



BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT

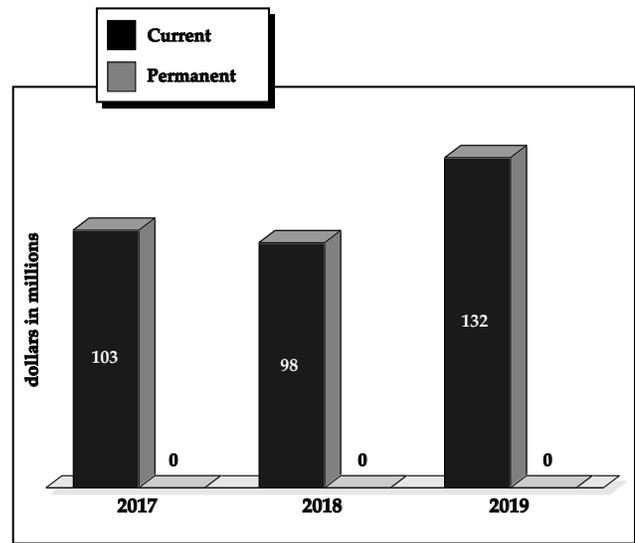
Mission – The mission of the Bureau of Safety and Environmental Enforcement is to ensure the safe and environmentally sustainable exploration, development, and production of America’s offshore energy resources through regulatory oversight and enforcement.

Budget Overview – The 2019 budget request for the Bureau of Safety and Environmental Enforcement is \$199.9 million, including \$132.1 million in current appropriations and \$67.9 million in offsetting collections from rental receipts, cost recoveries, and inspection fees. The BSEE staffing will equal 881 full time equivalents in 2019, including 125 FTE which are fully reimbursed from other accounts to provide Department-wide shared services. The 2019 budget proposes to offset the decline in offsetting collections with an increase in direct appropriations.

Safe and Environmentally Sustainable Production – The Outer Continental Shelf is a vital national resource. As outlined in the Outer Continental Shelf Lands Act, this resource should be available for development, with all developmental activities conducted in a safe and environmentally sustainable manner. The BSEE was established on October 1, 2011 and is focused on encouraging robust, safe, and environmentally sustainable energy production that upholds the requirements of OCSLA.

The BSEE pursues this objective by continuously improving mission delivery which impacts the OCS operational environment. This is done through a program of efficient permitting, appropriate standards and regulations, effective compliance monitoring and enforcement, technical assessments, inspections, and incident investigations. As a steward of the Nation’s OCS oil, gas, and mineral resources, the Bureau protects Federal royalty interests by ensuring oil and gas production methods maximize recovery from underground reservoirs. While BSEE mitigates oil spill risks through a focused prevention program, it equally emphasizes that the offshore community be prepared with the best plans, equipment, and training to respond to oil spills when they occur. In addition, BSEE places great emphasis on enhancing and supporting safe and streamlined processes throughout industry.

BSEE Funding



The BSEE’s ability to recognize, assess, manage, and ensure appropriate mitigation of operating risks throughout all offshore activities is critical to maintaining a predictable environment for the long-term investments required to support OCS energy development. These abilities also allow BSEE to efficiently and effectively target the use of its resources towards ensuring safe and environmentally sustainable offshore energy production.

The BSEE continues to adapt its oversight approaches as offshore operations expand and move into environments that require the use of new technologies. Programs have been established that allow BSEE to identify, evaluate, and promote emerging technologies that aim to mitigate the risk of offshore energy operations while increasing safe and environmentally responsible operations. The BSEE’s 2016-2019 Strategic Plan and the Director’s Change Management Action Plan initiatives will guide the Bureau through current and future OCS activities. The action plan initiatives are focused on creating an organization that has strong and smart programs and processes moving forward, by improving and

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 2,200 offshore oil and gas drilling and production facilities and 27,000 miles of pipelines.
- 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.
- Promotes safe, environmentally sustainable, and robust production from the OCS through efficient permitting, appropriate standards and regulations, compliance monitoring and enforcement, technology assessments, response planning, and incident investigations.

streamlining processes, ensuring the efficient use of resources within BSEE, developing an accountable, competent, and engaged workforce, and integrating effective stakeholder engagement. Specific tasks include incorporating a risk-based inspection protocol in the BSEE inspection strategy; evaluating the permitting processes and timeframes to ensure efficient use of resources and permitting functions are attuned with program needs; addressing recommendations from the Government Accountability Office, the Inspector General, and other outside organizations; and developing a human capital operating plan that advances the Bureau's workforce.

The 2019 BSEE budget request fully supports the development of the Nation's vast offshore energy resources in a safe and environmentally sustainable manner. Funds will be used to recruit, train, and retain expert engineers, geoscientists, inspectors, and oil spill planning, prevention, and response specialists; as well as employees from other disciplines to support implementation of BSEE's regulatory oversight responsibilities.

Offshore Safety and Environmental Enforcement – The 2019 budget request supports a total program of \$187.2 million for Offshore Safety and Environmental Enforcement programs. This total consists of \$119.4 million in appropriated funds, and assumes offsetting rental receipt and cost recovery collections of \$24.1 million and inspection fee collections of \$43.8 million. To ensure the continued strength and vitality of the BSEE program, the 2019 budget proposes to address the drop in offsetting revenue with additional appropriated funds.

The BSEE funding primarily supports work related to conventional energy development facilities. The BSEE will continue to work collaboratively with the Bureau

of Ocean Energy Management to establish appropriate permitting and oversight processes for offshore renewable energy projects that promote safe operations.

The 2019 request allows BSEE to continue to enhance oversight, regulatory, and research capabilities on the OCS by continuing to build and sustain staff capacity. 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, appropriate regulatory application, real-time monitoring capabilities, and risk-based decision making for safety and environmental enforcement.

The BSEE is committed to ensuring its inspection program operates at the highest level of effectiveness, while continuously exploring ways to increase the overall efficiency of the program. The inspection program includes review of documentation provided by the operator as well as the physical inspection of components. Outside of salary costs, helicopter costs are the largest cost driver of the inspection program. The BSEE has identified ways to eliminate underutilized aircraft and reduce helicopter time and costs by changing its inspection strategy. These changes will allow for both more onshore review of documentation and more efficient deployment of inspectors to increase the amount of time inspectors are able to spend offshore conducting critical physical inspections of components.

The BSEE is also proposing to transfer \$3.5 million associated with decommissioning activities from the Environmental Enforcement activity to the Operations, Safety and Regulations activity in the 2019 budget. This transfer more accurately aligns the environmental compliance and enforcement goals of this activity by supporting

the increased role of the BSEE inspectors in verifying environmental compliance activities in the field as well as the work performed by engineers in assessing the proper structure removals and well abandonments as part of the decommissioning process. The inspector's initial work is an essential first step, the completion of which allows the environmental compliance staff to proceed with a compliance evaluation with mitigation measures incorporated as part of the lease and permit process.

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 to support decision making on methods and equipment needed to prevent or mitigate

oil spills, a critical component of the offshore permitting process. Funds are used to sponsor testing of new equipment or methods and to support the Ohmsett testing and training activities. Located in Leonardo, New Jersey, the Ohmsett testing 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 2019 budget proposes \$12.7 million for Oil Spill Research. The request will address key knowledge and technology gaps in oil spill response, focusing on deep-water and Arctic environments.

Fixed Costs – Fixed costs of \$433,000 are fully funded in the request.

SUMMARY OF BUREAU APPROPRIATIONS
(all dollar amounts in thousands)

Comparison of 2019 Request with 2018 CR

	2018 CR		2019 Request		Change	
	FTE	Amount	FTE	Amount	FTE	Amount
Current						
Offshore Safety and Environmental Enforcement.....	734	83,161	734	119,351	0	+36,190
Oil Spill Research	22	14,798	22	12,700	0	-2,098
Subtotal, Current	756	97,959	756	132,051	0	+34,092
Offsetting Collections	0	80,322	0	67,889	0	-12,433
Allocation and Reimbursable						
Reimbursable	125	0	125	0	0	0
Subtotal, Allocation and Reimbursable.....	125	0	125	0	0	0
TOTAL, BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT (w/ oc)	881	178,281	881	199,940	0	+21,659

Note: The 2018 CR for Offshore Safety and Environmental Enforcement account reflects a one-time rescission in 2017 of \$25.0 million in prior year balances carried into 2018.

HIGHLIGHTS OF BUDGET CHANGES

By Appropriation Activity/Subactivity

APPROPRIATION: Offshore Safety and Environmental Enforcement

	2017 Actual	2018 CR	2019 Request	Change
Environmental Enforcement				
Appropriation	4,262	5,392	2,179	-3,213
Offsetting Collections	4,052	2,865	2,495	-370
Subtotal, Environmental Enforcement .	8,314	8,257	4,674	-3,583
Operations, Safety and Regulation				
Appropriation	86,544	77,892	90,863	+12,971
Offsetting Collections	58,410	66,078	55,477	-10,601
Subtotal, Ops, Safety and Reg.....	144,954	143,970	146,340	+2,370
Administrative Operations				
Appropriation	8,877	10,352	11,337	+985
Offsetting Collections	9,391	7,792	6,792	-1,000
Subtotal, Administrative Ops	18,268	18,144	18,129	-15
Executive Direction				
Appropriation	13,912	14,525	14,972	+447
Offsetting Collections	4,324	3,587	3,125	-462
Subtotal, Executive Direction.....	18,236	18,112	18,097	-15
Total Appropriation (<i>w/o Resciss. of PY Bals</i>)....	113,595	108,161	119,351	+11,190
Rescission of Prior Year Balances	-25,000	-25,000	0	+25,000
Total Appropriation (<i>w/o oc</i>)	88,595	83,161	119,351	+36,190
Total Offsetting Collections	76,177	80,322	67,889	-12,433
TOTAL APPROPRIATION (<i>w/ oc</i>).....	164,772	163,483	187,240	+23,757

Detail of Budget Changes

	2019 Change from 2018 CR		2019 Change from 2018 CR
TOTAL APPROPRIATION	+23,757	Administrative Operations.....	-15
Environmental Enforcement.....	-3,583	General Program Activities.....	-36
Internal Transfer to Operations, Safety and Regulation.....	-3,500	Fixed Costs	+21
General Program Activities.....	-104	Executive Direction.....	-15
Fixed Costs	+21	General Program Activities.....	-36
Operations, Safety and Regulation.....	+2,370	Fixed Costs	+21
Internal Transfer from		Elimination of 2017 Rescission	
Environmental Enforcement.....	+3,500	Carried into 2018	+25,000
Helicopter Costs	-1,300	Subtotals for Changes Across	
General Program Activities.....	-200	Multiple Subactivities	
Fixed Costs	+370	Fixed Costs	[+433]

APPROPRIATION: Oil Spill Research

	2017 Actual	2018 CR	2019 Request	Change
TOTAL APPROPRIATION	14,899	14,798	12,700	-2,098

Detail of Budget Changes

	2019 Change from 2018 CR
TOTAL APPROPRIATION	-2,098
Research.....	-2,098