2008, expires December 31, 2017. As intended by the Oil Pollution Act of 1990, the companies that produce and transport oil are supporting research and activities to improve the country's offshore oil spill preparedness and response posture and capabilities. Research conducted with appropriated funds is either:

- Awarded through a competitive process to academia, regulators, and qualified companies from throughout the U.S. which possess scientific and engineering expertise necessary to meet the research goals of BSEE; or

- Conducted by BSEE staff utilizing the Ohmsett facility, with the ultimate goal of improving all phases of offshore oil spill preparedness and response.

PERFORMANCE OVERVIEW

The Oil Spill Preparedness Division (OSPD) integrates all aspects of oil spill preparedness, response, and research activities in order to emphasize the Bureau's mission of ensuring that industry is prepared to respond to an offshore oil spill as quickly and effectively as possible. BSEE maintains two focus areas: oil spill response research (OSRR) and oil spill preparedness verification. These two areas support BSEE's Strategic Plan Goal of Operational Excellence and are influenced by this plan's goals and objectives.

BSEE supports the foundational work to advance research and development projects into innovative new methods to respond to an oil spill and identify the best available technologies for both mechanical and alternative spill response. In the pursuit of these objectives, BSEE has engaged with Federal research institutions such as the U.S. Coast Guard's (USCG), Research and Development Center; the Department of Energy's (DOE), National Energy Technology Laboratory; the National Oceanic and Atmospheric Administration (NOAA); the Environmental Protection Agency; the U.S. Navy; and the U.S. Army to leverage the subject matter expertise of these agencies and to help develop core understandings about offshore spill response and the skills that each agency can bring to an offshore spill response. BSEE is also working with Federal partners, researchers, manufacturers, and the larger oil spill response community to define the Technology Readiness Levels (TRL) for oil spill response equipment. This new metric will define expectations as new technology is developed, and serve as a screening tool for allowing new technology to participate in an actual oil spill response. Through application of TRLs to research, BSEE will be able to help move technology forward in a measureable, logical way while providing a visible means for the response community to monitor new technologies that may be ready for commercialization.

BSEE's oil spill response research mission involves coordination with other Federal partners in both ad-hoc and formal settings. Formal engagements are achieved through representation in groups such as the congressionally-mandated Interagency Coordinating Committee on Oil Pollution Research (ICCOPR), which identifies national priorities for oil spill response research, provides a forum for Federal entities to engage in information transfer of the latest science and engineering related to oil spill prevention, preparedness, and response, and works with other research organizations such as the National Academy of Sciences' new Gulf Research Program and the Gulf of Mexico Research Initiative. BSEE plays a crucial role in ICCOPR by routinely providing updates on research of importance to ICCOPR members with response authorities thereby facilitating awareness of new tools and strategies that can and should be used in offshore spill responses.

In FY 2015, BSEE was a key participant in the development of the ICCOPR Oil Pollution Research and Technology Plan. This Plan identifies the priority research needs in 25 Standing Research Areas. Prior to prioritization, more than 900 research needs were extracted from various sources including the *Deepwater Horizon* Incident Specific Preparedness Review and the *Deepwater Horizon* Federal On-Scene Coordinator report. These prioritized research needs will be utilized to guide new research projects over the next several years. Research continues on improving mechanical recovery but is also focused on improving those response tactics such as offshore *in situ* burn and subsea dispersant use. Funding will also be dedicated to finding new and more efficient ways to 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 continue to be utilized to understand these implications and advance response technologies and procedures to ensure the least impact to the environment and to human safety.

Oil Spill Response and Planning: The Bureau is the lead agency for ensuring that companies meet the highest oil spill response preparedness standard in the offshore environment through its regulatory oversight programs. BSEE's Oil Spill Preparedness Division (OSPD) 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. In FY 2015, OSPD conducted 246 plan review activities to ensure the 134 approved OSRPs remained updated. OSPD also conducted 71 equipment validation inspections, audited 81 industry-led exercises and training activities, and initiated 18 unannounced government-led exercises to ensure plans were executable. Additionally, the Bureau commits time to monitoring, tracking, and investigating approximately 1,500 self-reported offshore spills per year.

Internal and external coordination is imperative to strengthening the Nation's readiness to respond to 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 preparedness and response. The Bureau collaborates with other Federal and State response agencies when reviewing oil spill response plans. The Bureau also collaborates with international partners. Internally, OSPD is working with other BSEE divisions to proactively identify spills that were not reported by the operator 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 and source control.

Oil Spill Response Research (OSRR): BSEE is the principal Federal agency funding OSRR and maintains a comprehensive, long-term research program 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. 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.

In 2017, BSEE will continue research to:

- Develop, test, and evaluate enhanced mechanical recovery technologies;
- Locate oil during low light conditions, track oil within an ice field, and remove oil;
- Optimize storing recovered fluid;
- 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;
- Understand the impact of a cold, stratified deep sea setting on biodegradation and toxicity of crude oil following dispersant application;
- Better understand the potential effectiveness of chemical dispersants in various operational environments;
- Develop a tool to quantify the amount of oil remediated by offshore *in situ* burning;
- 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 BSEE's Federal partners.

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

Ohmsett - The National Oil Spill Response Research and Renewable Energy Test Facility: 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 8 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.

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. 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. The facility is also used for oil spill responder training. Through both classroom exercises and hands-on use of response equipment deployed in and near the test tank, students are able to learn and practice best practices in spill response.

The Ohmsett facility sustained damage during Hurricane Sandy. BSEE with the help of the National Park Service and the U.S. Navy have undertaken a number of mitigation measures to reduce any future damage from occurring during storm events. These mitigation efforts include elevating vulnerable equipment and hardening/protecting assets that cannot be relocated.

The Ohmsett facility requires constant maintenance and periodic upgrades. During FY 2015, the Ohmsett facility completed a scheduled five-year test tank renovation as well as the construction of a new warehouse to replace the one destroyed during Hurricane Sandy. Mitigation efforts to harden and protect Ohmsett assets from future extreme weather events were completed concurrently. Information on Ohmsett can be found at www.ohmsett.com.

Figure 2: Ohmsett Facility in New Jersey

Table 12: Performance Overview Table - Oil Spill Research Appropriation

Strategic Objective Metrics Strategic Plan Measure / Efficiency or other Bureau-Specific Measure	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Enacted	2017 Pres. Budget Request
Achieve a utilization rate of X% at Ohmsett, the national oil spill response test facility (BUR)	94% (226/240)	93% (206/222)	87% (201/231)	96% (228/237)	85%	85%
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 percent. In FY 2015 actual, available days were reduced from 240 to 237 because the tank was frozen for three days.						
Contributing Programs: Oil Spill Research						

Appendices

Bureau of Safety and Environmental Enforcement

Appendix A - Section 403 Compliance

Section 403 of Public Law 114-113, the Consolidated Appropriations Act, 2016, states:

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

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.

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. The Internal Bureau Assessment reported for 2017 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.

	FY 2017 Dollars in Thousands ($000)
External Administrative Costs	
Various Activities	
Working Capital Fund Centralized Billing	4,271
Working Capital Fund Direct Billing	1,840
Subtotal	**6,111**
Internal Bureau Assessments	
Operations, Safety and Regulation	9,415
Administrative Operations	2,345
Executive Direction	2,152
Subtotal	13,912
Total Assessments of Bureau Programs	**19,513**

The following tables provide the actual WCF billings to BSEE for 2015 and 2016 and estimates for 2017.

Bureau of Safety and Environmental Enforcement

Working Capital Fund Centralized Bill

(Dollars in thousands)

Account	2015 Actual	2016 Actual	2017 Estimate
FBMS Infrastructure Hosting & Support	212.0	267.1	270.8
FBMS Master Data Management	0.5	0.0	0.0
Aviation Management	840.4	1,144.6	1,300.4
Mail and Messenger Services	51.8	50.5	50.0
Safety, Environmental, and Health Services	27.5	26.8	26.5
Shipping/Receiving & Moving Services	16.4	16.7	16.5
Vehicle Fleet	2.1	2.6	2.6
Personal Property Accountability Services	22.9	20.7	20.4
Interior Complex Management & Services	24.5	18.9	18.7
Departmental Library	10.2	8.9	1.6
Mail Policy	3.3	3.2	3.3
Conference & Special Events Services	38.7	38.4	38.0
Space Management Services	13.5	12.0	11.8
FOIA Tracking & Reporting System	49.0	50.7	50.6
Alaska Affairs Office	6.4	6.5	4.4
Alaska Resources Library and Information Services	43.2	43.2	43.2
Departmental News and Information	9.5	14.7	15.0
Departmental Museum	10.3	14.0	14.2
FedCenter	1.9	1.9	1.9
Compliance Support ESF-11/ESF-11 Web site	2.3	2.3	2.3
Invasive Species Council	17.9	18.0	18.0
Invasive Species Coordinator	3.2	3.3	3.3
Passport and Visa Services	4.9	1.9	6.9
CPIC	2.7	2.6	2.4
Financial Statement, Internal Controls & Perform. Report	5.2	8.0	8.1
Travel Management Center	1.6	1.5	2.5
e-Travel	9.1	15.8	13.3
Interior Collections Management System	2.1	2.1	0.0
Space Management Initiative	3.7	4.3	4.4
Interior Asset Disposal System O&M	2.5	2.5	2.5
Planning and Performance Management	12.4	14.3	14.6
Department-wide Worker’s Compensation Program	2.8	2.1	2.1
OPM Federal Employment Services	3.9	4.5	4.6
Accessibility & Special Hiring Programs	6.5	7.4	7.5
Human Resources Accountability Team	6.9	7.9	8.1
Employee and Labor Relations Tracking System	0.3	0.4	0.4
Consolidated Employee Assistance Program	8.1	8.8	8.9
EEO Complaints Tracking System	0.4	0.4	0.6
Special Emphasis Program	0.4	0.5	0.5
Occupational Safety and Health	15.9	18.3	18.7

Bureau of Safety and Environmental Enforcement

Working Capital Fund Centralized Bill

(Dollars in thousands)

Account	2015 Actual	2016 Actual	2017 Estimate
Safety Management Information System	12.8	14.7	14.9
Leadership Development Programs	9.8	11.4	11.6
Department-Wide Train Programs (incl. Online Learning)	23.4	23.3	24.6
Learning and Performance Center Management	10.0	10.1	14.6
DOIU Management	6.9	7.9	8.1
Security (Classified Information Facility)	5.1	6.2	6.4
Law Enforcement Coordination and Training	7.2	8.4	8.5
Security (MIB/SIB Complex)	196.0	205.4	203.1
Victim Witness Coordinator	1.9	2.3	2.3
OLES Detailees – Training and Compliance	0.0	0.0	8.4
Interior Operations Center	23.0	26.5	27.1
Emergency Preparedness (COOP)	9.9	11.3	11.5
Emergency Response	12.4	14.4	17
MIB Emergency Health and Safety	4.6	4.8	4.8
Federal Executive Board	2.8	3.3	3.4
Alternative Dispute Resolution (ADR) Training	0.5	0.6	0.6
Conservation and Education Partnerships	3.2	3.6	3.7
Cooperative Ecosystem Study Units	21.2	0.0	0.0
CFO Financial Statement Audit	259.4	242.4	129.3
Ethics	5.5	6.3	6.4
FOIA Appeals	22.0	22.1	7.5
IT Transformation Planning (ITT)	185.5	168.0	221.5
Enterprise Directory Services	30.8	124.9	76.0
IT Asset Management	7.7	10.4	12.7
IOS Collaboration	9.7	12.6	11.6
Unified Messaging	9.9	13.4	18.6
Privacy and Civil Liberties	14.9	13.0	24.4
Identity Credential Access Management (ICAM)	12.7	13.3	10.6
Threat Management	15.8	94.2	126.1
Information Systems Security Operations (ISSO)	7.6	5.0	8.9
ITD PPCD Privacy Records	15.3	0.0	0.0
Office of Information Assurance (OIA)	19.5	15.6	35.0
Assessment & Authorization Services	6.6	5.8	8.1
IT Security	5.7	4.1	28.1
Enterprise Continuous Diagnostics and Monitoring	11.9	11.4	10.7
Enterprise Security Info & Event Mgmt Solution (SIEM)	25.8	24.8	22.9
Hosting Services	8.7	19.9	12.7
Electronic Records Management	45.9	56.0	91.3
Solutions, Design & Innovation (SDI)	4.4	13.4	13.2
Geospatial Services	0.0	2.9	3.0

Bureau of Safety and Environmental Enforcement

Working Capital Fund Centralized Bill

(Dollars in thousands)

Account	2015 Actual	2016 Actual	2017 Estimate
E-Forms	0.0	0.0	23.0
Enterprise Services Network	73.8	114.3	71.1
Federal Relay Service	0.6	3.0	3.0
MIB Data Networking	10.7	16.3	16.3
ITD Telecommunication Services	24.6	41.6	41.8
ITD Integrated Digital Voice Communications System	17.4	34.6	34.2
Enterprise Services Network – Central Bill Pass Through	109.8	222.4	301.3
Enterprise Service Desk	0.0	10.0	0.0
Enterprise Resource Management	17.7	0.0	0.0
Architecture & IT Portfolio Performance Management	100.7	97.6	114.4
Independent Verification and Validation – Risk Mgmt	38.3	33.8	55.4
IT Budget Formulation & Portfolio Development	75.2	60.6	92.2
e-Government Initiatives (WCF Contributions Only)	32.0	26.3	26.6
FPPS	176.7	176.1	175.1
Employee Express (Pass through)	0.0	5.8	8.0
HR Systems Integration Framework	0.0	8.0	8.4
Transportation Services (Household Goods)	1.7	1.7	1.7
Boise Acquisition Office	24.9	26.5	29.1
TOTAL	**3,277.3**	**3,980.6**	**4,270.6**

Bureau of Safety and Environmental Enforcement

Working Capital Fund Direct Bill

(Dollars in thousands)

Account	2015 Actual	2016 Actual	2017 Estimate
Reimbursable Mail Services	0.0	0.9	0.9
Creative Communications	4.0	3.7	3.7
Ocean Coastal Great Lakes Activities	20.0	20.0	20.2
e-OPF	39.9	49.7	49.7
Equal Employment Opportunity (EEO) Investigations	0.0	3.9	3.9
Equal Employment Opportunity (EEO) Training	1.0	1.0	1.0
SESCDP	0.0	9.1	0.0
Online Learning	6.1	5.6	5.6
Consolidated Direct Billed Leadership & Perf Centers	8.6	8.7	8.8
OLES BSEE Detailee	0.0	236.9	236.9
Federal Flexible Savings Account (FSA) Program	3.3	3.6	3.6
Unified Messaging	217.4	246.2	117.1
Anti-Virus Software Licenses	49.1	49.1	49.1
Identity, Credential Access Management (ICAM)	94.5	103.6	103.6
Data at Rest Initiative	6.8	6.7	6.9
End Point Manager Licenses	0.0	0.0	148.2
Data Center consolidation and Cloud Planning, Analysis & Integration	13.3	16.9	17.1
ESRI Enterprise Licenses	108.7	110.7	113.8
Electronic Records Management	104.5	117.6	55.9
Enterprise Services Network	609.1	608.8	608.8
ISSO ITD Telecommunications	4.4	4.9	4.9
Payroll & HR Systems	263.6	43.5	45.2
Payroll & HR Systems (Pass through)	0.0	228.1	235.3
TOTAL	**1,554.3**	**1,879.3**	**1,840.2**

Bureau of Safety and Environmental Enforcement

Appendix B – Employee Count by Grade

Employee Count by Grade
(Total Employment)

	FY 2015 Actuals	FY 2016 Enacted	FY 2017 Request
Executive Level V	1	1	1
SES	6	6	6
Subtotal	**7**	**7**	**7**
SL - 00	0	0	0
ST - 00	0	0	0
Subtotal	**0**	**0**	**0**
GS/GM -15	52	52	52
GS/GM -14	144	146	146
GS/GM -13	221	224	224
GS -12	103	120	120
GS -11	125	136	136
GS -10	5	5	5
GS - 9	46	68	68
GS - 8	14	16	16
GS - 7	53	57	57
GS - 6	15	15	15
GS - 5	17	28	28
GS - 4	3	7	7
GS - 3	0	0	0
GS - 2	0	0	0
GS - 1	0	0	0
Subtotal	**798**	**874**	**874**
Other Pay Schedule Systems	0	0	0
Total employment (actuals & estimates)	**805**	**881**	**881**

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Bureau of Safety and Environmental Enforcement

Offshore Safety and Environmental Enforcement (OSEE)

MAX Tables and Budget Schedules

Program and Financing *(dollars in millions)*				
Treasury Account ID: 14-1700		**2015 Actual**	**2016 Estimate**	**2017 Estimate**
Obligations by program activity				
0001	Appropriations	71	67	73
0002	Offsetting Collections	73	76	70
0003	Inspection Fee	83	48	65
0192	**Total direct program**	**227**	**191**	**208**
0799	**Total direct obligations**	**227**	**191**	**208**
0802	Reimbursable Service Agreements	41	37	37
0900	**Total new obligations**	**268**	**228**	**245**
Budgetary resources: Unobligated balance:				
1000	Unobligated balance brought forward, Oct 1	93	65	64
1010	Unobligated balance transfer to other accounts [014-0102] *	-2	0	0
1021	Recoveries of prior year unpaid obligations	1	0	0
1050	**Unobligated balance (total)**	**92**	**65**	**64**
Budget authority: Appropriations, discretionary:				
1100	Appropriation	78	77	81
1160	**Appropriation, discretionary (total)**	**78**	**77**	**81**
Spending authority from offsetting collections, discretionary				
1700	Offsetting Collections (Cost Recovery)	6	8	6
1700	Offsetting Collections (Rental Receipts)	50	49	38
1700	Collected (Inspection Fee)	55	56	54
1700	Reimbursable Service Agreements	40	37	37
1700	Collected (Increase in Inspection Fee)	0	0	11
1701	Change in uncollected payments, Federal sources	12	0	0
1750	**Spending authority from offsetting collections, discretionary (total)**	**163**	**150**	**146**
1900	**Budget authority (total)**	**241**	**227**	**227**
1930	**Total budgetary resources available**	**333**	**292**	**291**
Memorandum (non-add) entries:				
1941	**Unexpired unobligated balance, end of year**	**65**	**64**	**46**
Change in obligated balance: Unpaid obligations:				
3000	Unpaid obligations, brought forward, Oct 1	130	168	158
3010	Obligations incurred, unexpired accounts	268	228	245
3020	Outlays (gross)	-228	-238	-241

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

Program and Financing (continued)
(dollars in millions)

	Treasury Account ID: 14-1700	2015 Actual	2016 Estimate	2017 Estimate
3040	Recoveries of prior year unpaid obligations, unexpired	-1	0	0
3041	Recoveries of prior year unpaid obligations, expired	-1	0	0
3050	**Unpaid obligations, end of year**	**168**	**158**	**162**
Uncollected payments:				
3060	Uncollected payments, Federal sources, brought forward, Oct 1	-23	-35	-35
3070	Change in uncollected payments, Federal sources, unexpired	-12	0	0
3090	**Uncollected payments, Federal sources, end of year**	**-35**	**-35**	**-35**
Memorandum (non-add) entries:				
3100	Obligated balance, start of year	107	133	123
3200	Obligated balance, end of year	133	123	127
Budget authority and outlays, net: Discretionary:				
4000	Budget authority, gross	241	227	227
Outlays, gross:				
4010	Outlays from new discretionary authority	117	159	160
4011	Outlays from discretionary balances	111	79	81
4020	**Outlays, gross (total)**	**228**	**238**	**241**
Offsets against gross budget authority and outlays:				
Offsetting collections (collected) from:				
4030	Federal sources	-40	-37	-37
4033	Non-Federal sources	-111	-113	-109
4040	**Offsets against gross budget authority and outlays (total)**	**-151**	**-150**	**-146**
Additional offsets against gross budget authority only:				
4050	Change in uncollected payments, Federal sources, unexpired	-12	0	0
4070	Budget authority, net (discretionary)	78	77	81
4080	Outlays, net (discretionary)	77	88	95
4180	**Budget authority, net (total)**	**78**	**77**	**81**
4190	**Outlays, net (total)**	**77**	**88**	**95**
Memorandum (non-add) entries				
5090	Unexpired unavailable balance, SOY: Offsetting collections	6	6	6
5092	Unexpired Unavailable balance, EOY: Offsetting collections	6	6	6

** Unobligated Balance of $1.5M was transferred from BSEE to the Office of the Secretary.*

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

Object Classification
(dollars in millions)

Treasury Account ID: 14-1700		2015 Actual	2016 Estimate	2017 Estimate
OSEE (Direct Obligations)				
Personnel compensation:				
1111	Full-time permanent	61	70	72
1121	Civilian personnel benefits	20	19	23
1210	Travel and transportation of persons	2	3	3
1231	Rental payments to GSA	8	9	10
1251	Advisory and assistance services	10	2	2
1252	Other services from non-Federal sources	85	33	60
1253	Other goods and services from Federal sources	14	11	9
1255	Research and development contracts	9	24	14
1257	Operation and maintenance of equipment	8	14	8
1258	Subsistence and support of persons	0	1	1
1260	Supplies and materials	1	1	1
1310	Equipment	9	4	5
1990	**Subtotal, obligations, Direct Obligations**	**227**	**191**	**208**
OSEE (Reimbursable Obligations)				
Personnel compensation:				
2111	Full-time permanent	11	11	11
2121	Civilian personnel benefits	3	3	3
2231	Rental payments to GSA	6	6	6
2251	Advisory and assistance services	6	3	3
2252	Other services from non-Federal sources	3	3	3
2253	Other goods and services from Federal sources	2	2	2
2257	Operation and maintenance of equipment	9	8	8
2310	Equipment	1	1	1
2990	**Subtotal, obligations, Reimbursable obligations**	**41**	**37**	**37**
9999	**Total new obligations**	**268**	**228**	**245**

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

Program and Financing
(dollars in millions)

Treasury Account ID: 14-8370		2015 Actual	2016 Estimate	2017 Estimate
Obligations by program activity				
0001	Direct program activity	17	16	16
0900	**Total new obligations**	**17**	**16**	**16**
Budgetary Resources : Unobligated balance:				
1000	Unobligated balance brought forward, Oct 1	4	3	2
1021	Recoveries of prior year unpaid obligations	1	0	0
1050	**Unobligated balance (total)**	**5**	**3**	**2**
Budget Authority: Appropriations, discretionary				
1101	Appropriation (special or trust fund)	15	15	15
1160	**Appropriation, discretionary (total)**	**15**	**15**	**15**
1930	**Total budgetary resources available**	**20**	**18**	**17**
Memorandum (non-add) entries:				
1941	**Unexpired unobligated balance, end of year**	**3**	**2**	**1**
Change in obligated balance: Unpaid obligations:				
3000	Unpaid obligations, brought forward, Oct 1	23	22	16
3010	Obligations incurred, unexpired accounts	17	16	16
3020	Outlays (gross)	-17	-22	-22
3040	Recoveries of prior year unpaid obligations, unexpired	-1	0	0
3050	**Unpaid obligations, end of year**	**22**	**16**	**10**
Memorandum (non-add) entries:				
3100	Obligated balance, start of year	23	22	16
3200	Obligated balance, end of year	22	16	10
Budget authority and outlays, net: Discretionary:				
4000	Budget authority, gross	15	15	15
Outlays, gross:				
4010	Outlays from new discretionary authority	4	8	8
4011	Outlays from discretionary balances	13	14	14
4020	**Outlays, gross (total)**	**17**	**22**	**22**

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

Program and Financing (continued) *(dollars in millions)*				
Treasury Account ID: 14-8370		**2015 Actual**	**2016 Estimate**	**2017 Estimate**
Offsets against gross budget authority and outlays:				
Offsetting collections (collected) from:				
4070	Budget authority, net (discretionary)	15	15	15
4080	Outlays, net (discretionary)	17	22	22
4180	**Budget authority, net (total)**	**15**	**15**	**15**
4190	**Outlays, net (total)**	**17**	**22**	**22**

Object Classification *(dollars in millions)*				
Treasury Account ID: 14-8370		**2015 Actual**	**2016 Estimate**	**2017 Estimate**
OSR (Direct Obligations)				
Personnel compensation:				
1111	Full-time permanent	1	2	2
1121	Civilian Personnel Benefits	1	1	1
1252	Other services from non-Federal sources	9	2	2
1255	Research and development contracts	6	11	11
9999	**Total new obligations**	**17**	**16**	**16**

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

Program and Financing
(dollars in millions)

	Treasury Account ID: 14-1920	2015 Actual	2016 Estimate	2017 Estimate
Budgetary resources: Budget authority: Appropriations, discretionary:				
1160	**Appropriations, discretionary (total)**	**0**	**0**	**0**
Change in obligated balance: Unpaid obligations:				
3000	Unpaid obligations, brought forward, Oct 1	1	1	1
3050	**Unpaid obligations, end of year**	**1**	**1**	**1**
Memorandum (non-add) entries:				
3100	Obligated balance, start of year	1	1	1
3200	Obligated balance, end of year	1	1	1
Budget authority and outlays, net: Discretionary:				
4180	**Budget authority, net (total)**	**0**	**0**	**0**
4190	**Outlays, net (total)**	**0**	**0**	**0**

Bureau of Safety and Environmental Enforcement

Authorizing Statutes

Outer Continental Shelf (OCS) Lands Program

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

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

General Administration

31 U.S.C. 65	Budget and Accounting Procedures Act of 1950
31 U.S.C. 3901-3906	Prompt Payment Act of 1982
31 U.S.C. 3512	Federal Managers Financial Integrity Act of 1982
5 U.S.C. 552	Freedom of Information Act of 1966, as amended
31 U.S.C. 7501-7507	Single Audit Act of 1984
41 U.S.C. 35045	Walsh Healy Public Contracts Act of 1936
41 U.S.C. 351-357	Service Contract Act of 1965
41 U.S.C. 601-613	Contract Disputes Act of 1978
44 U.S.C. 35	Paperwork Reduction Act of 1980
44 U.S.C. 2101	Federal Records Act 1950
40 U.S.C. 4868	Federal Acquisition Regulation of 1984
31 U.S.C. 3501	Privacy Act of 1974
31 U.S.C. 3501	Accounting and Collection
31 U.S.C. 3711, 3716-19	Claims
31 U.S.C. 1501-1557	Appropriation Accounting
5 U.S.C. 1104 et seq.	Delegation of Personnel Management Authority
31 U.S.C. 665-665(a)	Anti-Deficiency Act of 1905, as amended
41 U.S.C. 252	Competition in Contracting Act of 1984
18 U.S.C. 1001	False Claims Act of 1982
18 U.S.C. 287	False Statements Act of 1962
41 U.S.C. 501-509	Federal Grant and Cooperative Agreement Act of 1977
41 U.S.C. 253	Federal Property and Administrative Services Act of 1949
41 U.S.C. 401	Office of Federal Procurement Policy Act of 1974, as amended
15 U.S.C. 631	Small Business Act of 1953, as amended

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

Oil Spill Research

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