

JANUARY 19, 2011

FACT SHEET: THE BSEE AND BOEM SEPARATION
An Independent Safety, Enforcement and Oversight Mission

Pursuant to the May 19, 2010 Secretarial Order, the Department of the Interior is establishing three separate and independent entities to carry out the functions once performed by the Minerals Management Service.

MMS was renamed the Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE) in mid-June, 2010, as Director Bromwich was sworn-in, to more accurately describe the scope of the organization's oversight. On October 1, 2010, the revenue collection arm of the former MMS became the **Office of Natural Resources Revenue**.

On January 19, 2011, Secretary of the Interior Ken Salazar and Director Bromwich announced the separation of the: 1) the resource development and energy management functions of BOEMRE; and 2) the safety and enforcement functions of BOEMRE.

- The new **Bureau of Ocean Energy Management (BOEM)** will be responsible for managing development of the nation's offshore resources in an environmentally and economically responsible way. Functions will include: Leasing, Plan Administration, Environmental Studies, National Environmental Policy Act (NEPA) Analysis, Resource Evaluation, Economic Analysis and the Renewable Energy Program.
- The new **Bureau of Safety and Environmental Enforcement (BSEE)** will enforce safety and environmental regulations. Functions will include: All field operations including Permitting and Research, Inspections, Offshore Regulatory Programs, Oil Spill Response, and newly formed Training and Environmental Compliance functions.

The separation of BSEE and BOEM specifically:

- **Separates resource management from safety oversight** to allow permitting engineers and inspectors greater independence, more budgetary autonomy and clearer senior leadership focus. The goal is to create a tough-minded, but fair, regulator that can effectively evaluate and keep pace with the risks of offshore drilling and will promote the development of safety cultures in offshore operators.
- Provides a structure that ensures that robust environmental analyses are conducted and that the potential **environmental effects of proposed operations are given appropriate weight during decision-making related to resource management in BOEM** and to ensure that leasing and plan approval activities are properly balanced. These processes must be both rigorous and efficient so that operations can go forward in a timely manner with a complete understanding of their potential environmental impacts and appropriate mitigation against those potential environmental effects in place.

- **Strengthens the role of environmental review and analysis in both organizations** through various structural and organizational mechanisms. Those include:
 - The creation of a first-ever Chief Environmental Officer in BOEM;
 - Separating Environmental reviews from Leasing in the regions in BOEM;
 - The development of a new Environmental Compliance and enforcement function in BSEE; and
 - More prominent Oil Spill Response Plan review and enforcement in BSEE.
- Takes into account the crucial need for information-sharing and other linkages between BSEE and BOEM that is essential to ensure that the business and regulatory processes related to offshore leasing, plan approval, and permitting are not plagued by bureaucratic paralysis.

The decisions on how to structure the reorganization were made after extensive interviews and discussions with BOEMRE employees in all of our regional offices; collecting and analyzing data relating to the Bureau's processes, systems and regulatory metrics; and developing various models and options for restructuring and reorganizing the Bureau.

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