



BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT

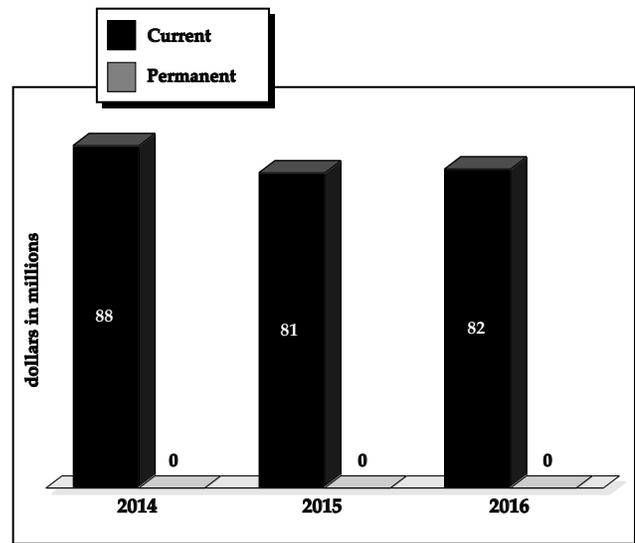
Mission – The Bureau of Safety and Environmental Enforcement works to promote safety, protect the environment, and conserve offshore resources through vigorous regulatory oversight and enforcement.

Budget Overview – The 2016 President's budget for BSEE is \$204.7 million, including \$82.5 million in current appropriations and \$122.2 million in offsetting collections from rental receipts, cost recoveries, and inspection fees. The BSEE estimates staffing will equal 881 full time equivalents in 2016 including 125 FTE to provide shared services Department-wide, which are fully reimbursed from other accounts. The 2016 request is a \$46,000 increase above the 2015 enacted level, including an increase of \$1.4 million in current appropriations and a \$1.4 million decrease in offsetting collections. The total 2016 estimate of \$122.2 million in offsetting collections assumes a decrease of \$1.0 million from the 2015 estimate for rental receipts, a decrease of \$359,000 from the 2015 estimate for cost recoveries, and no change for inspection fee collections. All increases support the Powering Our Future initiative.

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

The BSEE continues to adapt its regulatory approach and oversight as offshore operations continue to expand and move into new environments and require new technologies. Programs have been established that will allow BSEE to identify, evaluate, and promote emerging technologies, which will decrease the risk of offshore oil and gas development while increasing safety for offshore workers. The 2016 – 2019 Strategic Plan will guide BSEE through current and future OCS activities. Strategic goals include inspecting proposed renewable energy projects

BSEE Funding



and evaluating technological advances that allow for deeper drilling at higher temperatures and pressures.

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 forms the foundation for how BSEE regulates and enforces standards, and it serves as the basic framework through which BSEE approaches safety on the OCS. The BSEE will continue to build upon this framework in 2016 as the Bureau's new Strategic Plan is implemented.

Powering Our Future Initiative – In March 2011, President Obama released his Blueprint for a Secure Energy Future that includes a three-part strategy to produce more energy with domestic resources, reduce reliance on foreign energy sources, and lead the development of clean alternative fuels, all with improved efficiency.

The 2016 BSEE budget fully supports the President's Blueprint by ensuring development of the Nation's vast offshore energy resources is conducted in a safe and environmentally responsible manner. Funds will be used to recruit expert engineers, scientists, and oil spill

BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT FACTS

- Established October 1, 2011.
- Conducts more than 21,000 inspections per year to ensure the safe and environmentally responsible operation of nearly 2,500 offshore oil and gas drilling and production facilities.
- Operates the largest facility in the United States that can test oil spill response equipment with a variety of crude oils and refined petroleum products under reproducible marine conditions.
- Conducts studies to continuously improve operational safety and pollution prevention related to offshore oil and natural gas exploration and development and renewable energy facilities, including best available and safest technologies.
- Promotes adoption of safety culture on the OCS through standards, regulations, compliance audits, oversight, enforcement, and incident investigations.

planning, prevention and response specialists to support the development of strong scientific information, and the timely and thorough review of permits. The 2016 budget includes an increase of \$1.7 million to support the evaluation of new and emerging technologies and develop associated safety and oversight protocols. The increase will support an Engineering Technology Assessment Center, add depth and capacity to BSEE oversight, and ensure the Bureau keeps pace with an industry that continues to innovate and develop new capabilities offshore. The Center will provide a BSEE-wide focal point for emerging technology evaluation.

Offshore Safety and Environmental Enforcement – The 2016 budget includes \$189.8 million for Offshore Safety and Environmental Enforcement programs, primarily for conventional energy activities. The BSEE is also working collaboratively with the Bureau of Ocean Energy Management to establish appropriate permitting and oversight processes for offshore renewable energy projects that will ensure safe operations.

The 2016 request will allow BSEE to continue to strengthen regulatory and oversight capability on the U.S. Outer Continental Shelf by maintaining the current capacity in multiple disciplines to adequately staff regulatory, safety management, structural and technical support, and oil spill response prevention programs. Continued outreach and dialogue with stakeholders from academia, industry, non-governmental organizations, and other governmental agencies will enhance the knowledge base of technical personnel related to innovative technologies, regulatory gaps, real-time monitoring capabilities, and risk-based decisionmaking for safety and environmental enforcement.

The 2016 request includes a \$750,000 increase for the Renewable Energy Inspection Program. The funding will support the development of regulations, inspection

guidelines, and procedures criteria for inspections of offshore renewable energy facilities so the appropriate regulatory structure will be in place to protect the safety of these facilities as well as the environment.

The request proposes to realign BSEE's General Support Services budget activity to better reflect actual administrative costs. In 2016, BSEE proposes to eliminate the GSS activity, which remains from the Minerals Management Service legacy organization, and reallocate the funding to the program activities those funds directly support. This is an internal transfer within the base budget, and the revised budget structure will be reflected in 2016 and thereafter. The budget also proposes to merge the Environmental Enforcement budget activity into the Operations, Safety, and Regulation activity to allow for better identification of regulatory needs for enhanced environmental compliance. The merger will allow close and seamless coordination with the Safety and Environmental Management Systems program, and better management and oversight of all of the compliance programs in BSEE. It will also enhance the effective use of inspection personnel and support resources such as helicopters by allowing for the maximum coordination of inspection and other compliance activities.

Oil Spill Research – This program supports research on the prevention and response to oil pollution as authorized by the Oil Pollution Act of 1990. The Oil Spill Research program plays a pivotal role in initiating applied research used to support decisionmaking on methods and equipment to prevent or mitigate oil spills, which is a critical component of the offshore permitting process. Funds are used to sponsor testing of new equipment or methods and also support the Ohmsett test and training activities. Located in Leonardo, New Jersey, the Ohmsett test facility is the only one of its type in the world providing full-scale equipment and methodology testing for offshore spills in a safe, controlled environment.

The 2016 budget proposes \$14.9 million for Oil Spill Research, equal to the 2015 enacted level. The request will address key knowledge and technology gaps in oil spill response, focusing on deepwater and arctic environments. The studies will leverage other funds

through cooperative efforts with the National Oceanic and Atmospheric Administration, Department of the Navy, and U.S. Coast Guard.

Fixed Costs – Fixed costs of \$1.4 million are fully funded.

SUMMARY OF BUREAU APPROPRIATIONS
(all dollar amounts in thousands)

Comparison of 2016 Request with 2015 Enacted

	2015 Enacted		2016 Request		Change	
	FTE	Amount	FTE	Amount	FTE	Amount
Current						
Offshore Safety and Environmental Enforcement .	722	66,147	734	67,565	+12	+1,418
Oil Spill Research	22	14,899	22	14,899	0	0
Subtotal, Current	744	81,046	756	82,464	+12	+1,418
Offsetting Collections	125	123,579	125	122,207	0	-1,372
TOTAL, BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT (w/ OC)	869	204,625	881	204,671	+12	+46

HIGHLIGHTS OF BUDGET CHANGES

By Appropriation Activity/Subactivity

APPROPRIATION: Offshore Safety and Environmental Enforcement

	2014 Actual	2015 Enacted	2016 Request	Change
Environmental Enforcement				
Appropriation.....	3,027	3,027	0	-3,027
Offsetting Collections	5,287	5,287	0	-5,287
Subtotal, Environmental Enforce.....	8,314	8,314	0	-8,314
Operations, Safety, and Regulation				
Appropriation.....	46,390	39,636	47,455	+7,819
Offsetting Collections	85,817	93,961	104,313	+10,352
Subtotal, Ops, Safety, and Reg.....	132,207	133,597	151,768	+18,171
Administrative Operations				
Appropriation.....	4,990	5,027	6,016	+989
Offsetting Collections	10,570	10,649	12,252	+1,603
Subtotal, Administrative Ops.....	15,560	15,676	18,268	+2,592
General Support Services				
Appropriation.....	4,275	4,401	0	-4,401
Offsetting Collections	9,238	9,511	0	-9,511
Subtotal, General Support Services..	13,513	13,912	0	-13,912
Executive Direction				
Appropriation.....	13,975	14,056	14,094	+38
Offsetting Collections	4,146	4,171	5,642	+1,471
Subtotal, Executive Direction	18,121	18,227	19,736	+1,509
Total Appropriation	72,656	66,147	67,565	+1,418
Total Offsetting Collections	115,059	123,579	122,207	-1,372
TOTAL APPROPRIATION	187,715	189,726	189,772	+46

Detail of Budget Changes

	2016 Change from 2015 Enacted	2016 Change from 2015 Enacted
TOTAL APPROPRIATION	+46	
Environmental Enforcement		
Internal Transfer for Operations, Safety, and Regulation	-8,314	General Support Services..... -13,912 Internal Transfer for Other Activities
Operations, Safety, and Regulation	+18,171	Executive Direction..... +1,509
Renewable Energy Inspection Program.....	+750	Management Efficiencies..... -869
Engineering Technology Assessment Center	+1,726	Internal Transfer for Gen Support Services
Management Efficiencies.....	-1,545	Fixed Costs
General Reduction.....	-1,372	Subtotals for Changes Across Mult. Subactivities
Internal Transfer for Environmental Enforcem.	+8,314	Management Efficiencies..... [-2,414]
Internal Transfer for Gen Support Services	+9,415	Fixed Costs
Fixed Costs	+883	[+1,356]
Administrative Operations.....	+2,592	
Internal Transfer for Gen Support Services	+2,345	
Fixed Costs	+247	

APPROPRIATION: Oil Spill Research

	2014 Actual	2015 Enacted	2016 Request	Change
TOTAL APPROPRIATION	14,899	14,899	14,899	0