BUDGET JUSTIFICATIONS

The United States Department of the Interior

and Performance Information
Fiscal Year 2023

BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT

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BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT

FY 2023 Budget Justification

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Bureau of Safety and Environmental Enforcement

Director's Preface

The Bureau of Safety and Environmental Enforcement (BSEE) promotes safe and environmentally responsible oil, gas, and renewable energy development through vigorous regulatory oversight and enforcement operations that protect the environment and conserve natural resources offshore. BSEE's strategic goals reflect the Bureau's commitment to safety, environmental stewardship, energy security, organizational agility, people, data-driven decision making, transparency, and engagement.

BSEE's FY 2023 Budget Request fully supports President Biden's priority for tackling the climate crisis and increasing renewable energy production safely and responsibly, and the goal of deploying 30 gigawatts of offshore wind production capacity by 2030. The FY 2023 request includes $13.7 million in funding to continue to support the expansion of BSEE's Renewable Energy Program, which will enable timely and rigorous industry plan and permit reviews, the creation of a robust compliance verification and assurance program, and demonstration of BSEE's commitment and leadership to drive safe performance and the protection of environmental, cultural, and biological resources on the Outer Continental Shelf (OCS). BSEE's FY 2023 budget will continue to focus attention on priority areas that foster safe and environmentally responsible exploration, development, and production of offshore resources, activities to decommission orphaned wells and infrastructure, and prepare for the advancement of offshore wind.

BSEE must adapt and be agile as new technologies in conventional and renewable energy development and production on the OCS emerge. FY 2020 saw the installation of the first offshore wind (OSW) turbine in Federal waters of the Atlantic OCS. BSEE is ready to meet the need for safe and environmentally responsible operational oversight of projects such as offshore wind that create American jobs and are responsive to climate change, equity, and community engagement.

The Bureau must also be prepared for the new risks these new technologies and frontiers pose. BSEE uses its expertise to develop policy and procedures and engage with industry in a continuous effort to minimize injuries to workers, protect the environment, and support climate resilience. BSEE will also continue to take a whole-of-government approach with Federal partners such as the Bureau of Ocean Energy Management (BOEM) and the United States Coast Guard (USCG) and leverage industry and stakeholder cooperation to promote safe and environmentally responsible exploration, development, and production throughout the OCS.

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FY 2023 BUDGET JUSTIFICATION

Bureau of Safety and Environmental Enforcement

Executive Summary

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

Account Activity	2021 Actual	2022 Annualized CR	2023 Request
Offshore Safety & Environmental Enforcement (OSEE)			
Environmental Enforcement	4,758	4,758	5,858
Operations, Safety and Regulation	152,811	152,811	170,943
Administrative Operations	18,150	18,150	20,492
Executive Direction	18,093	18,093	18,793
Offshore Decommissioning			30,000
Subtotal, OSEE (before rescission/supplemental)	***193,812***	***193,812***	***246,086***
Rescission/Cancellation of Prior Year Balances	*-10,000*	*-10,000*	
Disaster Relief Act (P.L. 117-43)		*223*	
Total, OSEE (after rescission/supplemental)	**183,812**	**184,035**	**246,086**
Offsetting Collections			
Offsetting Rental Receipts	-18,986	-24,110	-18,325
Cost Recovery Fees	-4,154	-4,647	-4,647
Inspection Fees	-33,734	-43,443	-50,736
Total, Offsetting Collections	**-56,874**	**-72,200**	**-73,708**
Net, OSEE	**126,938**	**111,835**	**172,378**
Net, OSEE (without rescission/supplemental)	***136,938***	***121,612***	***172,378***
Oil Spill Research (OSR)	**14,899**	**14,899**	**15,099**
Current BSEE Funding	**141,837**	**126,734**	**187,477**
Total BSEE Funding	**198,711**	**198,934**	**261,185**
Full Time Equivalents (FTE)			
Total Direct FTE	674	756	801
Total Reimbursable FTE (Reimbursable Agreements)	102	125	125
Total FTE	**776**	**881**	**926**

As the United States' regulator of offshore energy exploration, production, and development on the OCS, BSEE promotes safety, protects the environment, and promotes the conservation of natural resources offshore through vigorous regulatory oversight and enforcement. BSEE's jurisdictional and regulatory responsibilities are defined by the Outer Continental Shelf Lands Act (OCSLA), which outlines Federal responsibility over the submerged lands of the OCS. BSEE also ensures compliance with provisions of

other Federal laws, including, but not limited to, the National Environmental Policy Act (NEPA), the Clean Air Act (CAA), the Clean Water Act (CWA), the Federal Oil and Gas Royalty Management Act, and the Oil Pollution Act of 1990 (OPA 90).

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

- An offshore regulatory program that establishes standards and regulations and emphasizes a culture of safety and environmental stewardship in all offshore activities.
- A robust inspection program employing an annual inspection strategy that includes Risk-Based Inspections (RBIs).
- Evaluations of operator safety management system performance, audit plans, and corrective actions to inform an inspection strategy that promotes safety and protects the environment efficiently and effectively.
- Verification and enforcement of operator compliance with all applicable environmental laws and regulations; environmental standards found in approved leases, plans, and permits; and applied mitigations and terms/conditions of approval.
- A technical review process for planned operations and emerging technologies to address proper identification and mitigation of risks.
- Oil spill preparedness through industry oil spill response plan evaluations, response equipment inspections, operator and contractor training and exercise audits, government-initiated unannounced exercises, oil spill response research to develop and refine new and existing technologies and tactics, and management of Ohmsett - the National Oil Spill Response Research and Renewable Energy Test Facility.
- Funding technical and scientific research to build and sustain the organizational, technical, and intellectual capacity within and across BSEE's key functions to 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, including material failures, and allegations of unsafe and/or illegal conduct during offshore operations and making recommendations on proactive measures to prevent future incidents.

Table 2: Oil and Natural Gas Terminology

Term	Definition
Barrel (Oil)	Equivalent to 42 U.S. Gallons. One barrel of oil (BBL) produces about 19 gallons of gasoline as well as a long list of other valuable petroleum products.
Cubic Foot (Natural Gas)	Equivalent to approximately 1,000 British thermal unit(s) (BTUs). The average home in the United States uses the energy equivalent of 168 cubic feet of natural gas per day.
BOE (Barrels of Oil Equivalent)	A unit of energy approximately equal to the energy contained in a barrel of oil. This measure is used to combine or compare energy from both oil and natural gas. One BOE is equivalent to 5.62 thousand cubic feet of natural gas.

The energy resources and activities under BSEE's jurisdiction are vast, as the OCS is a major source of energy for the U.S., with significant oil and gas production and a developing offshore wind industry. In calendar year (CY) 2020, OCS leases offshore Alaska, California, and in the Gulf of Mexico produced approximately 606 million barrels of oil and over 863 billion cubic feet of natural gas. Through CY November 2021, OCS leases produced approximately 572 million barrels of oil and 740 billion cubic feet of natural gas. The CY 2020 production accounted for approximately 15 percent of domestic oil production and 4 percent of domestic natural gas production. The vast majority of offshore oil and gas production, 99 percent, occurred in the Gulf of Mexico. Deepwater wells (those in greater than or equal to 1,000 feet water depth) accounted for 88 percent of all OCS production on a BOE basis.

The Gulf of Mexico operates as two distinct hydrocarbon areas – one active and one in sharp decline. Development in the shallow water areas of the Gulf of Mexico, first drilled in 1947, is mature and is experiencing drastic reductions in the number of wells drilled and the oil and gas resources produced. This area of the Gulf of Mexico is experiencing significant infrastructure removal that BSEE believes will continue to accelerate. Because this is an activity that BSEE oversees, the Bureau expects increased workload in this area. For example, in the Pacific Region, 8 of the 23 platforms no longer produce oil and gas and are located on terminated leases that do not allow resumption of production. BSEE expects to receive decommissioning applications for these eight platforms and associated pipelines and infrastructure in the near term.

BSEE uses the full spectrum of its regulatory authorities to ensure timely decommissioning. One tool at BSEE's disposal is the Incident of Non-Compliance (INC). BSEE issues INCs to operators that have failed to decommission all lease facilities and wells within one year of the lease termination as prescribed by regulation and lease stipulation. Additionally, BSEE issues orders to operators to decommission facilities and wells on active leases that no longer have future utility. BSEE continues to track infrastructure that is required to be decommissioned and enforces such requirements consistent with timelines provided by regulation and/or Notice to Lessees and Operators (NTL). These enforcement actions also help reduce safety and environmental concerns that may exist while the infrastructure

remains to be decommissioned. Despite the ever-increasing workload in this area, in recent years the decommissioning rate appears to have slowed. This is likely because of comparatively low oil prices that had prevailed until quite recently, and to some extent, the COVID-19 pandemic. BSEE is working diligently to ensure the slowdown in decommissioning activity does not impact the progress made to date, and that operators are held accountable for their decommissioning activity.

In addition to regulating oil and gas operations on the OCS, the Bureau continues to support the development of a safe, robust, and sustainable offshore renewable energy industry in the United States. In anticipation of rapid industry growth, BSEE is engaging with offshore wind developers to identify and promote best practices for ensuring worker safety and environmental protection. Engagement with industry, Federal partners, including BOEM and USCG, and non-Federal stakeholders continue to inform the development of renewable energy program functions to: (1) promote safe and environmentally responsible facility design, fabrication, installation, operation, and decommissioning; (2) implement a performance-based safety approach through a focus on Safety Management Systems; and (3) enforce compliance with all applicable safety, environmental, and conservation laws and regulations.

The Administration has made tackling the climate crisis a top priority. Consistent with Executive Order (E.O.) 14008, *Tackling the Climate Crisis at Home and Abroad*, the Department of the Interior (DOI) is reviewing its siting and permitting processes on public lands and in offshore waters to identify steps that can be taken to increase renewable energy production, with the goal of deploying 30 gigawatts (GW) of offshore wind production capacity by 2030 and creating well-paying, family-supporting jobs. The Department has issued 18 offshore wind commercial leases on the Atlantic and has approved two projects as of November 2021. It is expected that at least 16 Construction and Operations Plans for Atlantic commercial offshore wind energy facilities will be reviewed by 2025, representing more than 22 GW of clean energy for the Nation. BSEE will support this effort through its environmental stewardship vision of meeting the Nation's energy and mineral needs without compromising the Nation's natural and cultural resources.

E.O. 14008 (Sec. 209) also calls on agencies to ensure that Federal funding no longer directly subsidizes fossil fuels. In response to this, BSEE issued a Direct Final Rule in March 2022 that adjusted for inflation the 31 cost recovery fees it charges industry for processing permits and applications, something that had not occurred since October 2013. BSEE is also proposing to change facility inspection fees, such as for production platforms, from once-per-year to a per-visit fee, as is currently done for offshore rigs. This will allow BSEE to recover a greater share of the costs incurred in overseeing these operations and reduce the direct cost to taxpayers. The Bureau will continue evaluating appropriate actions it can take to support this policy objective. This will include a review of inspection and other cost recovery fees that may be further adjusted to reduce or eliminate the potential for subsidies.

Section 40307 of the Infrastructure Investment and Jobs Act (IIJA; P.L. 117-58) amended OCSLA and authorized the DOI to administer leases, easements, and rights-of-way on submerged Federal lands for geologic sequestration (i.e., storage) of carbon dioxide. This new law also requires DOI to promulgate implementing regulations within one year of the law's enactment. BSEE is partnering with BOEM to develop new regulations and build a fully-formed program for carbon sequestration on the OCS. BOEM will be responsible for leasing, assessing the broader environmental impact of carbon capture, utilization, and sequestration (CCUS), and other components of a CCUS program, while BSEE will be responsible

for the activities related to installation, operations, inspections, emergency response plans, and decommissioning, among other roles. In FY 2022 BSEE and BOEM will focus on the development of a regulation to address the IIJA requirement and begin long term planning for how to meet Administration and Departmental CCUS goals.

Providing for safe and environmentally responsible energy exploration and production and ensuring conservation of resources are central to BSEE's mission. To fulfill its mission, BSEE must adapt and respond to changes in both the renewable energy and oil and gas sectors throughout the lifecycle of offshore energy development. BSEE is committed to continually improving the effectiveness of its safety management systems program and compliance assurance functions, such as the inspection program, enhancing its permitting processes around greater quality assurance and consistency, ensuring high levels of preparedness in the event of oil spills, and addressing requirements for an expanded OCS renewable energy program.

BSEE's Environmental Compliance Program (ECP) takes a comprehensive approach to environmental compliance verification and enforcement with dedicated programs for oversight responsibilities related to (1) water quality compliance, (2) air quality compliance, (3) marine trash and debris, (4) marine archaeological resources (historic and pre-historic), (5) biological resources; (6) marine protected species; (7) "Rigs-to-Reef"/artificial reef emplacement; and (8) site clearance verification/space-use conflict. Through this program, BSEE executes compliance reviews, inspections, and enforcement actions to ensure lessees and operators comply with all environmental laws and regulations; environmental standards included in leases, plans, and permits; and applied mitigations and terms/conditions of approval.

Underpinning BSEE's regulatory oversight and enforcement mission are BSEE's efforts to drive and support continual improvement in safety, environmental protection, and offshore resource conservation through data and risk analysis, safety improvement initiatives, regulatory development and maintenance, standards and stakeholder engagement, policy development and oversight, and emerging technology evaluation.

FY 2023 BUDGET REQUEST

BSEE was established on October 1, 2011, to ensure the safe and environmentally responsible exploration, development, production, and conservation of the Nation's offshore energy resources. 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, conservation, and environmental protection and ensuring industry compliance with Federal regulations. The Bureau continues to improve its mission processes and staff capabilities to keep pace with the continued innovation in OCS exploration and production. It must also address continuously evolving risks posed by aging oil and gas infrastructure, development of new reservoirs with characteristics that challenge the latest advances in completion and production technologies, and rapidly evolving renewable energy technology.

To promote the integration of private sector investment into technology advancement, in collaboration with its partner stakeholders BSEE undertakes technical assessments and sponsors targeted, cost-effective research on new technologies that could potentially decrease the risks associated with offshore oil, gas,

and wind energy development. In FY 2021, BSEE, together with the Department of Energy, funded the first year of a 5-year cooperative agreement to support the Ocean Energy Safety Institute (OESI). OESI leverages cooperative efforts between academia, government, industry, and non-governmental organizations to support technology and workforce development devoted to ensuring safe, secure, and sustainable harvesting of ocean energy. These new technology assessments will assist the Bureau in staying current with expanding operations and evaluating technological advances such as those that allow for deeper oil and gas drilling at higher temperatures and pressures, new offshore wind energy technologies, and renewable energy development on the Atlantic OCS.

Fostering Safe and Environmentally Responsible Energy Development

As offshore operations continue to expand into emerging frontier areas that require new technologies, BSEE must continuously adapt. Building on work performed in prior years, BSEE will continue to analyze its activities to ensure its programs reflect the risks and account for the evolution of new technologies in both oil and gas exploration and production and renewable energy development on the OCS. With FY 2020 seeing the installation of the first offshore wind turbines on the OCS (Coastal Virginia Offshore Wind Pilot) and the approval of the first two commercial wind projects on the OCS in FY 2021, BSEE has been preparing to meet the need for safety, environmental, and operational oversight of offshore wind energy projects. For several years, BSEE has closely coordinated with BOEM on multiple renewable energy projects to assess safety concerns and assist with environmental compliance verification and enforcement efforts. BOEM and BSEE developed a Memorandum of Agreement in FY 2021 that clarifies each Bureau's roles and responsibilities, promotes the efficient use of renewable energy production, and outlines how BSEE will apply its expertise in the areas of safety and environmental compliance, incident reporting, oil spill preparedness, inspections, enforcement, and investigations. BSEE also participates in structural assessments, verification activities, report and plan reviews, and all matters involving the safety of personnel. BSEE utilizes an interdisciplinary team of technical and policy experts to conduct technical plan reviews and develop policies and procedures to ensure workplace safety and environmentally responsible offshore renewable energy development.

Assessing and managing risk 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 ensures the safe and responsible development of clean energy resources on the OCS.

In FY 2023, BSEE will continue to execute its Risk-Based Inspection (RBI) Program, which allows for the targeted inspections of higher-risk operations and facilities, with increased focus on areas such as:

1) Crane safety;
2) Fired vessel (a vessel in which the temperature of a fluid is increased by the addition of heat supplied by a flame within the vessel) operations;
3) The implementation of a Quality Assurance program for ensuring core Bureau functions, such as those related to inspections and permitting, are carried out effectively and with sufficient controls to mitigate risk; and
4) The continued evaluation of risks associated with high-pressure and high-temperature equipment.

BSEE has established a Risk Analysis Committee development program to ensure the risks to human health and the environment related to offshore drilling, production, and transportation of oil and gas are properly identified and reduced through prevention and mitigation measures. In FY 2023, BSEE will continue to refine and update its first Environmental Compliance Handbook and further integrate environmental compliance inspections into the overall inspection strategy. FY 2023 budgetary resources will be used to continue and, where appropriate, expand these important programs by effectively engaging with stakeholders to assess existing risk and identify additional safety and environmental initiatives that address high-risk concerns.

One initiative that will assist the Risk Analysis Committee is BSEE's expansion of the Safety Performance Enhanced by Analytical Review (SPEAR) Program, with the goal of surfacing new, innovative data analytic tools and strategic, Bureau-wide processes. SPEAR enables BSEE subject matter experts to thoroughly analyze data to identify current and emerging safety and environmental hazards during OCS energy operations. The SPEAR Program: (1) explores the potential use of advanced data analytic tools to support the Bureau processes; and (2) establishes a world-class approach to analyzing and communicating data and information throughout the Bureau and to external stakeholders, as needs arise.

Through the remainder of FY 2022 and continuing into FY 2023, BSEE will continue developing key relationships across the Federal Government in developing the BSEE offshore cybersecurity safety threats program. These relationships with our Federal partners, the intelligence community, and industry partners are key to ensuring that, as the program develops, it is equipped to inform and address cybersecurity risks on the OCS. Throughout FY 2022, BSEE intends to initiate program staffing, develop programmatic documentation and policy, and engage with OCS partners to address OCS energy operations cybersecurity risks. In FY 2023, BSEE will continue to explore program enhancements and engagement strategies to improve and integrate a cybersecurity posture within all OCS activities.

In FY 2023, the Bureau will continue formal efforts to research the application of Best Available and Safest Technologies (BAST) across equipment subject to the BAST requirement in section 21(b) of OCSLA, as amended. BSEE will continue to update its policies, processes, and regulations to ensure the financial and technical challenges of developing new technology are recognized and addressed.

In FY 2023, BSEE will continue the review of its permitting and inspection strategies including their impact on operational costs for the Bureau and industry. In FY 2020, the inspection strategy review focused on annual planning and incorporated regulatory compliance, risk management systems, and performance-based techniques and methodologies. In FY 2023, BSEE will continue to evaluate the results of the completed inspection strategy review and, if needed, adjust course to ensure that program resources are focused on appropriate scrutiny of the highest risk activities. Permitting processes are also being regularly reviewed to support timely processing and accurately reflect the risks and phases of development of the OCS.

Implementation of BSEE's revised inspection strategy approach began in FY 2019, with the roll out of a tiered approach to ensure the Bureau meets its requirements, fulfills regional and national priorities, and uses its workforce effectively. Implementation of the refined inspection strategy allows BSEE's inspectors to conduct more efficient, thorough, and critical physical inspections of components, ensuring

the safety of personnel and the protection of the environment, during the COVID-19 pandemic and beyond. The Bureau plans to continue pursuing systematic improvements for its inspection program in FY 2023.

The continuation of robust stakeholder technical and procedural workshops along with other engagement efforts is critical to the success of these modernization and reform efforts. BSEE will continue to hold stakeholder engagement meetings, including meetings with industry association groups, to provide updates on permitting procedures. Such meetings are important for providing updates on BSEE's "e-permitting" modules.

In accordance with the National Technology Transfer and Advancement Act (NTTAA), BSEE frequently uses standards developed through a consensus process by Standards Development Organizations, with input from the oil and gas industry, as a means of establishing requirements for activities on the OCS. The NTTAA advised, with few exceptions, that "all Federal agencies and departments shall use technical standards that are developed or adopted by voluntary consensus standards bodies, using such technical standards as a means to carry out policy objectives or activities determined by the agencies and departments." BSEE subject matter experts actively participate on multiple standards committees for the oil and gas industry and in multiple working groups developing the first industry consensus U.S. offshore wind standards, covering technical design and health and safety. The Bureau currently incorporates by reference over 130 industry standards in its regulations.

The role of information sharing, sound science, and the independent verification and validation of processes and practices must continue to grow as the Bureau expands its collaborative efforts. These efforts will include validation of activities for BSEE's programs and personnel. BSEE incorporates best practices and performance requirements for energy-related activities on the OCS. A large percentage of these requirements are derived from industry standards and best practices, which are a product of a standards developing organization through a comprehensive consensus process. Through this process, BSEE uses industry expertise and resources to improve safety on the OCS. BSEE's subject matter experts are actively engaged in the industry standards development process to ensure that the appropriate documents can be adopted in a timely manner. Maintaining the compatibility of BSEE's requirements with current best practices adopted by industry will result in simplified permitting and compliance approaches and reduce confusion.

To continue the movement by operators toward a performance-based safety approach, BSEE works closely with operators as they shift their attention from designing to implementing their Safety and Environmental Management Systems (SEMS) processes. Through this approach, BSEE leverages the capabilities and expertise of government, industry, and independent third parties to continually advance safety and environmental outcomes. BSEE utilizes Directed Audits, Corrective Action Plans focused on underlying causes, and Action Plan follow-up to accomplish its SEMS efforts.

BSEE's SafeOCS Program, an initiative established in 2015, is aimed at collecting and analyzing near-miss and safety data for well-control equipment and other safety and pollution prevention equipment. The goal of the program is to identify proactive steps to mitigate risks and to ensure offshore operations are safe, reliable, and environmentally responsible. The first Industry Safety Data Phase 1 report was published in the final quarter of FY 2019. The participant dashboard was completed and tested by

industry and was released in October 2021, with periodic updates expected quarterly. The public facing industry safety data dashboard was completed in January 2022, with periodic updates expected quarterly. Prior to the publication of this report, BSEE created and implemented a procedure to review all conclusions provided by such SafeOCS reports to consider impacts on BSEE's programs and operations. Additionally, the 2016 through 2020 Blowout Preventers and Safety and Pollution Prevention Equipment (SPPE) Failure Reports have been published and may be found on the following site (https://www.safeocs.gov/resources.htm). BSEE included a provision for a dashboard with weekly updates in its latest Interagency Agreement with the Bureau of Transportation Statistics (BTS) to ensure timely conveyance of relevant information. BSEE will continue to obtain statistical advice on the evaluation of daily notifications of safety events through its partnership with BTS.

In FY 2019, BSEE launched a safety initiative to bring critical safety information directly to offshore workers on the OCS. The BSEE!Safe program uses text messaging notification technology to send links to published Safety Alerts, the products used to inform the offshore oil and gas industry of the circumstances surrounding an incident or near miss. The alerts contain recommendations to help prevent the recurrence of such incidents on the OCS. BSEE!Safe notifications supplement the long-standing practice of issuing Safety Alerts to share lessons learned and recommendations from incidents and near misses with industry representatives. BSEE!Safe is part of the Bureau's strategy to supplement regulation with innovative programs, expanding the available toolbox of methods for driving safety performance and environmental stewardship improvements, and is the first instance in which a safety regulator has communicated directly with the industry workforce to ensure the distribution of critical safety information. As of January 2022, more than 7,525 subscribers have signed up for the service.

In addition, BSEE developed guidelines for its inspectors called the National Potential Incident of Non-Compliance (PINC) List, with each PINC correlating to a specific regulation or a set of related regulatory requirements. For each PINC, the BSEE inspectors can issue a corresponding INC to document and notify operators if they have violated regulations. BSEE conducts analysis of INCs issued to gauge operator performance and identify more systemic issues. The National PINC List also includes some "catch all" PINCs within the General PINC category to address unsafe working conditions or equipment and other miscellaneous hazards. To conduct further analysis of the General PINC category and G-INCs issued, BSEE leadership has awarded a contract to perform an in-depth analysis into how the General category of INCs is being applied in the field. A greater analysis into G-INCs will help the agency better identify specific risks.

BSEE provides technical training to field personnel, inspectors, scientists, and engineers to ensure staff have the tools needed to accomplish the agency's mission safely and effectively. BSEE's training programs provide staff with the most up-to-date, relevant training available that addresses the technological advances the Bureau's workforce will encounter in the field.

The Bureau's National Offshore Training Center (NOTC) provides cutting-edge, comprehensive, multi-tiered training and professional development opportunities for BSEE's inspectors, engineers, and scientists to ensure safe and environmentally-sound offshore energy operations. The NOTC supports Bureau goals by providing structured training opportunities that integrate the latest science, technical expertise, and industry practices, with prudent and rigorous safety and environmental compliance mandates. In FY 2023, BSEE plans to continue to invest significant resources to implement a multi-

phased approach to assess the current program to identify training gaps, develop and implement curriculum, develop and implement an accreditation plan, and perform annual curriculum reviews. These investments will demonstrate the Bureau's commitment to building a "best in class" technical training program and will allow BSEE to appropriately capture and track the costs associated with the program.

In FY 2023, BSEE will continue research in an effective and cost-efficient manner to enhance coordination and collaboration on joint industry–government research projects with the goal of ensuring that new technology developments designed to overcome frontier area challenges can be implemented safely. In FY 2023, BSEE will continue its efforts with the industry and other national experts to establish standard risk methodology for assessing new technology with the goal of bringing the most advanced and safest technology to market.

Among the Bureau's priorities is ensuring the public receives fair market value for resources and that fees and cost recovery are fair and reasonable. In coordination with the Office of Natural Resources Revenue, BSEE's specially trained production measurement inspection team helps ensure that production volumes are accurately measured and reported for the assessment of royalties owed to the American people. BSEE's measurement approval, verification, and inspection responsibilities help validate the collection of billions of dollars in royalties from offshore oil and gas resources each year. This important work will continue in FY 2023.

Through FY 2022 and continuing into FY 2023, BSEE will continue to enhance its collaborative efforts internationally. BSEE engages regularly with its international counterparts to promote the safe and environmentally responsible development of offshore energy resources globally. BSEE has established itself as a leader in international cooperation, actively participating in multilateral forums such as the International Regulators Forum; the Arctic Offshore Regulators Forum; the International Offshore Petroleum Environment Regulators group; and Arctic Council bodies, such as the Emergency Prevention, Preparedness, and Response Working Group. BSEE's roles in preparedness activities at the international scale span work in both temperate and Arctic waters. The Bureau is taking a leadership role to better understand the viabilities of traditional oil spill cleanup strategies in different environments. Additionally, BSEE places a priority on maintaining strong bilateral relationships with several international partners.

BSEE is committed to securing environmental justice and spurring economic opportunity for disadvantaged communities that have been historically marginalized and overburdened by pollution and experience underinvestment in essential services. In line with E.O. 14008, BSEE has recommended two covered programs to be included in the Justice40 scorecard: the Bureau's cooperative agreement with the University of Alaska–Anchorage to expand the professional science employment preparedness of Alaska Native Science and Engineering Program (ANSEP) students, and BSEE's oversight of decommissioning of offshore orphaned infrastructure. ANSEP moves Native American and Alaskan Native students into science, technology, engineering, and mathematics degree programs, and fosters a stronger Indigenous American representation within the science workforce of BSEE. These proposed programs include stakeholder engagement plans to ensure disadvantaged communities affected by BSEE's activities receive the benefits of climate and clean energy investments. BSEE will begin to track program expenditures that impact disadvantaged communities and consider metrics that will help track how applicable covered program benefits accrue at specific disadvantaged communities.

The Bureau values its close cooperative relationships with Federal and State partners on the OCS and is also working to strengthen resources through intra- and interagency cooperation. In FY 2022 the Bureau is planning on completing several state-level agreements regarding oil spill preparedness coordination. Additionally, in FY 2021 the Bureau updated a memorandum of understanding on pipeline regulation with the Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA), as well as a memorandum of understanding with the Environmental Protection Agency on the Coordination of National Pollutant Discharge Elimination System Permit Issuance and Enforcement with Outer Continental Shelf Activities. 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 PHMSA and the Nuclear Regulatory Commission. In FY 2021, BSEE served the second year of a two-year term as a rotating Vice Chair in the 15-agency Interagency Coordinating Committee on Oil Pollution Research, which establishes the Nation's oil spill research priorities and provides a forum for research collaboration that looks at oil spill prevention, preparedness, and response. BSEE continues to engage in opportunities to leverage resources and share information across U.S. government agencies.

An important charge in BSEE's authorizing legislation is to ensure that exploration, development, and production activities undertaken pursuant to OCSLA are properly decommissioned to ensure the long-term protection of the resource and the surrounding environment. As conventional energy operations mature, the decommissioning of offshore infrastructure no longer useful for operations will be a growing portion of BSEE's oversight activities. In FY 2019, BSEE revised its guidance to industry on the timeliness of decommissioning activities to reduce the environmental and financial risk of idle infrastructure being damaged by impacts from a changing climate, such as stronger and more frequent hurricanes. In FY 2022, BSEE will enhance its enforcement and civil penalty policies to address industry's performance and delinquent decommissioning obligations on terminated leases and rights-of-way. Implementation of the revised guidance includes BSEE communicating with operators about their idle and lease-terminated infrastructure and ordering that further decommissioning actions be taken, if necessary. A focus in FY 2022, and continuing into FY 2023, is strengthening the organization's decommissioning oversight capabilities to meet end-of-life cycle demands. In addition, BSEE is in the process of drafting policy to address the decommissioning of offshore renewable energy installations. Experience with overseeing conventional energy dictates the importance of considering decommissioning during the design phase of renewable energy projects.

Operator bankruptcies are a continuing concern for both the Bureau and taxpayers. When the responsible parties for offshore infrastructure go bankrupt, the obligation for decommissioning may fall to the Federal Government. Consequently, maintenance of sufficient funds to cover the proper decommissioning of infrastructure is essential to avoid passing the cost to taxpayers. Although BOEM tracks the financial health of OCS operators, lower energy prices have increased the frequency of operator bankruptcies. In these cases, BSEE inspectors perform inspections of the operator's assets to ensure that appropriate monitoring of safety equipment is maintained, while other BSEE and BOEM personnel work within the bankruptcy proceeding to ensure funds are set aside for decommissioning. Since establishing the team in FY 2019, BSEE and BOEM continue the work of its inter-Bureau National Bankruptcy Coordination Team to enhance communication and administration of bankruptcy-related matters. BSEE plans to continue issuing contracts to perform decommissioning services on oil and gas infrastructure orphaned by bankrupt operators where there are no other jointly or severally liable parties.

Enhancing Mission Capacity and Accountability

In FY 2023, BSEE will continue strengthening its mission capacity and ensuring accountability through ongoing implementation of key management tools. This includes continued efforts by BSEE to build on its Enterprise Risk Management (ERM) framework to better integrate management initiatives such as internal control reviews, program evaluations, audits, risk assessments, policy/procedure compliance, a formal vital statistics program and performance measures. Enhanced integration of these initiatives supports stronger communication and informed decision making within the Bureau. BSEE's regular review of internal policies and procedures further supports the need to track training, compliance, and accessibility of key policies and procedures that support achievement of Bureau strategic goals. In FY 2022, BSEE continued a schedule of quarterly reviews to better support programs in their assessment of compliance and training needs. In FY 2023, BSEE's policy program will continue to build on its efforts to emphasize consistency, accuracy, and accountability. In FY 2022, BSEE advanced its evaluation and evidence-building capacity through continuation of ERM efforts, targeted program evaluations, and piloting several quality assurance reviews that provided both findings on the selected processes reviewed, as well as lessons learned for strengthening these types of reviews. BSEE will continue to build on these evaluation efforts in FY 2023 to ensure continued mission support and accountability.

BSEE understands that creating a diverse and inclusive workforce with employees who are accountable, competent, and engaged is essential to creating an efficient, highly effective organization. As such, BSEE is committed to providing the resources needed to develop its workforce. Currently, under the oversight of the Human Capital Council, BSEE uses its Human Capital Operating Plan process to develop goals, strategies, and initiatives for effective human capital management. Some of the more notable initiatives currently in progress are succession planning for priority positions, providing formal and informal leadership development across the workforce, and developing useful analytics that inform the Human Capital planning and strategy.

BSEE is committed to promoting diversity, equity, inclusion, and accessibility (DEIA) across the Bureau. In FY 2023, BSEE will continue to work in partnership with the Department to develop and execute a plan that ensures that the Department and Bureau are a model for DEIA.

Fundamental to employee and organizational success is providing the tools and infrastructure needed to accomplish day-to-day activities. One of the most important tools the Bureau and its people rely on is information technology (IT). BSEE continues to modernize its systems to provide additional capabilities that can be used internally as well as by external stakeholders. These efforts allowed a significant portion of BSEE's workforce to work remotely during the COVID-19 pandemic with uninterrupted service.

Oil Spill Preparedness and Research

BSEE executes an Oil Spill Preparedness Program that ensures owners and operators are prepared to mitigate substantial threats of and respond to actual oil spills from offshore facilities. The Program emphasizes quality training, equipment testing, periodic unannounced drills, research and development endeavors, and stakeholder engagement – all critical elements for improving spill preparedness, threat mitigation, and response measures. While BSEE mitigates oil spill risks through a program focused on incident prevention, it equally emphasizes that the offshore community must be prepared with the best oil spill response plans, equipment, people, and training to respond quickly to oil spills when they do occur

to lessen damage to environmental and economic resources. The program consists of three primary and interdependent roles: Preparedness Verification, Oil Spill Response Research, and Management of Ohmsett.

Preparedness Verification (PV): The Oil Spill Response Plan (OSRP) is a critical component of responsible development of the OCS energy resources. BSEE requires each offshore facility to be covered by an OSRP, which is approved once the owner/operator of the facility has demonstrated the ability to respond to a worst-case discharge quickly, effectively, and 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 OSRP, such as skimmers, pumps, booms, storage devices, and integrated fast response vessels. During annual training and exercises, BSEE requires plan holders to 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.

BSEE employs Government-Initiated Unannounced Exercises to verify owners/operators' ability to implement their approved OSRPs and respond to a simulated incident. The exercises allow the Bureau to witness and evaluate, on a no-notice basis, a plan holder's capabilities to use public and private equipment, resources, and staff to safely respond to a hypothetical oil spill. OSPD regularly plans and executes these exercises in close coordination with other BSEE offices, Federal partners, such as the USCG, National Oceanic and Atmospheric Administration (NOAA), and PHMSA, and State government partners – all of whom have key roles in offshore oil spill preparedness and response.

BSEE supports the critical role that Area Contingency Plans (ACP) play within the National Response System (NRS) and their important ties to BSEE-reviewed OSRPs. The Bureau continues to work closely with ten Area Committees and four Regional Response Teams to review and update the Offshore Facility Worst Case Discharge Scenario documentation in the Committees' respective ACPs and RCPs. This initiative will leverage contract support and interagency coordination to ensure the plans contain realistic and informative guidance for responding to major spills from offshore facilities. Similarly, the Bureau will update four existing agreements and explore additional agreements with State agencies on cooperation in overseeing compliance with 30 CFR Part 254. As offshore renewable energy projects continue to develop, BSEE has begun to reach out to appropriate Area Committees and Regional Response teams to ensure interagency coordination and integration of these facilities into the appropriate NRS contingency plans.

In FY 2023, BSEE will continue to ensure operators and the National Response System are prepared to respond to discharges from offshore facilities. Additionally, BSEE intends to enhance the continuous improvement process for OSRPs by building on its Government-Initiated Unannounced Exercise (GUIE) and operator-led exercise audit capabilities through improved evaluation and feedback on lessons learned to operators and the response community. Also, as renewable energy projects begin installation and operation in FY 2022 and 2023, BSEE will conduct OSRP reviews, response equipment inspections, and exercise and training audits on renewable energy operators to ensure they are prepared to respond to any discharge from their facilities. BSEE will also continue working with the appropriate Area Committees and Regional Response Teams to ensure contingency plans incorporate appropriate preparedness and response information for the unique aspects of oil spills from renewable energy facilities.

Oil Spill Response Research: BSEE continues to implement a comprehensive, cost-effective, long-term research role dedicated to improving response countermeasures for oil spills offshore, including the Arctic. The research role 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 focuses its oil spill response research on advancing the state of the art methods and technologies for oil spill detection using aerial and subsea platforms and vehicles; remote sensing and artificial intelligence technologies; surface slick and subsurface plume measurements; oil spill characterization, quantification, and modeling; the use of dispersants and herders; surface and subsurface containment techniques; recovery using mechanical devices; oil and water separation systems; and clean up using various technologies, including *in-situ* burning of the oil.

In FY 2023, BSEE will continue to advance technologies for detecting oil spills and determining oil slick thickness using remote sensing tools, integration of remote sensing data to support operational decision making, and the development of "smart" skimming technologies to improve recovery rates. Additionally, BSEE will continue to support research projects that will provide science to better understand innovative response measures proposed for use in the Arctic. BSEE will also continue to work with Federal partners, such as the USCG Research and Development Center, NOAA, the National Aeronautics and Space Administration, and the U.S. Army Cold Regions Research and Engineering Laboratory, as well as international organizations, such as the Arctic Council's Emergency Prevention, Preparedness, and Response Working Group and Canada's Multi-Partner Research Initiative, to engage in its continuous program of domestic and global information exchange that facilitates improvements in oil spill research. In FY 2023, BSEE will also continue to advance new *in-situ* burn techniques that will improve burning efficiency, reduce carbon emissions, provide for burning of highly emulsified oil, and reduce sinking residues. These techniques will have profound impacts on Arctic spill preparedness, where disposal or transfer of collected oil is problematic due to remoteness, and soot and burn residue can harm the environment.

Management of Ohmsett, the National Oil Spill Response Research and Renewable Energy Test Facility: BSEE manages the Ohmsett facility where a variety of oil spill response research projects are conducted by the Bureau and researchers from around the globe. Ohmsett is the largest outdoor testing facility of its type in North America, comprised primarily of a 667-foot-long saltwater tank. Located at Naval Weapons Station Earle in Leonardo, New Jersey, Ohmsett provides the Bureau, and other facility users, a unique oil spill response training and testing environment that simulates real-world conditions in a safe and controlled environment. With the ability to conduct tests using real crude oil, equipment manufacturers, scientists, regulators, and responders can test and train using full-scale equipment in wave conditions that, to a great extent, mimics those encountered offshore. Ohmsett's capabilities will continue to be expanded to meet the exacting needs of the offshore industry and will include electrical substation upgrades to enable construction of a new recirculating flume tank. In FY 2021, BSEE initiated the construction phase of pre-scheduled major renovations of the tank. In the summer of FY 2021, BSEE contractors drained the Ohmsett test tank and executed a major renovation to inspect, repair, and repaint all concrete surfaces and major steel components. These renovations are needed approximately every five years to address corrosion issues resulting from the use of saltwater in the test tank. In FY 2022, BSEE will make upgrades to the facility including renovations of its training room and office spaces, as well as the redesign of the chemical laboratory. Additionally, BSEE will begin planning for the design of a new moveable bridge system to better serve its customers' IT and space needs; and a separate flume tank

resource that will provide customers a meso-scale experiment apparatus. The planning and execution of these major upgrade projects will continue through FY 2023.

FY 2023 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 receipts collections. The OSR appropriation is funded through the Oil Spill Liability Trust Fund.

The budget for the OSEE account funds the following activities:

- The ***Environmental Enforcement*** Activity funds: environmental compliance staff and operational support required to manage compliance verification and enforcement of environmental standards placed on OCS operations; ensure BSEE's compliance with NEPA, the Endangered Species Act, and the National Historic Preservation Act when conducting permitting; conduct specialized inspections to ensure compliance with air and water quality requirements, and other environmental mitigation measures; and oversee coordination and engagement for Tribal consultation requirements, and other environmental acts, regulations, and policies.

- The ***Operations, Safety and Regulation*** Activity funds: reviews of OCS oil and gas permit applications and offshore wind industry submittals; inspections of OCS facilities, including critical high-risk activities; offshore operator oil spill planning and preparedness compliance; investigations; enforcement; audit programs; annual operator performance reviews; verification of oil and gas production levels to help ensure the public receives a fair return; research supporting the analysis of emerging technologies, standards and regulatory review and development activities; and technical training.

- The ***Administrative Operations*** Activity funds: general administration 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. This 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 ***Offshore Decommissioning*** Activity funds: according to regulatory standards, the proper maintenance, monitoring, and decommissioning of orphaned wells, pipelines, and structures left on the OCS for which there is no remaining liable party.

It is critically important for the Bureau to maintain adequate base program capacity to achieve its mission, as the oil and gas industry continues to drill and produce in ultra-deep water and operate in more

challenging environments and to meet the Administration's goal to deploy 30 GW of offshore wind by 2030 in a safe and environmentally responsible manner.

In FY 2023, the following BSEE budget changes are proposed:

OSEE Appropriation:

FY 2023 Fixed Costs (+$4,734; +0 FTE): Funding for fixed costs includes items such as rent, salary increases, central billing, IT in the Department's Working Capital Fund, and other items that are fully funded by this request.

Maintain Baseline Capacity (+$3,593; +0 FTE): The 2023 budget includes important investments in programs needed to help strengthen America and be more competitive as the world continues to change. These investments include funding needed to maintain a strong, talented workforce and the core capacity needed to fulfill BSEE's mission. The budget includes $3.6 million which reflects the incremental amount needed to cover the fixed costs associated with mission operations in FY 2022. This request in combination with the FY 2023 fixed costs amounts will allow the program to sustain core capacity and avoid impacts to ongoing program activities.

Renewable Energy Research ($4,800; +3 FTE): BSEE is requesting $4.8 million and 3 FTE in FY 2023 to support renewable energy research. BSEE is responsible for initiating, supporting, and promoting science-based research to fulfill the Bureau's mission through the identification and evaluation of critical energy equipment and technology to reduce risk, support safe operations, and promote environmental stewardship on the OCS. These additional FTE are necessary to ensure that BSEE can effectively manage the planned increase in renewable energy related research projects in support of the Administration's focus on tackling the climate crisis.

Diversity, Equity, Inclusion, and Accessibility Initiative (+$200; +1 FTE): The BSEE budget includes $200,000 as part of a Departmentwide Diversity, Equity, Inclusion, and Accessibility budget initiative to address identified high-priority needs in support of Executive Order 13985, Advancing Racial Equity and Support for Underserved Communities Through the Federal Government, and Executive Order 13988, Preventing and Combating Discrimination on the Basis of Gender Identity and Sexual Orientation. As part of this initiative, the Department, bureaus, and offices will jointly conduct a review of the Diversity, Equity, Inclusion, and Accessibility program across Interior to identify gaps, challenges, and best practices and to examine Department and bureau roles, responsibilities, and governance.

Zero Emission Vehicles (ZEVs) and Charging Infrastructure ($1,192; +0 FTE): In support of the President's goal of transitioning to a fully Zero Emission Vehicle Federal fleet, the BSEE budget includes $1.2 million for zero emission vehicle (ZEV - battery electric, plug-in electric hybrid, and hydrogen fuel cell vehicles) acquisitions and deploying necessary vehicle charging and refueling infrastructure. These acquisitions are a significant step towards eliminating tailpipe emissions of greenhouse gases (GHG) from the BSEE fleet and aligning the BSEE's fleet operations with the goal of achieving a fully ZEV Federal fleet. This action is important because tailpipe emissions are currently the leading source of GHG emissions that threaten the planet and harm U.S. communities.

The BSEE ZEV acquisitions may include vehicles for both its agency-owned and GSA-leased segments of its vehicle fleet, including incremental costs of leased vehicles and lease payments to GSA for conversion of agency-owned vehicles to GSA's leased fleet where appropriate. To ensure effective and efficient deployment of ZEVs, the BSEE will undertake preparation and planning for arriving ZEVs at its facilities, properly prioritizing transition to ZEVs where it is simplest and allow time for additional planning where mission demands pose a challenge to transitioning based on current technologies. Integral to this preparation is growth in the number of agency-accessible re-fueling points (vehicle charging stations). In installing this infrastructure on-site to support acquired ZEVs, the BSEE will take the long-term view to ensure efficiencies and thereby ensure wise infrastructure decisions that limit total expenditures. Using its experienced personnel and lessons learned in the fleet arena, the BSEE will undertake a process that relies on a cross-functional team of staff from fleets, operations, facilities, finance, and acquisition departments with executive leadership support. The collaboration will not stop with initial deployment, as the BSEE fleet and facility managers will work closely and employ existing training and tools to control utility costs by managing the overall charging load and thereby ensuring a seamless operation that now will involve building systems and vehicles together. Further, the BSEE will ensure proper training of personnel to address any initial shortcomings in terms of any necessary ZEV knowledge and operations as the advanced vehicle technologies roll into the BSEE fleet.

Offshore Decommissioning (+$30,000; +0 FTE): The Administration is committed to addressing the hundreds of thousands of orphan oil and gas wells and abandoned mines that pose serious safety hazards and cause ongoing air, water, and other environmental damage across the U.S., much of which is in rural communities that have suffered from years of disinvestment. As part of this Reclamation Jobs initiative, BSEE is requesting $30.0 million in FY 2023 to properly plug and abandon (i.e., cutting 15 feet below mudline) orphaned wells and properly decommission the associated orphaned pipelines. This funding, along with funding currently available from the Federal orphan wells program established by the Infrastructure Investment and Jobs Act (IIJA) and from proceeds collected through BOEM's Financial Assurance Program and bankruptcy proceedings, will support action on the most immediate and urgent needs to help reduce the risk of pollution.

Justice40 Initiative (+$112; +0 FTE): The 2023 budget includes $4.0 million Department-wide, including $112,000 for BSEE, for dedicated staff resources to provide programmatic expertise, coordination, and outreach support to implement the Justice40 Initiative to increase environmental justice in Federal programs. Interior bureaus and offices are an important component of the Administration's objective for 40 percent of overall benefits of Federal investments that impact climate change and generate clean energy to be directed to disadvantaged communities. Interior has identified more than 50 programs with a budget totaling over $3.0 billion that contribute to this forward-thinking initiative. Funding in 2023 will be used to develop methodologies to identify and quantify the benefits of Justice40 programs, demonstrate how and where covered programs distribute benefits, and pursue strategies for maximizing the benefits to vulnerable communities in the future. Agencies will also pursue and document stakeholder engagement in the initiative.

Renewable Energy Program (+$7,280; +38 FTE): The requested program change will fund the second phase of BSEE's Renewable Energy Program buildout by expanding upon the funding requested in FY 2022. Staffing will include engineers of multiple disciplines, inspectors, safety specialists, enforcement staff, and policy and program development staff. The Renewable Energy Program staffing plan presents a

phased approach aligned with the expected near-term offshore wind development projects along the Atlantic Coast and accelerated leasing in the Atlantic and the Pacific. Funding will support continued development of processes to effectively review and monitor safety management systems and build data analytic capability to assess the highly automated offshore wind industry. The requested FTE will enable timely and rigorous industry plan/permit reviews and demonstrates BSEE's commitment and leadership in driving safety performance and protecting environmental, cultural, and biological resources on the OCS.

Cybersecurity (+$1,200; +2 FTE): With almost all critical infrastructures operating in a digital environment, cybersecurity risks and vulnerabilities continue to increase with respect to energy activities on the Outer Continental Shelf. The requested program change will establish BSEE's Offshore Cybersecurity Safety Threats Effort and allow the Bureau to begin building a foundational capability to work with industry to decrease OCS operational technology (OT) cybersecurity risk. With this funding, BSEE intends in FY 2023 to work with DHS-CISA and other partners to program for voluntary Validated Architecture Design Reviews (VADR) based on federal and industry standards, guidelines, and OT best practices of OCS Energy Activities for which BSEE is responsible.

General Change in Base Appropriated Funding to Offset Offsetting Collections (-$2,745; -0 FTE): The proposed change to appropriated funding offsets the estimated decrease in rental receipt collections as discussed below as well as the estimated increase in inspection fee collections. Although offsetting revenue is set to change, 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 drill and produce in ultra-deep waters and operate in more hostile environments.

Changes in Offsetting Collections (-$5,785; +0 FTE): Rental Receipts are estimated to decrease by a total of $5.8 million based on the latest projections provided by BOEM. There are no programmatic changes associated with this shift.

Inspection Fees (+$7,293; +0 FTE): The 2023 budget continues a proposal requested in the 2022 budget to adjust the BSEE inspection fee amounts to account for inflation for the period of 2012 to 2020. The adjustment has been applied uniformly to all fees with the exception of non-rig fees which have only been in place since FY 2020. BSEE is also proposing to change facility inspection fees from once-per-year to per-visit, as is currently done for offshore rigs. This new fee is estimated to generate approximately $7 million in additional inspection fee revenue. Facilities with good performance histories will benefit from this change, while facilities that have repeated safety and or environmental compliance issues will have further incentive to enhance their performance record, reducing the need for follow up-inspections.

OSR Appropriation:

Renewable Energy Research (+$200; +1 FTE): BSEE is requesting $200,000 and 1 FTE in FY 2023 for renewable energy research. As renewable energy solutions such as offshore wind and marine hydrokinetic energy gain wider acceptance and emphasis, BSEE is forging ahead to enact its related mission and responsibilities. The Bureau's Oil Spill Preparedness Program is forecasting important resource needs to ensure that offshore renewable energy operations are conducted in a safe and environmentally sustainable manner.

Performance

In FY 2023, BSEE will continue to focus attention on priority areas that foster safe and environmentally responsible energy exploration, development, and production of offshore resources, as well as those areas that promote conservation of resources, motivate timely decommissioning, ensure accurate production measurement, and prepare for and encourage the advancement of offshore wind. A key component is the Bureau's performance management framework, which provides a suite of meaningful performance measures that managers can use to inform decision making and communicate the Bureau's value to stakeholders. In FY 2023, BSEE will continue to build on its expanded portfolio of measures to better demonstrate how the Bureau achieves results in implementing its mission. Additionally, the Bureau's "vital statistics committees" continue to support the integration of these measures into informed decision making by providing a forum to discuss trends in the data. A continuing emphasis on data stewardship and analysis will strengthen BSEE's overall ability to examine and understand how it achieves results.

Additional efforts underway will support BSEE's ability to measure performance and to assess effectiveness. These efforts include the continued implementation of an enterprise-wide risk-management system to help identify and prioritize areas of risk for the Bureau. BSEE will continue progress made with the integration of enterprise risk management with other management tools to better support decision making. This integration of management tools, including performance-related data, will continue into FY 2023.

By assessing and comparing organizational risks, as well as strengths, weaknesses, and opportunities; the Bureau can 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 U.S. Government Accountability Office, the Office of Inspector General, and external organizations, as well as internal program reviews undertaken or overseen by the Bureau's Office of Policy and Analysis Evaluation Branch, will continue to provide input to BSEE's evidence-based 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 2023, BSEE will continue to focus attention on priority areas and refine its outcome measures to demonstrate results and to better position the Bureau to achieve its mission in the following priority categories:

- Renewable Energy – including plan reviews, environmental analysis, communication with the regulated community, and interagency collaboration to facilitate offshore wind energy development.
- Incidents – including injuries, fatalities, fires, explosions, gas releases, lifting events, collisions, hazmat, oil spills, and loss of well control.
- Operations – including offshore activity, inspections, INCs, investigations, violations, enforcement, and technical training.

- Systems and subsystems – including accurate measurement of hydrocarbons and production reconciliation to ensure proper accounting of revenues, environmental stewardship, oil spill preparedness plans, and permitting.
- Safety culture – including a maturing SEMS program with increased attention on improving the third-party audit results, monitoring corrective actions that are focused on systemic causes, as well as increasing operator focus on situational awareness and operational discipline in all offshore activities.
- Regulatory reform – including revisions to existing rules and the incorporation of updated industry standards based on sound scientific principles.
- Decommissioning – including oversight of end-of-life facilities and strengthening decommissioning/idle iron compliance.

This enhanced suite of meaningful performance metrics is expected to be monitored through BSEE's Business Intelligence (BI) Tools to:

- Make informed management decisions for the Bureau;
- Improve program implementation and motivate performance through increased quality of program outputs; and
- Support a culture of accountability.

Good Accounting Obligation in Government Act Report (All Bureaus/Offices)

The Good Accounting Obligation in Government Act (GAO-IG Act, P.L. 115-414) enacted January 3, 2019, requires that Agencies report the status of each open audit recommendation issued more than one year prior to the submission of the Agency's annual budget justification to Congress. The Act requires Agencies to include the current target completion date, implementation status, and any discrepancies on closure determinations. The Department of the Interior leadership takes audit follow-up very seriously and considers our external auditors, to include the Government Accountability Office (GAO) and Office of the Inspector General, valued partners in not only improving the Department's management and compliance obligations but also enhancing its programmatic and administrative operations. As stewards of taxpayer resources, the Department applies cost-benefit analysis and enterprise risk management principles in recommendation implementation decisions. The Department's GAO-IG Act Report will be available at the following link: https://www.doi.gov/cj

Bureau of Safety and Environmental Enforcement

Budget at a Glance

Bureau of Safety and Environmental Enforcement **Budget at a Glance** Dollars in Thousands ($000)	**2021 Actual**	**2022 Annualized CR**	**Fixed Costs (+/-)**	**Internal Transfers (+/-)**	**2023 Request Program Changes (+/-)**	**FTE Increase**	**2023 Request**
Appropriation: Offshore Safety and Environmental Enforcement							
Environmental Enforcement Activity	**4,758**	**4,758**	**+350**		**+750**	**+2**	**5,858**
Baseline Capacity					*+350*		
Renewable Energy Program					*+400*	*+2*	
Operations, Safety and Regulation Activity	**152,811**	**152,811**	**+3,484**	**-1,237**	**+15,885**	**+41**	**170,943**
Baseline Capacity					*+2,493*		
Cybersecurity					*+1,200*	*+2*	
Justice40 Initiative					*+112*		
Renewable Energy Research					*+4,800*	*+3*	
Renewable Energy Program					*+7,280*	*+36*	
Administrative Operations Activity	**18,150**	**18,150**	**+550**		**+1,792**	**+1**	**20,492**
Baseline Capacity					*+400*		
Zero Emission Vehicles and Charging Infrastructure					*+1,192*		
Diversity, Equity, Inclusion and Accessibility Initiative					*+200*	*+1*	
Executive Direction Activity	**18,093**	**18,093**	**+350**		**+350**		**18,793**
Baseline Capacity					*+350*		
Offshore Decommissioning Activity					**+30,000**		**30,000**
Offshore Decommissioning					*+30,000*		
SUBTOTAL, Offshore Safety and Environmental Enforcement	**193,812**	**193,812**	**+4,734**	**-1,237**	**+48,777**	**+44**	**246,086**
Rescission/Cancellation of Prior Year Balances	**-10,000**	**-10,000**			**+10,000**		
Disaster Relief Act (P.L. 117-43)		**223**					
TOTAL, Offshore Safety and Environmental Enforcement	**183,812**	**184,035**	**+4,734**	**-1,237**	**+58,777**	**+44**	**246,086**
Appropriation: Oil Spill Research							
Oil Spill Research	**14,899**	**14,899**			**+200**	**+1**	**15,099**
Renewable Energy Research					*+200*	*+1*	
TOTAL, Oil Spill Research	**14,899**	**14,899**				**+1**	**15,099**
TOTAL, Bureau of Safety and Environmental Enforcement	**198,711**	**198,934**	**+4,734**	**-1,237**	**+58,977**	**+45**	**261,185**

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Bureau of Safety and Environmental Enforcement

Summary of Requirements - Offshore Safety and Environmental Enforcement
(Dollars in Thousands)

Offshore Safety and Environmental Enforcement	FY 2021 Actual	*FY 2022 Annualized CR FTE*	FY 2022 Annualized CR Amount	Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (+/-) FTE	Program Changes (+/-) Amount	*FY 2023 Request FTE*	FY 2023 Request Amount	*Change from 2022 (+/-) FTE*	Change from 2022 (+/-) Amount
Offshore Safety and Environmental Enforcement											
Environmental Enforcement											
Direct Appropriations	1,590	*30*	1,590	+350	-	*+2*	+750	*32*	2,690	*+2*	+1,100
Offsetting Collections	3,168	-	3,168	-	-	-	-	-	3,168	-	-
Total, Environmental Enforcement	**4,758**	***30***	**4,758**	**+350**	-	***+2***	**+750**	***32***	**5,858**	***+2***	**+1,100**
Operations, Safety and Regulation											
Direct Appropriations	109,197	*476*	96,378	+3,484	-2,745	*+41*	+15,885	*517*	113,002	***+41***	+16,624
Offsetting Collections	43,614	-	56,433	-	+1,508	-	-	-	57,941	-	+1,508
Total, Operations, Safety and Regulation	**152,811**	***476***	**152,811**	**+3,484**	**-1,237**	***+41***	**+15,885**	***517***	**170,943**	***+21***	**+18,132**
Administrative Operations											
Direct Appropriations	12,028	*247*	9,521	+550	-	*+1*	+1,792	*248*	11,863	*+1*	+2,342
Offsetting Collections	6,122	-	8,629	-	-	-	-	-	8,629	-	-
Total, Administrative Operations	**18,150**	***247***	**18,150**	**+550**	**-**	***+1***	**+1,792**	***248***	**20,492**	***+1***	**+2,342**
Executive Direction											
Direct Appropriations	14,123	*106*	14,123	+350	-	-	-	*106*	14,823	-	+700
Offsetting Collections	3,970	-	3,970	-	-	-	-	-	3,970	-	-
Total, Executive Direction	**18,093**	***106***	**18,093**	**+350**	**-**	-	-	***106***	**18,793**	-	**+700**
Offshore Decommissioning											
Direct Appropriations	**-**	-	**-**	**-**	-	-	+30,000	-	30,000	-	+30,000
Offsetting Collections	**-**	-	**-**	**-**	**-**	-	-	-	-	-	-
Total, Offshore Decommissioning	-	**-**	-	-	-	**-**	**+30,000**	**-**	**30,000**	**-**	**+30,000**
TOTAL, OSEE Before Rescission/Cancellation	**193,812**	***859***	**193,812**	**+4,754**	**-1,237**	***+44***	**+48,777**	***903***	**246,086**	***+44***	**+52,274**
Rescission/Cancellation of Prior Year Balances	**-10,000**	**-**	**-10,000**				**+10,000**	**-**	**-**	-	**+10,000**
Disaster Relief Act (P.L. 117-43)	**-**	**-**	**223**	-	-	-	**-223**	**-**	**-**	-	**-223**
TOTAL, OSEE	**183,812**	***859***	**184,035**	**+4,754**	**-1,237**	***+44***	**+58,554**	***903***	**246,086**	***+44***	**+62,051**

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Bureau of Safety and Environmental Enforcement

Fixed Costs and Internal Realignments
(Dollars in Thousands)

Fixed Cost Changes and Projections	2022 Total or Change	FY 2023 Change	Description
Change in Number of Paid Days	+0	-478	This column reflects changes in pay associated with the change in the number of paid days between FY 2022 and FY 2023. The number of paid days is one day less than FY 2022.
Pay Raise	+2,606	+4,966	The President's Budget for FY 2023 includes one quarter of a planned 2.7% pay raise for FY 2022 and three quarters of a planned 4.6% pay raise for FY 2023.
Employer Share of Federal Employee Retirement System	+906	+0	This column reflects no budgeted increase for the employer contribution to the Federal Employee Retirement System.
Departmental Working Capital Fund	-276	+210	The change reflects the final FY 2023 Central Bill approved by the Working Capital Fund Consortium.
Worker's Compensation Payments	-13	+25	The amounts reflect final chargeback costs of compensating injured employees and dependents of employees who suffer accidental deaths while on duty. Costs for the BY will reimburse the Department of Labor, Federal Employees Compensation Fund, pursuant to 5 U.S.C. 8147(b) as amended by Public Law 94-273.
Unemployment Compensation Payments	-8	+0	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.
Rental Payments	+378	+11	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. 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.

Fixed Cost Changes and Projections	2021 Total	FY 2022 Change	Description
Baseline Adjustments for O&M Increases	+0	+0	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.

Internal Realignments and Non-Policy/Program Changes (Net-Zero)	**FY 2022 (+/-)**	**Description**
General Change in Base Appropriated Funding to Offset Offsetting Collections	-2,745	The proposed change to appropriated funding offsets the estimated increase in Offsetting Collections as discussed below as well as the estimated increase in inspection fee collections. Although offsetting revenue is set to change, 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 drill and produce in ultra-deep waters and operate in more hostile environments.
Change in Offsetting Collections	+1,508	Rental receipts are estimated to decrease by a total of $5.8 million based on the latest projections provided by the Bureau of Ocean Energy Management (BOEM). BSEE is proposing to change facility inspection fees from once-per-year to per-visit, as is currently done for offshore rigs. This new fee is estimated to generate approximately $7 million in additional inspection fee revenue. Facilities with good performance histories will benefit from this change, while facilities that have repeated safety and or environmental compliance issues will have further incentive to enhance their performance record, reducing the need for follow-up inspections.

Bureau of Safety and Environmental Enforcement

Language Citations

Appropriations Language

Offshore Safety and Environmental Enforcement Appropriation Account

For expenses necessary for the regulation of operations related to leases, easements, rights-of-way, and agreements for use for oil and gas, other minerals, energy, and marine-related purposes on the Outer Continental Shelf, as authorized by law; for enforcing and implementing laws and regulations as authorized by law and to the extent provided by Presidential or Secretarial delegation; and for matching grants or cooperative agreements, $195,350,000, of which $142,378,000 is to remain available until September 30, 2024, and of which $52,972,000 is to remain available until expended, including $30,000,000 for offshore decommissioning activities: Provided, That this total appropriation shall be reduced by amounts collected by the Secretary of the Interior 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 2023 appropriation estimated at not more than $172,378,000.

For an additional amount, $50,736,000, 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 2023, as provided in this Act: Provided, That to the extent that amounts realized from such inspection fees exceed $50,736,000, the amounts realized in excess of $50,736,000 shall be credited to this appropriation and remain available until expended: Provided further, That for fiscal year 2023, 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.

Note.—A full-year 2022 appropriation for this account was not enacted at the time the Budget was prepared; therefore, the Budget assumes this account is operating under the Continuing Appropriations Act, 2022 (Division A of Public Law 117-43, as amended). The amounts included for 2022 reflect the annualized level provided by the continuing resolution.

OFFSHORE SAFETY AND ENVIRONMENTAL ENFORCEMENT

[For an additional amount for "Offshore Safety and Environmental Enforcement", $223,000, to remain available until expended, for necessary expenses related to the consequences of calendar year 2019, 2020,

and 2021 wildfires, hurricanes, and natural disasters.] *(Disaster Relief Supplemental Appropriations Act, 2022.)*

General Provisions

(See General Provisions chapter of the Office of the Secretary 2023 budget justification.)

OUTER CONTINENTAL SHELF INSPECTION FEES

SEC. 107.

(a) In fiscal year 2023, the Secretary shall collect a nonrefundable inspection fee, which shall be deposited in the "Offshore Safety and Environmental Enforcement" account, from the designated operator for facilities subject to inspection under 43 U.S.C. 1348(c).

(b) Annual fees shall be collected for facilities that are above the waterline, excluding drilling rigs, and are in place at the start of the fiscal year. Fees for fiscal year 2023 shall be

(1) $11,725 for facilities with no wells, but with processing equipment or gathering lines;

(2) $18,984 for facilities with 1 to 10 wells, with any combination of active or inactive wells; and

(3) $35,176 for facilities with more than 10 wells, with any combination of active or inactive wells.

(c) Fees shall be assessed for facilities that are above the waterline, excluding drilling rigs, and require follow up inspections. Fees for fiscal year 2023 shall be

(1) $5,863 for facilities with no wells, but with processing equipment or gathering lines;

(2) $9,492 for facilities with 1 to 10 wells, with any combination of active or inactive wells; and

(3) $17,588 for facilities with more than 10 wells, with any combination of active or inactive wells.

(d) Fees for drilling rigs shall be assessed for all inspections completed in fiscal year 2023. Fees for fiscal year 2023 shall be

(1) $34,059 per inspection for rigs operating in water depths of 500 feet or more; and

(2) $18,649 per inspection for rigs operating in water depths of less than 500 feet.

(e) Fees for inspection of well operations conducted via non-rig units as outlined in title 30 CFR 250 subparts D, E, F, and Q shall be assessed for all inspections completed in fiscal year 2023. Fees for fiscal year 2023 shall be

(1) $13,260 per inspection for non-rig units operating in water depths of 2,500 feet or more;

(2) $11,530 per inspection for non-rig units operating in water depths between 500 and 2,499 feet; and

(3) $4,470 per inspection for non-rig units operating in water depths of less than 500 feet.

(f) The Secretary shall bill designated operators under subsection (b) quarterly, with payment required within 30 days of billing. The Secretary shall bill designated operators under subsections (c and d) within 30 days of the end of the month in which the inspection occurred, with payment required within 30 days of billing. The Secretary shall bill designated operators under subsection (e) with payment required by the end of the following quarter.

Justification for Program Language Changes

Purpose: SEC. 107: BSEE's facility inspections fees were initially established in FY 2010 (P.L. 111-88). In FY 2012 (P.L. 112-74), the facility fee amounts increased, and new rig inspection fees were included. Since that time, the current facility and rig fees that BSEE charges operators have remained unchanged.

In FY 2023, BSEE's budget request includes an inflation adjustment to its current inspection fees. BSEE calculated the inflation adjustment by utilizing the Bureau of Economic Analysis (BEA) Table 1.19, Implicit Price Deflators for Gross Domestic Product, for the period of 2012 through 2020. This inflation adjustment has been applied uniformly to all fees with the exception for non-rig fees since they have only been in place since FY 2020.

BSEE is also proposing a new follow up facility inspection fee in its FY 2023 budget request that changes facility inspection fees from once-per-year to a per-visit fee, as is currently done for offshore rigs. Facilities with good performance histories will benefit from this change, while facilities that have repeated safety and or environmental compliance issues will have further incentive to enhance their performance record, reducing the need for follow up-inspections. This proposed new fee is estimated to increase fee collections by $7.3 million.

FY 2023 BUDGET JUSTIFICATION

Bureau of Safety and Environmental Enforcement

Environmental Enforcement Activity

Table 3: Environmental Enforcement Activity Budget Summary

Environmental Enforcement	2021 Actual	2022 Annualized CR	Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2023 Request	Change from 2022 (+/-)
Environmental Enforcement	**4,758**	**4,758**	**+350**	**-**	**+750**	**5,858**	**+1,100**
FTE	*24*	*30*	**-**	**-**	*+2*	*32*	*+2*

Summary of 2023 Program Changes for Environmental Enforcement

Request Component	($000)	FTE
Program Changes:		
Renewable Energy Program	+400	+2
Baseline Capacity	+350	-
TOTAL Program Changes	**+750**	**+2**

The Environmental Enforcement Activity funds the Environmental Compliance Program (ECP) staff and their operational needs required to ensure lessees, operators, and permittees that are subject to BSEE and BOEM jurisdiction and are active on the OCS, comply with all required environmental laws and regulations; environmental standards established by science and found in leases, plans, and permits; and applied mitigations and conditions of approval. BSEE, through regulatory program coordination, NEPA compliance, office and field compliance verification, enforcement, and communication and engagement advances this mission by utilizing the dedicated work of qualified and trained personnel who work collaboratively across its Regional and Program Offices.

As an environmental steward, BSEE practices integrated prevention, compliance, and preparedness activities that minimize and mitigate impacts to natural, cultural, and economic resources during offshore energy and marine mineral operations. Specifically, BSEE's ECP works to ensure Bureau compliance with requisite environmental laws, regulations, and policies, and encourages a receptive stewardship culture within the regulated community through innovative engagement, science-based decision-making, and the consistent application of standards.

Funding in FY 2023 will be used to maintain support for and improve BSEE's ECP through application of proven verification methodologies, reliance on the best available science, and the continual development and improvement of environmental policies and procedures. FY 2023 funding will also

support the Administration's and the Department's renewed focuses on climate science, environmental justice, and renewable energy projects. These provisions are especially critical as BSEE incorporates added responsibilities in coordination with BOEM on the Bureau's expanding Renewable Energy Program and associated activities on the Federal OCS. Funding in FY 2023 will also be used to develop specialized environmental training opportunities, improve stakeholder understanding of ECP roles and responsibilities, augment ECP procedures to include renewable energy oversight, and increase engagement with tribal nations and environmental justice communities.

JUSTIFICATION OF 2023 PROGRAM CHANGES

The FY 2023 budget request for Environmental Enforcement is $5.9 million and 32 FTE, a program change of +$750,000 and +2 FTE from the FY 2022 Annualized CR.

Renewable Energy Program (+$400; +2 FTE): BSEE is requesting $400,000 and 2 FTE in FY 2023 for the Renewable Energy Program. These resources are necessary to meet expected near and mid-term program requirements based on the Administration's goal to deploy 30 gigawatts (GW) of offshore wind production capacity in the United States by 2030. The requested FTE will help form the foundation of BSEE's Renewable Energy Program and will enable timely and rigorous industry plan/permit reviews, a robust compliance assurance and enforcement program, and demonstrate BSEE's commitment and leadership in driving safety performance and protecting environmental, cultural, and biological resources on the OCS. Specifically, these FTE will conduct environmental compliance verification reviews, develop environmental compliance guidance, conduct site clearance verification, conduct NEPA compliance reviews, and review plans/submissions in accordance with environmental laws.

In anticipation of large-scale development of offshore wind energy on the OCS, BSEE is preparing to take on new responsibilities with respect to renewable energy workplace and process safety management, environmental protection, and decommissioning and site restoration. It is critically important that the Bureau establish an adequate base program, to include environmental reviews and environmental compliance required by DOI's renewable energy regulations. With this funding, BSEE will be positioned to support DOI in investing in a clean energy future.

Maintain Baseline Capacity (+$350; +0 FTE): The 2023 budget includes important investments in programs needed to help strengthen America and increase competitiveness as the world continues to change. These investments include funding needed to maintain a strong, talented workforce and the core capacity needed to fulfill BSEE's mission. The budget includes $350,000 in this activity, which reflects the incremental amount needed to cover the fixed costs associated with mission operations in FY 2022. This request in combination with the FY 2023 fixed costs amounts will allow the program to sustain core capacity and avoid impacts to ongoing without impacting program activities.

PROGRAM OVERVIEW

BSEE's ECP is responsible for ensuring that the Bureau and the OCS energy industry are complying with applicable environmental laws, regulations, and conditioned protection measures. Program directives and responsibilities within ECP include environmental field/site inspections/office compliance verification reviewing, NEPA compliance coordination and documentation, and interagency consultation and

coordination. Through this program, the Bureau establishes policies and procedures for compliance with environmental regulations, maintains environmental compliance performance standards through national program goals and a program vision that directly supports the Bureau's mission. The Bureau promotes proactive and regular engagement with energy and marine mineral stakeholders; Federal, State, Tribal, and local agencies; non-governmental organizations; international partners; the general public; and government to government consultations with federally recognized tribes.

As subject matter experts (SMEs), ECP staff ensures that the offshore energy industry and marine mineral groups comply with established environmental standards for the protection of and minimization of impacts on air quality, coastal and marine water quality, archaeological/cultural resources, benthic resources, and habitat, fish and the associated fisheries, and protected species. Environmental SMEs also oversee the Bureau's Marine Trash and Debris Reduction Program, support artificial reef development through the active Rigs-to-Reefs Program, and work to reduce unnecessary conflicts between the regulated community and other OCS users.

Compliance Verification and Enforcement

The ECP has implemented several improvements including institutionalizing annual national and regional program goal development, developing clearer roles and responsibilities, and improving NEPA compliance. The program conducts over 1,000 NEPA compliance reviews for BSEE permitting programs each year to ensure that adequate mitigation measures are applied as Conditions of Approval (CoAs) to limit or negate potential environmental impacts.

Over the past decade, ECP has conducted an average of 750 environmental compliance inspections and reviews annually to verify compliance with environmental CoAs and other environmental standards and determine enforcement needs. ECP is collaborating with other programs, agencies, and Departments to improve environmental stewardship data analysis and decision making (e.g., enhancing environmental datasets to include reportable spills).

Decommissioning

In FY 2023, ECP will continue its long-term commitment to ensuring decommissioning activities in the Gulf of Mexico (GOM) OCS are carried out in compliance with all environmental standards. The ECP will play a vital role as BSEE works to decommission orphan infrastructure and reduce the Nation's pollution risk. Similarly, the Pacific Region anticipates decommissioning of several facilities off California to occur in the next few years. This region has an active environmental community and stringent local requirements that must be considered during permitting. BSEE is coordinating with BOEM on the preparation of two Programmatic Environmental Impact Statements for oil and gas decommissioning activities in the Pacific and GOM OCS. BSEE coordinates with BOEM to organize quarterly decommissioning environmental meetings between the GOM and Pacific regional offices – creating an opportunity for headquarters and regional contacts to communicate opportunities that better align field actions with national directives and highlight regional best practices for NEPA and environmental consultations.

Renewable Energy

In anticipation of large-scale development of offshore wind energy on the OCS, BSEE is preparing to take on new responsibilities in FY 2022 and FY 2023 with respect to renewable energy workplace and process safety management, environmental protection, and decommissioning and site restoration. The ECP is also proactively supporting environmental compliance and enforcement needs for the Department's regulated renewable energy activities by reviewing enforceability of standards, developing compliance protocols and conducting compliance verification reviews. In FY 2021, the ECP conducted more than 40 environmental compliance reviews of OCS renewable energy activities and recommended 4 enforcement actions. ECP continues to build renewable energy oversight capacity and knowledge across all regions while communicating with the BSEE Renewable Energy Coordination Team along the way.

Program Management

BSEE's ECP operates under a national program management model where program direction is developed at headquarters in coordination with regional offices, and program execution is carried out in the field. Organizational groups within BSEE that support ECP include:

- The Environmental Compliance Division, which serves as the headquarters office under the ECP National Program Manager;
- The Office of Environmental Compliance, located in BSEE's Gulf of Mexico Regional Office; and
- BSEE's Pacific and Alaska Regional Offices.

These offices work together to develop policies and procedures for BSEE's collaborative oversight of environmental compliance responsibilities associated with OCS energy activities and across all BSEE's programs. The headquarters-based Environmental Compliance Division facilitates a nationally consistent approach to the execution of environmental compliance functions within regional offices. Regional ECP personnel serve as the lead SMEs within BSEE in air quality, archaeological/cultural resources, benthic resources, fisheries, marine trash and debris, marine protected species, artificial reefs/"Rigs-to-Reefs," and water quality.

FY 2023 BUDGET JUSTIFICATION

Bureau of Safety and Environmental Enforcement

Operations, Safety and Regulation Activity

Table 4: Operations, Safety and Regulation Activity Budget Summary

Operations, Safety and Regulation	2021 Actual	2022 Annualized CR	Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2023 Request	Change from 2022 (+/-)
Operations, Safety and Regulation	**152,811**	**152,811**	**+3,484**	**-1,237**	**+15,885**	**170,943**	**+18,132**
FTE	*463*	*476*			*+41*	*517*	*+41*
Major Program IT Investments:							
Technical Information Management System (TIMS) [1/]	[12,574]	[16,362]			[+2,302]	[18,664]	[+2,302]

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

Summary of 2023 Program Changes for Operations, Safety and Regulation		
Request Component	**($000)**	**FTE**
Program Changes:		
Renewable Energy Research	+4,800	+3
Renewable Energy Program	+7,280	+38
Justice40 Initiative	+112	-
Cybersecurity	+1,200	-
Baseline Capacity	+2,493	-
TOTAL Program Changes	**+15,885**	**+41**

The Operations, Safety and Regulation Activity funds OCS permit application reviews and process tracking, inspections of OCS facilities (including critical high-risk activities), offshore operator oil spill planning and preparedness compliance, investigations, enforcement, audit programs, annual operator performance reviews, oil and gas production level verifications, research supporting emerging technology analysis and activities, cybersecurity, standards and regulatory review activities, Department of the Interior renewable energy safety and environmental compliance efforts, and technical training.

BSEE is committed to ensuring its inspection program operates at the highest level of effectiveness, while continuously exploring opportunities to increase overall program efficiency through effective data analysis, business intelligence, various status and process management tools and utilizing an annual inspection strategy that includes Risk-Based Inspections (RBIs), as well as strengthening permitting

strategies. Funding in FY 2023 will allow BSEE to promote a robust culture of safety, while reducing risk in the offshore energy industry through inspections, permitting, incident and equipment failure investigations, data analytic tools and process development, regulatory development, enforcement, and cybersecurity program development.

Overall, the objective and scope of the BSEE RBI Program is to assist the Bureau in developing inspection tasks and techniques to enhance the Bureau's focus on offshore oil and gas facilities that exhibit distinguishing risk factors, which will minimize redundant inspection efforts and lower costs; shift the Bureau from a reactive to a proactive oversight regime; and implement a risk management tool.

BSEE will continue its efforts to engage with the offshore energy industries, and other stakeholders, to identify the appropriate safety initiatives to address or mitigate higher risk concerns. These initiatives will be designed to proactively prevent incidents from occurring and promote efficient and effective compliance based on critical analysis and the use of existing data. In collaboration with stakeholders, BSEE will update its policies, processes, and regulations to ensure that the financial and technical challenges of developing new technologies or implementing new control strategies are recognized and addressed in a manner that encourages safe OCS operations.

BSEE's responsibilities continue to expand to include new activities that address the changing landscape in offshore energy production and activities that support responsible environmental stewardship. This includes the expansion and changes that are occurring in traditional areas as the industry continues to drill and produce hydrocarbons in areas such as ultra-deep waters as well as shifting activities in older oil and gas fields to properly decommission existing infrastructure. Renewable energy efforts are emerging across the OCS including the installation of offshore wind farms in areas without much existing OCS infrastructure, such as the Atlantic basin. In addition, BSEE now has the responsibility, in partnership with BOEM, to develop a regulatory program for carbon capture, utilization, and sequestration (CCUS) on the OCS. Closing the regulatory and operational gaps that exist due to the unique challenges of the OCS is essential to ensure that regulation and operational oversight are effective, appropriate, and address the project lifecycle. BSEE will continue to pursue necessary personnel and program resources to support oil, gas, and renewable energy operations.

JUSTIFICATION OF 2023 PROGRAM CHANGES

The FY 2023 budget request for Operations, Safety and Regulation is $170.9 million and 517 FTE, a program change of +$15.9 million and +41 FTE from the FY 2022 Annualized CR.

Renewable Energy Research ($4,800; +3 FTE): BSEE is requesting $4.8 million and 3 FTE in FY 2023 to support renewable energy research. BSEE is responsible for initiating, supporting, and promoting science-based research to fulfill the Bureau's mission through the identification and evaluation of critical energy equipment and technology to reduce risk, support safe operations, and promote environmental stewardship on the OCS. These additional FTE are necessary to ensure that BSEE can effectively manage the planned increase in renewable energy related research projects in support of the Administration's focus on climate change.

Research is an essential component of the evaluation and decision-making process and is essential to shaping appropriate regulatory policy and practices within emerging programs. As renewable energy continues to rapidly expand along the Atlantic Coast, BSEE's renewable energy research will play a crucial role in ensuring that national policies are scientifically sound and robust. Research outcomes in the three primary areas of risk identification and reduction, technology development, and policy will support BSEE and DOI in the promotion and development of safer and more reliable technology, increase the Bureau's ability to analyze and provide solutions to systemic problems, provide leadership with factual data for decision-making, and identify and resolve potential safety issues before incidents occur.

In addition to meeting new and innovative renewable energy research requirements, expansion of traditional oil and gas research topics include areas critical to renewable energy such as turbine foundation structural health monitoring, digital twin technologies, advanced fire protection systems, remote inspection, and maintenance technologies. Potential benefits for expanded research in these areas includes, but is not limited to, providing tangible information to guide predictive maintenance and decision-making for optimal offshore wind turbine asset management.

Renewable Energy Program (+$7,280; +38 FTE): The requested program change will fund the second phase of BSEE's Renewable Energy Program buildout by expanding upon the funding requested in FY 2022. Staffing will include engineers of multiple disciplines, inspectors, safety specialists, enforcement staff, and policy and program development staff. The Renewable Energy Program staffing plan presents a phased approach aligned with the expected near-term offshore wind development projects along the Atlantic Coast and accelerated leasing in the Atlantic and the Pacific.

Funding will support continued development of processes to effectively review and monitor safety management systems and build data analytic capability to assess the highly automated offshore wind industry. The requested FTE will enable timely and rigorous industry plan/permit reviews and demonstrates BSEE's commitment and leadership in driving safety performance and protecting environmental, cultural, and biological resources on the OCS.

The Department has issued 18 offshore wind commercial leases in the Atlantic and has approved two projects as of November 2021. It is expected that at least 16 Construction and Operations Plans for Atlantic commercial offshore wind energy facilities will be reviewed by 2025, representing more than 22 gigawatts (GW) of clean energy for the Nation. The Department has developed a new leasing path to help the Administration achieve its 30 GW of offshore wind by 2030 goal, which includes up to 7 new offshore lease sales by 2025 in areas such as the Gulf of Maine, New York Bight and Central Atlantic, the Carolinas, California, Oregon, and the Gulf of Mexico.

The Administration's prioritization of renewable energy, as well as the recent increase in private sector activities, indicates a need for the agency to plan for increased responsibilities in managing this rapidly growing sector. Robust technical reviews may be the single most impactful process for safety that BSEE performs over the next 5 years, as project submissions accelerate. For example, the number of technical reviews has grown from 18 in FY 2016 to 79 in FY 2021, which is roughly a 340 percent increase. BSEE will use the requested funding to define a consistent enforcement approach for renewable energy, develop agency guidance, manage the program, and work with offices within BSEE to ensure these processes are followed.

Justice40 Initiative (+$112; +0 FTE): The 2023 budget includes $4.0 million Department-wide, including $112,000 for BSEE, for dedicated staff resources to provide programmatic expertise, coordination, and outreach support to implement the Justice40 Initiative to increase environmental justice in Federal programs. Interior bureaus and offices are an important component of the Administration's objective for 40 percent of overall benefits of Federal investments that impact climate change and generate clean energy to be directed to disadvantaged communities. Interior has identified more than 50 programs with a budget totaling over $3.0 billion that contribute to this forward-thinking initiative. Funding in 2023 will be used to develop methodologies to identify and quantify the benefits of Justice40 programs, demonstrate how and where covered programs distribute benefits, and pursue strategies for maximizing the benefits to vulnerable communities in the future. Agencies will also pursue and document stakeholder engagement in the initiative.

Cybersecurity (+$1,200; +2 FTE): With almost all critical infrastructures operating in a digital environment, cybersecurity risks and vulnerabilities continue to increase with respect to energy activities on the Outer Continental Shelf. The requested program change will establish BSEE's Offshore Cybersecurity Safety Threats Effort and allow the Bureau to begin building a foundational capability to work with industry to decrease OCS operational technology (OT) cybersecurity risk. With this funding, BSEE intends in FY 2023 to work with DHS-CISA and other partners to program for voluntary Validated Architecture Design Reviews (VADR) based on federal and industry standards, guidelines, and OT best practices of OCS Energy Activities for which BSEE is responsible. A VADR is a cybersecurity infrastructure assessment based on federal and industry standards, guidelines and best practices of current regulated industry cybersecurity practices. BSEE intends to use VADRs to assess OT cybersecurity risk with the objectives of:

- Reducing risk to critical infrastructure components, such as OCS energy facilities and operations;
- Analyzing related OCS energy systems based on standards, guidelines, and best practices;
- Promoting effective defense-in-depth strategies; and
- Providing findings and practical mitigations for improving operational maturity and enhancing cybersecurity posture.

A critical factor as BSEE embarks on establishing an offshore cybersecurity safety threats effort will be a review of initial and projected efforts in this mission space over the next year, allowing the Bureau to further scope any future cybersecurity resources needs and identify programmatic efficiencies to ensure a decrease in cybersecurity risk and maximum programmatic/effort effectiveness in the years to come.

Maintain Baseline Capacity (+$2,493; +0 FTE): The 2023 budget includes important investments in programs needed to help strengthen America and increase competitiveness as the world continues to change. These investments include funding needed to maintain a strong, talented workforce and the core capacity needed to fulfill BSEE's mission. The budget includes $2.5 million in this activity, which reflects the incremental amount needed to cover the fixed costs associated with mission operations in FY 2022. This request in combination with the FY 2023 fixed costs amounts will allow the program to sustain core capacity and avoid impacts to ongoing program activities.

INTERNAL TRANSFERS

General Change in Base Appropriated Funding to Offset Offsetting Collections (-$2,745; 0 FTE): The proposed change to appropriated funding offsets the estimated decrease in rental receipt collections as discussed below as well as the estimated increase in inspection fee collections. Although offsetting revenue is set to change, 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 drill and produce in ultra-deep waters and operate in more hostile environments.

Changes in Offsetting Collections (-$5,785; 0 FTE): Rental Receipts are estimated to decrease by a total of $5.8 million based on the latest projections provided by BOEM. There are no programmatic changes associated with this shift.

Inspection Fees (+$7,293; +0 FTE): BSEE is proposing to change facility inspection fees from once-per-year to per-visit, as is currently done for offshore rigs. This new fee is estimated to generate approximately $7 million in additional inspection fee revenue. Facilities with good performance histories will benefit from this change, while facilities that have repeated safety and or environmental compliance issues will have further incentive to enhance their performance record, reducing the need for follow up-inspections.

PERFORMANCE OVERVIEW

Best Practices, Performance Requirements, and Regulation Development

The foundation of the BSEE oversight program is a set of best practices that govern numerous aspects of offshore energy operations, from engineering specifications and operating standards to encouraging and supporting the development of a strong OCS safety culture and continuing the work of the Bureau's enforcement program. BSEE will continually review these requirements and expectations, and update and revise them as necessary, to ensure they include the most effective practices for safety and environmental protection. BSEE will maintain its commitment to review and update regulatory requirements and facilitate regulation development in compliance with all applicable laws, statutes, and orders. BSEE will additionally focus on streamlining the incorporation of new and updated industry standards into regulations and will continue to coordinate its regulatory efforts with the USCG and other agencies to avoid unnecessary duplication and to maximize consistent and efficient OCS activities regulation.

In FY 2022 and into FY 2023, BSEE will continue to actively participate with external Standards Development Organizations (SDOs) in the development of new or revised standards for OCS safety and environmental protection consistent with the 1995 National Technology Transfer and Advancement Act. The activity objective is to optimize the use of national and international standards in regulations or project reviews, for safe and environmentally-sound OCS resources development; collaborate with SDOs to expedite the development of industry best practices; increase BSEE's knowledge and awareness of OCS oil, gas, and renewable energy standards development 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 continuous improvement of industry best

practices. For more information, please visit https://www.bsee.gov/what-we-do/offshore-regulatory-programs/regulations-standards.

Engineering Technology Assessment Center (ETAC)

In partnership with Bureau-wide subject matter experts, ETAC personnel research developing technology, collaborate with equipment manufacturers, academia, research laboratories, and support the standards development process with a focus on technology. In past fiscal years and into FY 2023 subject matter experts continue to play a key role in providing support to the Bureau on issues involving complex technology as well as conducting engagement efforts with oil, gas, and renewable industry stakeholders. The ETAC ensures that BSEE staff is available to participate in industry activities and to assist in the inspection of offshore facilities via visits to original equipment manufacturer offices, offshore operators, academia, and research facilities to enhance BSEE's visibility amongst its external stakeholders. Please visit https://www.bsee.gov/what-we-do/offshore-regulatory-programs/etac for information on study topics.

Assessing Probabilistic and Permitting Risk

BSEE and the National Aeronautics and Space Administration (NASA) are collaborating to apply probabilistic risk assessment (PRA) in the offshore energy industry to evaluate a challenging scenario. The goal of this BSEE-NASA collaboration activity is to evaluate PRA as a potential risk assessment tool for evaluating technology operations in frontier offshore environments. PRA is a quantitative risk assessment technique, initially developed within the nuclear energy industry, used by NASA to model risk for human spaceflight in major initiatives including the International Space Station and the Orion deep space exploration spacecraft. The technique enables identification and mitigation of low-probability sequences of events that can lead to high-consequence outcomes. BSEE believes this technique may have similar utility when applied to energy development operations in lesser-understood offshore environments, particularly for complex scenarios where quantification of risk is important for regional or national leadership decisions. This relationship will allow industry to continue the development of a standard assessment methodology in cases where it desires to submit PRAs for BSEE consideration. The efforts with NASA are especially for collaborating on safety, reliability, risk management, and engineering activities that are deemed to advance BSEE's mission by allowing BSEE and the industry to better define and interpret the risks associated with scenarios and ensure that any issues are identified and addressed early in the technology life cycle. Not every situation requires a quantitative approach; however, PRA is appropriate for complex engineering hardware that has critical human interaction and multiple pathways to catastrophic failure.

The foundation of safe OCS operations 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, including the FY 2018-2020 environmental analysis mandated by NEPA, BSEE continues working to focus permit review efforts on ensuring that review processes focus on areas of highest risk.

BSEE actively tracks permit reviews from a management oversight level with permit processing remaining relatively stable for almost all permitting categories. BSEE established control limits for these

processes and regularly tracks any anomalies early in the process to influence outcomes in a positive direction. Additionally, BSEE has identified the permit review areas with other agencies that impact permit timing and is working to influence a reduction in processing times for permits not under the Bureau's direct control. A cross-bureau committee on permitting statistics is actively engaged in this process of tracking efficiency and areas for improvement.

In FY 2023, BSEE will continue streamlining the review process and implementing new electronic permitting and reporting modules (ePermits) in BSEE's Technical Information Management System Web system (TIMSWeb). The ePermits modules allow BSEE to track and review the submission of permits, reports, and notifications and provide industry with access to monitor the review and approval/denial of their submissions. In FY 2023, BSEE will also continue incremental improvements to increase functionality to operators and BSEE's permit review personnel.

Energy Inspections, Investigations, and Risk Management

BSEE is committed to continually improving its inspection approach. In FY 2019, BSEE adopted a new inspection strategy and subsequently initiated its first Annual Inspection Plans. The team tasked with developing this strategy includes representatives from the regions as well as headquarters. They continue to identify and evaluate various approaches for inspecting a facility for safety and regulatory compliance as well as for assessing the effectiveness of the operators' internal procedures and management policies at maintaining a safe work environment using a hybrid of inspection techniques, risk assessment tools, and Safety and Environmental Management Systems (SEMS) processes or performance-based assessments. The team also regularly tracks the completed inspections against the targets in the annual inspection plan and reports performance to Senior BSEE Leadership enabling BSEE to quickly adjust inspection activities as necessary to ensure all goals are met. Having an RBI protocol as part of BSEE's strategy will move the Bureau further down the road toward safe and environmentally sustainable operations.

BSEE's performance-based SEMS Program, in collaboration with BSEE's Inspection Program, is the cornerstone in BSEE's progress toward a hybrid regulatory approach. SEMS focuses on driving the safety and environmental performance of OCS oil and gas operators and contractors through assessing the effectiveness of the operators' internal safety and environmental policies, programs, procedures, and behaviors. In conjunction with an RBI approach, SEMS seeks to measure both full compliance and the degree to which BSEE's regulatory expectations and intent are incorporated into the OCS workplace. The SEMS program has been modeled after international programs for quality, safety, and environmental management systems, BSEE's SEMS regulation incorporates by reference the 3rd edition of the American Petroleum Institute's Recommended Practice 75, issued March 2004. In FY 2021, BSEE began a process to evaluate the benefits of updating the regulation to now incorporate the recently published 4th edition, released December 2019. The 4th edition emphasizes human factors (such as situational awareness and operational discipline) as key elements for sustaining a safe workplace. Through adopting a SEMS program that aligns with their business model and company culture, operators will more effectively utilize their resources, design their safety initiatives to ensure effective implementation, and promote continuous and sustainable safety and environmental performance improvement. In 2020, a cross-functional, team-driven, safety improvement initiative was established to improve the safety performance of offshore lifting activities. This BSEE-led initiative incorporates many aspects of SEMS related to human factors including safe work procedures and risk recognition to promote opportunities to raise awareness and

communications around work plans and decision making. One such example is the exploration of opportunities to strengthen training and supervisory oversight of crane operations. This collaboration between BSEE and industry represents a new safety improvement approach which can serve as a model for driving safety performance in high-risk activities or areas.

Implementing an inspection strategy that allows the Bureau to direct resources toward the riskiest facilities and safety components is a key goal for BSEE. Planning the inspections, facility selection, and the inspection criteria for verification and validation are essential to a successful program. Inspection planning utilizes information from third party SEMS audits, annual compliance inspections, and lessons learned from BSEE's incident investigations or industry-led incident investigations to identify safety trends and concerns. RBIs, conducted by multi-disciplinary teams consisting of engineers and inspectors, include both a compliance review and performance and risks of comprehensive safety audits. These inspections evaluate facilities with a focus on the safety critical equipment operation and maintenance; SEMS implementation and effectiveness; proper contractor oversight; and adequate training and safety awareness.

The collection and analysis of industry-wide safety data plays a critical role in the identification and mitigation of safety issues. BSEE continues to work with industry to encourage the collection, analysis, and dissemination of critical safety data, issues, and trends across the industry. For example, the BSEE-funded SafeOCS Program, which is a partnership with BTS, collects near-miss, safety, and equipment component failure system data from OCS operators and contractors to identify gaps and closes those gaps through risk management of blowout prevention equipment, well control equipment, and safety and pollution prevention equipment. The voluntary near-miss data that is collected is analyzed by subject matter experts and presented to the public, the Bureau, and industry in an easily digestible format. BSEE also uses BTS because the Confidential Information Protection and Statistic Efficiency Act (CIPSEA) affords protection of data supplied to BTS for both its voluntary and non-voluntary programs. With CIPSEA protection, greater confidence is extended to industry submitters to promote more detailed reporting on safety, near miss, and equipment failures. To see the greatest benefit, maximum participation among operators is paramount. Therefore, BSEE undertook change initiatives to improve the rate of participation for the voluntary safety data and near miss reporting program, so that now 85 percent of offshore production is represented; in 2021 this now totals 24 companies, 8 of which have executed Memoranda of Agreement.

BSEE will continue to work closely with the International Association of Drilling Contractors, the Offshore Operators Committee, the Center for Offshore Safety, the operators, and critical service providers to develop, maintain, and improve the framework for OCS data collection, analysis, and reporting. BSEE is also working with industry groups such as the International Association of Oil and Gas Producers and other international regulators to develop an international system for collecting and reporting this type of data. An international program will assist operators by providing consistent reporting protocols across all jurisdictions and by providing access to a robust safety database.

Under OCSLA, BSEE is required to conduct investigations and prepare an investigation report for each major incident associated with OCS activities. Every OCS incident receives review and an appropriate level of investigation, when warranted. 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 Part 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.

Section 40307 of the Infrastructure Investment and Jobs Act (IIJA) amended OCSLA and authorized DOI to administer leases, easements, and rights-of-way on submerged federal lands for geologic sequestration (i.e., storage) of carbon dioxide. This new law also requires DOI to promulgate implementing regulations within one year of the law's enactment. BSEE is partnering with BOEM to develop new regulations and build a fully-formed program for carbon sequestration on the OCS. BOEM will be responsible for leasing, assessing the broader environmental impact of carbon capture, utilization, and sequestration (CCUS), and other components of a CCUS program, while BSEE will be responsible for the activities related to installation, operations, inspections, emergency response plans, and decommissioning, among other roles. In FY 2022 BSEE and BOEM will focus on the development of a regulation to address the IIJA requirement and begin long term planning for how to meet Administration and Departmental CCUS goals.

As a result of incident investigation report recommendations and other inspections and enforcement activities, BSEE publishes Safety Alerts to inform the offshore energy 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. In FY 2019, BSEE launched a safety initiative to bring critical safety information directly to OCS offshore workers. The BSEE!Safe Program uses text messaging notification technology to send links for its published Safety Alerts and Bulletins, a tool used to inform the offshore oil and gas industry of the circumstances surrounding an incident or near miss. The alerts and bulletins also contain recommendations to help prevent the recurrence of such an OCS incident. BSEE!Safe notifications supplement the long-standing practice of issuing Safety Alerts and Bulletins sharing lessons learned and recommendations from incidents and near misses with industry representatives. BSEE!Safe is part of the Bureau's New Era of Management strategy to supplement regulation with innovative and collaborative programs, expanding the available methods for driving safety performance and environmental stewardship improvements. As of January 2022, there are more than 7,500 subscribers to this safety messaging service. 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.

In addition, BSEE developed guidelines for its inspectors called the National Potential Incidents of Noncompliance (PINC) List, with each PINC correlating to a specific regulation or a set of related regulatory requirements. For each PINC, BSEE inspectors can issue a corresponding Incidents of Noncompliance (INCs) to document and notify operators if they have violated regulations. BSEE conducts analysis of INCs issued to gauge operator performance and identify more systemic issues that occur on the OCS. The National PINC List also includes some "catch all" PINCs with the General PINC category to address unsafe working conditions or equipment and other miscellaneous hazards. To conduct further analysis of the General PINC category and G-INCs issued, BSEE leadership has awarded a contract to perform an in-depth analysis into how the General category of INCs is being applied in the field. A greater analysis into G-INCs will help the agency better identify specific risks.

BSEE's Risk Analysis Committee (RAC) annually reviews targeted offshore operations to identify process safety exposures, regulatory program gaps, and quantify risk. With FY 2023 funds, the RAC will utilize findings from BSEE's ongoing activities that analyze incidents, events, safety data, and non-compliance information for trends and relationships to identify causal factors and conditions that give rise to safety concerns and offer insights for safety improvements.

Supporting the RAC is BSEE's establishment of the Safety Performance Enhanced by Analytical Review (SPEAR) Program. The Program's goal is to surface new data analytic tools and strategic Bureau-wide processes to enable BSEE subject matter experts throughout the organization to thoroughly analyze data and other pieces of information to identify current and emerging safety and environmental hazards related to energy operations on the OCS. In FY 2021, the SPEAR Program pursued an interagency agreement with the NASA Advanced Supercomputing Division for the purpose of collaborating on the assessment of machine learning techniques and tools for use in helping BSEE determine precursors to significant incidents on the OCS. The SPEAR Program intends to continue this collaborative agreement in FY 2022 and FY 2023. Additionally, in FY 2023, the SPEAR Program will continue to: (1) explore the potential use of advanced data analytic tools to support the aforementioned processes; and (2) establish a world class approach to analyzing and communicating data and information throughout the Bureau and to external stakeholders, as the need may arise.

Technical Training

The Bureau supports training and other efforts aimed at field personnel, inspectors, engineers, and geoscientists to ensure that staff have the tools needed to streamline permitting, while at the same time promoting responsible energy development. These programs will provide the most up-to-date training available to address the technological advances to which the Bureau's workforce is exposed and utilize new and emerging tools available to them.

The Bureau's National Offshore Training Center provides comprehensive, multi-tiered, professional development opportunities for BSEE inspectors, engineers, and scientists to assist in providing safe and environmentally sound offshore operations. The training program 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 and renewable energy operations. The more than 50 courses are taught by renowned subject matter experts to ensure continued education and development that enhances professional competence/skills development and personal satisfaction.

Conventional Energy Program Compliance

An essential part of any regulatory program is the provision of compliance assistance and enforcement in cases where there is a failure to comply with safety and environmental regulations. BSEE employs several tools, including issuance of INCs, civil 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 to address recurring safety and environmental concerns.

Through the identification and quantification of risk, BSEE actively seeks to identify key leading and lagging indicators while also developing a better gauge of operator effectiveness in employing redundant physical controls (barrier analysis). Using data and trend analysis to identify higher-risk operations and facilities, BSEE focuses inspection resources on these targets as a supplement to BSEE's existing schedule of inspections on production facilities and active drilling operations. In CY 2020, BSEE conducted Performance Based Risk Inspections (PBRI) (Real Time Monitoring, Pandemic Mitigation, Hurricane Preparedness, and Subsea Leak Detection) on a total of 24 operators on the OCS of the Gulf of Mexico. Due to the findings of these inspections, BSEE published three Safety Alerts (No. 401, 403, 407) with 36 recommendations to improve performance. As a result of the Real Time Monitoring PBRI, BSEE met with industry subcommittees to address gaps and is in the process of releasing an NTL to clarify regulations. BSEE also conducted three Facility Based Risk Inspections. The Bureau is actively deploying this risk-based methodology which (when combined with findings from the annual inspection program, trends identified in the third-party SEMS audits, and the SafeOCS Program) will enable BSEE to effectively focus its attention in the areas or operations and safety barriers which pose the greatest risk to safe operations.

In implementing the compliance and enforcement program, BSEE is guided by safety and environmental protection performance goals related to the Strategic Plan to advance the Bureau's mission. The program strives to improve its functions by promoting a culture of professionalism throughout the workforce and establishing consistent, transparent, and clear processes that will guide the implementation of program initiatives.

Conservation Management

As a steward of the Nation's OCS oil, gas, and mineral resources, BSEE must provide for the conservation of these natural resources by preventing waste and ensuring complete 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. Conservation is accomplished through effective monitoring of development and production activities on the OCS and robust enforcement of regulations that require operators to produce oil and gas reservoirs using methods that avoid waste and maximize the recovery of these natural resources while the infrastructure to develop them is in place. This also minimizes the human footprint needed to develop the resources. These efforts play an essential role in the effective management of properties located in the OCS, 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 to promote conservation. In FY 2020, BSEE and the BOEM issued a joint research report, "*Gulf of Mexico Data and Analysis/Leasing, Drilling and Production, Gulf of Mexico Shallow Water Potential Stranded Assets,*" which evaluated the contributing factors for the decline in shallow water production.

Production Measurement and Verification

Oil production in the Gulf of Mexico increased from 1.1 million barrels per day (MMBopd) in June 2013 to nearly 1.8 MMBopd in November 2021. This increase in oil production was accomplished by drilling and completion work from platform and floating drilling rigs in support of both new and existing production facilities for deepwater projects. In coordination with the Office of Natural Resources

Revenue, BSEE's specially trained production measurement inspection team will continue to ensure that production volumes are accurately measured and reported for the assessment of royalties returned to the American people. BSEE's measurement approval, verification, and inspection responsibilities help validate the collection of billions of dollars in royalties from offshore oil and gas resources each year.

Emerging Technologies and Research

BSEE initiates, supports, and promotes science-based research to fulfill the Bureau's mission. BSEE identifies and evaluates critical equipment and technology to reduce risk, support safe operations, and promote environmental stewardship on the OCS. Detailed technology and equipment evaluations include those that impact the utilization and reliability of safety-critical components, equipment, and systems. BSEE performs technical assessments, performs detailed risk evaluation, and conducts research on both new and existing technologies to determine feasibility, investigate potential utilization risks, and identify regulatory gaps related to their use. These activities help identify and resolve potential safety issues before incidents occur and ensure that existing and emerging technologies can be reviewed and approved. For example, BSEE is investigating the use of Autonomous Unmanned Vehicles (AUVs) for conducting safety-critical operations. AUVs are self-propelled vehicles that navigate 3-dimensional missions for extended periods. AUVs may be used to inspect oil and gas infrastructure along the seafloor and fixed and floating facilities located hundreds of miles offshore in water depths of 8000^{+} feet. AUVs can operate 365 days a year, are invulnerable to inclement weather, inspect traditionally inaccessible locations, and remove the risk of harm to personnel. AUVs could potentially allow access to previously inaccessible or difficult spaces where equipment failure could result in a significant event. Utilization examples may include early indications of pipeline corrosion, structural fatigue, and subsurface broaching (e.g., small methane bubbles outside a wellhead). BSEE continues to support research on the long-term and short-term Arctic Ice movement trends. The study allows for navigable Arctic water predictions. Reliable prediction of ice movement benefits numerous industries beyond oil and gas; long-term and short-term Arctic Ice movement predictability are essential for emergency response readiness, Arctic commerce, and national defense. Climate change trend data and direct environmental observation of new ice and old ice movement are critical inputs to trend prediction. BSEE's System Reliability technical assessment of subsea bolts and connectors has resulted in significant improvements in industry standards and manufacturing practices. BSEE continues to be actively involved in bolting activities in efforts to identify gaps and reduce risk.

Future BSEE research expands beyond traditional oil and gas activities. Expanded research includes renewable energy topics, such as turbine foundation structural health monitoring, floating turbine design and stabilization, digital twin technologies, advanced fire protection systems, remote inspection, and maintenance technologies that would provide tangible information to guide predictive maintenance and decision-making for optimal offshore wind turbine asset management. BSEE is also potentially pursuing operational studies focused on unmanned facility inspection optimization processes, Safety Management System (SMS) robustness, offshore wind health safety and environment (HSE) practices and training to help ensure safe and orderly offshore development as this U.S. wind industry grows.

In FY 2022, BSEE executed technical contracts that focus on both renewable energy and traditional oil and gas operations. Renewable efforts are focused on offshore wind fire protection systems, remote inspection technologies, self-inspection programs, structural monitoring, and a contract regarding HSE

and training best practices, built within robust SMSs, that promote the health and safety of both people and the environment. Oil and gas efforts include investment in research focused on reducing overall risk such as critical system and barrier management assessments, well integrity assurance projects, advanced blowout response tools, and well construction. In FY 2023, the focus for renewables includes research in structural health monitoring, inspection programs, site clearance, and methods for optimizing efficiency for the Atlantic metocean conditions as essential areas of focus for the continued advancement of the renewable program. For oil and gas, the focus will continue to be pursuing risk-reducing research. Additionally, research topics will cover life extension for offshore structures, carbon reduction technologies, remote inspections, and risk categorization and evaluation. Products of the Bureau's technology assessments and collaborations are posted at: https://www.bsee.gov/what-we-do/research/tcp.

Best Available and Safest Technology (BAST)

Section 21(b) of OCSLA states, "on all new drilling and production operations and, wherever practicable, on existing operations, the use of the best available and safest technologies which the Secretary determines to be economically feasible, wherever failure of equipment would have a significant effect on safety, health, or the environment, except where the Secretary determines that the incremental benefits are clearly insufficient to justify the incremental costs of utilizing such technologies." In FY 2020, BSEE focused the initiative to target critical equipment used to prevent or mitigate a high consequence event. This process identifies and analyzes critical safety equipment used on the OCS and evaluates the regulatory requirements to determine regulatory gaps and potential closure actions. This evaluation process will be done on an annual basis and will ensure that risks involved in low-probability high-consequence events are properly mitigated using BAST. This is an example of how the implementation of the OCSLA BAST statutory requirement can be operationalized to identify and reduce risk. More information on the BAST process can be found at: https://www.bsee.gov/what-we-do/offshore-regulatory-programs/emerging-technologies/BAST.

Renewable Energy Safety and Environmental Compliance

In coordination with BOEM, BSEE supports the Executive Order that calls on our Nation to build a new American infrastructure and clean energy economy that will create millions of new jobs. In December 2020, Department leadership directed the transfer of the safety and environmental oversight and compliance functions, including inspection and enforcement, for the Department's offshore renewable energy program from BOEM to BSEE. Also in December 2020, BSEE and BOEM agreed to a framework for coordination in regulating renewable energy activities on the OCS. The Memorandum of Agreement clarifies the Bureaus' roles and responsibilities and promotes the efficient use of resources to enhance the Nation's renewable energy production.

The Administration recognizes that a thriving offshore wind industry will drive new jobs and economic opportunity up and down the Atlantic Coast, in the Gulf of Mexico, and in Pacific waters. The industry will also spawn new supply chains that stretch into America's heartland, as illustrated by the 10,000 tons of domestic steel that workers in Alabama and West Virginia are supplying to a Texas shipyard where Dominion Energy is building the Nation's first Jones Act compliant wind turbine installation vessel. However, achieving these benefits is not risk free. The Global Offshore Wind Health and Safety Organization reported a total recordable injury rate of 3.75 injuries per 1 million hours worked in 2020.

By comparison, the FY 2019 recordable injury rate for the U.S. offshore oil and gas industry was 2.80 injuries per million hours worked and 2.90 injuries per million hours worked in FY 2020. A commitment to job creation as this industry rapidly develops must include a commitment to ensuring those jobs are safe. BSEE's current projection of the number of workers offshore to develop 30 gigawatts of offshore wind energy could approach 53,000 by 2030.

In anticipation of large-scale development of offshore wind energy on the OCS, BSEE is preparing to take on new responsibilities with respect to renewable energy workplace and process safety management, environmental protection, and decommissioning and site restoration as well as assume safety and environmental enforcement operational functions for Federal OCS offshore renewable energy development. Working collaboratively with BOEM, BSEE has initiated work on the safety and environmental enforcement operational functions necessary for DOI's renewable energy program. This includes oversight of project SMSs which in turn promotes the safety of operations, safety, and environmental compliance, including enforcement of regulations and lease terms, incident reporting and investigations, and oversight of the industry inspection plans required by DOI's renewable energy regulations. Health, safety, and environmental (HSE) guidelines are being drafted to establish, along with an SMS framework, a solid, performance-based foundation that will support the design, operation, and decommissioning of offshore wind facilities.

BSEE currently utilizes an interdisciplinary team of technical and policy experts to conduct technical plan reviews and develop policies and procedures to ensure workplace safety and environmentally responsible offshore renewable energy development. In FY 2021, BSEE reviewed 79 renewable energy plans/permits/reports. BSEE subject matter experts are actively involved in the development of consensus U.S. design standards for offshore wind turbines and standards working groups to address offshore workplace occupational safety and worker training.

Funding in FY 2023 is critical for BSEE to establish core foundational functions to support the development of a safe, robust, and environmentally responsible offshore wind industry in the United States. The funding will enable timely and rigorous industry plan reviews, initiate a robust compliance assurance program, and demonstrate BSEE's commitment and leadership in driving safety performance in the offshore wind industry. BSEE will also be better positioned to garner cooperation from other Federal Agencies given mandated permitting timelines and differing priorities, mandates, and attitudes towards offshore wind development. DOI's performance-based regulatory approach provides the offshore wind industry with flexibility to adopt appropriate existing U.S. and/or international standards and best practices to ensure worker safety and health. BSEE will adopt its risk assessment strategies and data analytics capabilities developed for the conventional energy program to address the hazards unique to worker health and safety on wind farms, and to drive safety performance and environmental compliance as this industry provides safe and reliable offshore wind facilities to serve the U.S. electric supply.

Information Technology (IT) and Data Stewardship

BSEE has been working to develop and maintain 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, and make data available to the public in an accessible way while protecting privacy, proprietary information, and confidential business information. To enhance the Bureau's capabilities, BSEE has deployed eWell to

all Regions. During FY 2018, BSEE expanded eInspections functionality to include both platforms and rigs and deployed the ePermits 1.0 system. In FY 2022 and FY 2023, BSEE will continue working with industry to promote wider use of ePermits for the submission of industry Oil Spill Response Plans (OSRPs) to BSEE.

BSEE has incorporated the implementation of the Business Intelligence (BI) Tool to include the construction of an integrated BI environment, including software and hardware components that consolidate data from a broad spectrum of data repositories. The first phase of BI has been implemented into the production environment, which includes the data queries associated with BSEE reports around production and inspection information. The next phase focused on queries for tracking BSEE's internal Vital Statistics Program, which assesses key data points to better inform program activities and decisions. 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 will continue to work within DOI and with Federal partners throughout FY 2022 and FY 2023 to promote the development and implementation of effective cybersecurity and infrastructure security on the offshore assets it regulates, with a particular focus on Industrial Control System security and program resource build out to support the development, implementation, and sustainment of a program that will reduce OCS cybersecurity risk.

Human Capital Management

Critical to meeting BSEE's mission goals is the ability to recruit, develop, and retain a diverse workforce that is accountable, competent, and engaged. BSEE competes directly with industry, which can offer a higher salary structure, when recruiting for mission critical engineering, geoscientist, and inspector positions. To be more competitive, BSEE has taken several steps over the past several years to include obtaining special pay authorization for mission critical occupations, expanding the use of recruitment incentives, and executing a concerted hiring initiative focused on filling key vacancies. As a result of these efforts, BSEE now has the expertise and staffing levels to fully implement its mission. However, the Bureau expects that as competition within industry increases, it will again become difficult to recruit and retain highly qualified staff. To mitigate the risk of key staff losses, BSEE will continue to utilize all hiring and compensation flexibilities including recruitment and retention bonuses and student loan repayments. BSEE also plans to dedicate significant training resources to expand the skills of its workforce as well as focusing efforts to expand its employee engagement activities. In addition, in FY 2023 BSEE will continue to focus on expanding the development of its Human Capital Operating Plan that aligns with DOI's Goal of *Building a 21st Century Workforce*, as well as BSEE's strategic vision to "sustain an accountable, competent and engaged workforce".

In response to the Bureau's growing need for inspector and engineering training to ensure that staff stays current with new technology and inspection techniques, BSEE continues to evolve its training programs through continual assessments of its programs. Furthermore, BSEE will focus on expanding the

competency models of the mission critical positions to ensure training is modeled around developing key competencies.

Oil Spill Preparedness Verification (PV)

BSEE maintains its commitment to environmental stewardship and the responsible use and protection of the natural environment through conservation, enforcement, and sustainable practices. By ensuring offshore facility owners and operators meet the oil spill response preparedness standards set forth by the CWA, OPA 90, and 30 CFR Part 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 the key tool to assure the American public that offshore energy exploration and production fosters environmental stewardship. BSEE approves OSRPs when an offshore facility has demonstrated the ability to respond to a worst-case discharge quickly and effectively to the maximum extent practicable.

BSEE employs and monitors exercises to enable 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. Additionally, BSEE manages the compliance process for monitoring the preparedness and readiness levels of oil spill response equipment owned, or contracted, by offshore facility owners and operators. Therefore, BSEE personnel periodically verify and ensure that equipment listed within the OSRP is properly maintained, ready to be operated, and performs as specified by the manufacturer.

In FY 2023, BSEE will conduct its OSRP reviews, response equipment inspections, and exercise and training audits on renewable energy facilities as they reach the installation and operation stages in their development. Additionally, BSEE will continue efforts begun in FY 2020 to promote oil spill preparedness for offshore renewable energy facilities. Renewable energy facilities present their own unique oil pollution issues based on their construction and operations. Consequently, BSEE is working with BOEM and USCG-led Area Committees and Regional Response Teams with renewable energy lease jurisdictions to ensure contingency plans incorporate appropriate oil spill preparedness measures. In FY 2022 and FY 2023, BSEE will continue its efforts with owners and operators, co- and prior-lessees responsible for decommissioning, decommissioning contractors, and the USCG to ensure that the government and all potential responsible parties are prepared to respond to discharges that could occur from decommissioning activities.

Bureau of Safety and Environmental Enforcement

Administrative Operations Activity

Table 5: Administrative Operations Activity Budget Summary

Administrative Operations	2021 Actual	2022 Annualized CR	Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2023 Request	Change from 2022 (+/-)
Administrative Operations	**18,150**	**18,150**	**+550**	**-**	**+1,792**	**20,492**	**+2,342**
FTE	*191*	*247*	*-*	*-*	*+1*	*248*	*+1*

Summary of 2023 Program Changes for Administrative Operations

Request Component	($000)	FTE
Program Changes:		
Zero Emission Vehicles	+1,192	-
Diversity, Equity, Inclusion, and Accessibility Initiative	+200	+1
Baseline Capacity	+400	-
TOTAL Program Changes	**+1,792**	**+1**

The Administrative Operations Activity funds the full suite of administrative services for BSEE. This includes Finance, Procurement, Human Resources, Information Technology and Data, Equal Employment Opportunity, Management Support, Freedom of Information Act, and Records and Directives. In addition, BSEE's Office of Administration provides a full suite of administrative services to BOEM, and on a more limited basis, services to other clients, such as the Office of the Secretary and the Office of Natural Resources Revenue (ONRR), on a reimbursable basis.

BSEE's Office of Administration, in partnership with clients it supports, is continually working to advance its administrative support posture to improve services and provide the Bureaus' programs with the tools needed to meet mission requirements effectively. The Office of Administration will continue to establish best practices and enhance efficiencies using funding to meet targeted administrative initiatives including human capital, data stewardship, and records management.

BSEE is committed to maintaining a diverse workforce that is accountable, competent, engaged, and held to a high standard of integrity. BSEE upholds this standard through commitments to ethics, accountability, training, professional development, and mutual respect and recognition between the Bureau's regions and headquarters.

JUSTIFICATION OF 2023 PROGRAM CHANGES

The FY 2023 budget request for Administrative Operations is $20.5 million and 248 FTE, a program change of +$1.8 million and +1 FTE from the FY 2022 Annualized CR.

Zero Emission Vehicles (ZEVs) and Charging Infrastructure (+$1,192; +0 FTE): In support of the President's goal of transitioning to a fully Zero Emission Vehicle Federal fleet, the BSEE budget includes $1.2 million for zero emission vehicle (ZEV - battery electric, plug-in electric hybrid, and hydrogen fuel cell vehicles) acquisitions and deploying necessary vehicle charging and refueling infrastructure. These acquisitions are a significant step towards eliminating tailpipe emissions of greenhouse gases (GHG) from the BSEE fleet and aligning BSEE's fleet operations with the goal of achieving a fully ZEV Federal fleet. This action is important because tailpipe emissions are currently the leading source of GHG emissions that threaten the planet and harm U.S. communities.

The BSEE ZEV acquisitions may include vehicles for both its agency-owned and GSA-leased segments of its vehicle fleet, including incremental costs of leased vehicles and lease payments to GSA for conversion of agency-owned vehicles to GSA's leased fleet where appropriate. To ensure effective and efficient deployment of ZEVs, BSEE will undertake preparation and planning for arriving ZEVs at its facilities, properly prioritizing transition to ZEVs where it is simplest and allow time for additional planning where mission demands pose a challenge to transitioning based on current technologies. Integral to this preparation is growth in the number of agency-accessible re-fueling points (vehicle charging stations). In installing this infrastructure on-site to support acquired ZEVs, BSEE will take the long-term view to ensure efficiencies and thereby ensure wise infrastructure decisions that limit total expenditures. Using its experienced personnel and lessons learned in the fleet arena, BSEE will undertake a process that relies on a cross-functional team of staff from fleets, operations, facilities, finance, and acquisition departments with executive leadership support. The collaboration will not stop with initial deployment, as the BSEE fleet and facility managers will work closely and employ existing training and tools to control utility costs by managing the overall charging load and thereby ensuring a seamless operation that now will involve building systems and vehicles together. Further, BSEE will ensure proper training of personnel to address any initial shortcomings in terms of any necessary ZEV knowledge and operations as the advanced vehicle technologies roll into the BSEE fleet.

Diversity, Equity, Inclusion, and Accessibility Initiative (+$200; +1 FTE): The BSEE budget includes $200,000 as part of a Departmentwide Diversity, Equity, Inclusion, and Accessibility budget initiative to address identified high-priority needs in support of Executive Order 13985, Advancing Racial Equity and Support for Underserved Communities Through the Federal Government, and Executive Order 13988, Preventing and Combating Discrimination on the Basis of Gender Identity and Sexual Orientation. As part of this initiative, the Department, bureaus, and offices will jointly conduct a review of the Diversity, Equity, Inclusion, and Accessibility program across Interior to identify gaps, challenges, and best practices and to examine Department and bureau roles, responsibilities, and governance.

Maintain Baseline Capacity (+$400; +0 FTE): The 2023 budget includes important investments in programs needed to help strengthen America and increase competitiveness as the world continues to change. These investments include funding needed to maintain a strong, talented workforce and core capacity needed to fulfill BSEE's mission. The budget includes $400,000 in this activity, which reflects the incremental amount needed to cover the fixed costs associated with mission operations in FY 2022. This request in combination with the FY 2023 fixed costs amounts will allow the program to sustain core capacity and avoid impacts to ongoing program activities.

PROGRAM OVERVIEW

Acquisition Management Division (AMD):

By collaborating with its customer organizations, AMD creates quality business solutions that help to accomplish the mission goals of clients. AMD is responsible for the execution and administration of BSEE and BOEM contracts and financial assistance agreements. 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. They also manage the Small and Disadvantaged Business Utilization and Development program maximizing 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):

EEOD develops, monitors, and operates the EEO program for BSEE and BOEM in compliance with Title VII of the Civil Rights Act of 1964, as amended; the Equal Pay Act of 1963; the Age Discrimination in Employment Act of 1967, as amended; Section 501 and 505 of the Rehabilitation Act of 1973, as amended; Title II of the Genetic Information Nondiscrimination Act of 2008; 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, employees, and applicants for employment 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 the Bureaus. In addition, the Division also provides EEO counseling and mediation services, as well as formal EEO complaint processing.

Finance Division (FD)

The FD provides a full range of accounting and financial management services to BSEE and BOEM. These services include processing commercial and intergovernmental payments, auditing travel payments, collecting fees and administrative debts, preparing financial reporting requirements, and maintaining

financial systems and tools that support these functions. The Division is the primary Bureau audit liaison for the Chief Financial Officer audit as conducted by an independent audit firm with oversight from the Department's Office of Inspector General. The FD administers the travel line of the BSEE and BOEM charge card programs and maintains the program of internal controls over financial reporting. In addition, the FD develops and implements financial policies, procedures, and guidelines and provides advice and guidance related to financial matters. The Division liaises with Departmental policy offices, including the Office of Financial Management and the Office of Acquisition and Property Management, and other Federal agencies. It also coordinates with BSEE's and BOEM'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.

Human Resources Division (HRD)

The HRD develops and implements policies, procedures, guidelines, and standards relating to general personnel management, recruitment and employment, position management and classification, employee relations, employee benefits, incentive awards program, retirement, and employee development. Work includes performing all operational personnel services for BSEE, BOEM, and other client organizations and providing assistance and guidance related to personnel matters for all regional and field installations.

Additionally, the HRD works on several strategic human capital initiatives for the Bureau, including partnering with Office Heads and Regional Directors on workforce and succession planning efforts. The Division also manages human capital analytics, including the Vital Statistics on Human Capital published quarterly. The HRD provides a robust Leadership Development Program for all workforce levels through formal and informal programs. They have an engagement strategy for new employees from their first day through their first year. The HRD also handles the Federal Employee Viewpoint Survey administration, analysis of results, and any targeted focus groups or action planning needed. The HRD also offers various facilitation services, including meeting facilitation, certified facilitation, focus groups, organization development, and action planning.

BSEE'S HRD has a strong presence in several relevant DOI workgroups, communities of practice, councils, and boards, contributing to various Personnel Bulletins and Departmental Manuals. Recognized by the Department for several best practices in staffing, BSEE HRD has partnered with the Department on administering internal accountability reviews across DOI's HRD offices. The HRD provides all Executive Resources services for all levels of SES and Political Appointees in the DOI Office of the Secretary.

Management Support Division (MSD)

The MSD provides a full suite of management support services including organizational management, budget, occupational safety and health, physical security, emergency management, personnel security, and support services to BOEM and BSEE.

Organizational management includes delegations of authority, directives management, program management, providing high-level administrative support, and management and organization analysis activities. The MSD is responsible for planning, formulating, and executing the Office of Administration budget and coordinates the processing of Administration's inter/intra-agency agreements.

The MSD manages the joint BSEE/BOEM Safety and Occupational Health Program, including the development and coordination of safety program policies, directives, and alternate or supplemental standards and guidelines. To ensure the security of employees in all BSEE facilities the MSD provides oversight and expertise on physical security requirements ensuring compliance with Federal and Department policies, guidelines, and directives. The Bureaus' emergency management program is managed by MSD. This includes the Continuity of Operations Plan to ensure mission critical functions continue during times of emergency or catastrophic events. The MSD 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.

Support Services Branch (SSB)

The SSB is responsible for providing day-to-day facility and support services to the BOEM and BSEE Directors, program managers, and employees. The SSB performs printing and publications activity, space management, and graphics services. The SSB 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 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. The TSD clearly defines the IT needs of the Bureaus' mission and enterprise services 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. The TSD is undertaking a long-term modernization effort for TIMS. This modernization is following a four-phased approach led by government FTEs in partnership with the service contract partner. Ongoing efforts include development of a Modernization Business Case, a 5-year Modernization Roadmap and Strategic Plan, and establishment of an Integrated Project Team to support identified tasks.

In support of the strategic goals of each Bureau and ONRR, the TSD continues to collaborate with its customer base to redesign its information and knowledge management tools, and enhance the collection, standardization, accuracy, completeness, consistency, and storage of data. These efforts will increase the Bureaus' ability to collaborate across current process and software divisions. 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, the TSD has developed an extensive Geographic Information System 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. It also provides 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 Chief Information Officer 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.

The TSD also 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 an overall data architecture, data resource model, data strategies, and manages the data as a corporate resource.

Records, Delegations, and Directives Team (RDDT)

The RDDT Team oversees BSEE's records management program under 36 CFR Part 1220.10(b) to provide effective management of the creation, maintenance, use, preservation, and disposition of BSEE records. The staff leads a BSEE Records Liaison Network and serves as the official liaison with DOI for the eMail Enterprise Records and Document Management System (eERDMS). The Directives Processing unit services all BSEE to ensure the controlled processing of Bureau directives. The staff update and manage the dissemination of the BSEE Manual of Directives, leads the BSEE Directives Liaison Network, develops processes, procedures, formats, templates, and coordination of DTS routings to support Directive's processing, and maintains the official directives file set. The Office of Document Management is responsible for processing the BSEE Director's controlled correspondence, coordination with the Executive Secretariat and other offices to ensure timely attention to official correspondence and document reviews. The unit also manages the BSEE-wide document tracking system, leads the BSEE Correspondence Network, supports other document management and future Controlled Unclassified Information markings activities.

Freedom of Information Act (FOIA) Team

The FOIA Team improves the quality, efficiency, and consistency of BSEE's FOIA processes consistent with Secretarial Order No. 3371. The Headquarters' FOIA staff administer BSEE's FOIA program at the Headquarters-level and provide collaboration and support BSEE-wide. The Office is responsible for providing guidance to BSEE's regional FOIA programs and staff, processing FOIA Requests and coordinating with Department-level FOIA staff per Secretarial Order 3378.

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FY 2023 BUDGET JUSTIFICATION

Bureau of Safety and Environmental Enforcement

Executive Direction Activity

Table 6: Executive Direction Activity Budget Summary

Executive Direction	2021 Actual	2022 Annualized CR	Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2023 Request	Change from 2022 (+/-)
Executive Direction	**18,093**	**18,093**	**+350**	**-**	**+350**	**18,793**	**+700**
FTE	*80*	*106*	-	**-**	-	*106*	-

Summary of 2023 Program Changes for Executive Direction

Request Component	($000)	FTE
Program Changes:		
Baseline Capacity	+350	
TOTAL Program Changes	**+350**	**+0**

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

BSEE will continue to make informed decisions by improving knowledge sharing, data use, and collaboration with internal and external stakeholders. This goal is accomplished through consistently documented policies and procedures; robust internal controls to ensure effectiveness and efficiency of operations, compliance with applicable laws, and verify implementation of policies and procedures; and making available and shareable consistent, reliable data.

JUSTIFICATION OF 2023 PROGRAM CHANGES

The FY 2023 budget request for Executive Direction is $18.8 million and 106 FTE, a program change of +$350,000 and 0 FTE from the FY 2022 Annualized CR.

Maintain Baseline Capacity (+$350; +0 FTE): The 2023 budget includes important investments in programs needed to help strengthen America and increase competitiveness as the world continues to change. These investments include funding needed to maintain a strong, talented workforce and core capacity needed to fulfill BSEE's mission. The budget includes $350,000 in this activity, which reflects

the incremental amount needed to cover the fixed costs associated with mission operations in FY 2022. This request in combination with the FY 2023 fixed costs amounts will allow the program to sustain core capacity and avoid impacts to ongoing program activities.

PROGRAM OVERVIEW

Office of the Director

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

Integrity and Professional Responsibility Advisor (IPRA)

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. The IPRA refers internal misconduct cases to the DOI's OIG when allegations meet the required criteria for referral.

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, and Congress. During the Congressional phase, the Office of Budget tracks the appropriations process, coordinates the preparation of capability and effect statements, and provides answers to House and Senate questions. Throughout the execution phase, the Office of Budget 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 is also responsible for managing BSEE's Activity-Based Costing program, which tracks direct and indirect costs by activity.

Office of Policy and Analysis (OPAA)

OPAA serves as the principal office to provide the senior bureau management with independent review and analysis of programmatic and management issues. Additionally, the office leads, coordinates, and monitors many cross-program initiatives, assuring a consistent, BSEE-wide implementation that directly supports Congressional, Presidential and Departmental directives, laws, mandates, and guidance. OPAA fulfills the Director's responsibilities in several critical areas including strategic and performance planning, policy development and management, enterprise risk management, and program evaluation and internal controls. It is also responsible for ensuring that programmatic plans and policies are consistent with and integrated into the overall bureau mission and responsibilities, as well as with Department and Administration policy and strategic frameworks. In addition, the office administers and coordinates internal reviews, and oversees and assures implementation of recommendations made by oversight groups such as the Government Accountability Office and the Office of Inspector General.

Office of Public Affairs (OPA)

OPA is responsible for BSEE's internal and external communication strategies as well as outreach to stakeholders, employees, and the media. The mission of OPA is to inform the public, ensure coordinated communication at all levels of the Department of the Interior, with consistent messaging, and the effective exchange of information with all stakeholders. The office leads BSEE in the implementation of an effective and inclusive outreach program to numerous target audiences, including State and local governments, Tribal Nations, other Federal agencies, the energy industry, related trade associations, the environmental and conservation communities, energy consumer groups, the general public, and the press.

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. 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 provides technical and drafting assistance to congressional staff on legislative proposals that could impact the Bureau. OCIA also manages and analyzes the Bureau's international programs and policies and includes structuring international cooperation agreements; organization of technical exchanges; and support of BSEE's engagement in international regulatory fora. OCIA coordinates with the Department's Office of Congressional and Legislative Affairs and 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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FY 2023 BUDGET JUSTIFICATION

Bureau of Safety and Environmental Enforcement

Offshore Decommissioning Activity

Table 7: Offshore Decommissioning Budget Summary

Offshore Decommissioning	2021 Actual	2022 Annualized CR	Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2023 Request	Change from 2022 (+/-)
Offshore Decommissioning	**-**	**-**	**-**	**-**	**+30,000**	**30,000**	**+30,000**
FTE	-	-	-	-	-	-	-

Summary of 2023 Program Changes for Offshore Decommissioning

Request Component	($000)	FTE
Program Changes:		
Offshore Decommissioning	+30,000	+0
TOTAL Program Changes	**+30,000**	**+0**

The Offshore Decommissioning Activity funds activities to ensure the proper closure and removal of infrastructure used to develop energy or mineral resources on the OCS to ensure the long-term protection of resources and the surrounding environment. As conventional and renewable energy operations mature, the decommissioning of offshore orphaned infrastructure that are no longer useful for operations will be a growing portion of BSEE's oversight activities. Orphaned infrastructure (i.e., wells, structures, or pipelines) is infrastructure left on the OCS following termination of the underlying lease or right of way without having been decommissioned to regulatory standards, and for which there is no remaining liable party capable of performing decommissioning. The maintenance, monitoring, and decommissioning costs associated with such orphaned infrastructure, less any financial assurance proceeds held by BOEM, is called orphaned liability. BSEE will issue contracts to perform decommissioning services on conventional energy infrastructure orphaned by operators.

In FY 2019, BSEE revised its guidance to industry on the timeliness of decommissioning activities to reduce the environmental and financial risk of idle infrastructure on active leases being damaged by a changing climate, which frequently increase the intensity of severe weather, such as hurricanes. Implementation of the revised guidance includes BSEE communicating with operators about their idle infrastructure and ordering that further decommissioning actions be taken, if necessary. A focus in FY 2020 through 2022, and continuing into FY 2023 and beyond, is strengthening the organization's decommissioning oversight capabilities to meet end-of-life cycle demands.

JUSTIFICATION OF 2023 PROGRAM CHANGES

The FY 2023 budget request for Offshore Decommissioning is $30 million and 0 FTE, a program change of +$30.0 million and 0 FTE from the FY 2022 Annualized CR.

Offshore Decommissioning (+$30,000,000; +0 FTE): The Administration is committed to addressing the hundreds of thousands of orphan oil and gas wells and abandoned mines that pose serious safety hazards and cause ongoing air, water, and other environmental damage across the U.S., much of which is in rural communities that have suffered from years of disinvestment. As part of this Reclamation Jobs initiative, BSEE is requesting $30.0 million in FY 2023 to properly plug and abandon (i.e., cutting 15 feet below mudline) orphaned wells and properly decommission the associated orphaned pipelines. This funding, along with funding currently available from the Federal orphan wells program established by the Infrastructure Investment and Jobs Act (IIJA) and from proceeds collected through BOEM's Financial Assurance Program and bankruptcy proceedings, will be used to address the most immediate and urgent needs for proper plugging and abandonment of orphaned wells and for decommissioning abandoned OCS structures and pipelines to help reduce the risk of pollution. While decisions have not yet been made on the IIJA Federal orphan wells allocation, those funds are limited and are not expected to fully cover near-term OCS decommissioning needs. In FY 2022, BSEE plans to award a contract to begin decommissioning 17 identified idle wells in the Gulf of Mexico. Without the requested $30.0 million, future task orders for the remaining wells and associated pipelines would be delayed until sufficient funding becomes available. Given that some of these assets waiting to be decommissioned were installed decades ago, further delays increase the risk of a potential environmental incident such as an oil spill. Decommissioning costs are also likely to increase as time passes.

Unplugged or poorly plugged wells are an environmental hazard, as they provide potential conduits for fluids to migrate between formations and potentially into OCS and State waters. Hurricane forces toppling structures and wells in the OCS pose risks to unplugged wells. Although some wells are equipped with downhole safety valves, leakage from these wells can occur. This is especially true for orphaned wells where the downhole valves are not routinely tested and verified. Proper decommissioning of orphaned pipelines reduces the risk of spills to the environment from the oil inventory in these pipelines.

PERFORMANCE OVERVIEW

Decommissioning obligations are addressed in 30 CFR 556.604(d) - "Every current and prior record title owner is jointly and severally liable, along with all other record title owners and all prior and current operating rights owners, for compliance with all non-monetary terms and conditions of the lease and all regulations issued under OCSLA, as well as for fulfilling all non-monetary obligations, including decommissioning obligations, which accrue while it holds record title interest." BOEM oversees the program for obtaining general bonds and supplemental bonds (i.e., financial assurance) to cover decommissioning obligations to protect the American public in cases such as bankruptcy.

BSEE has the responsibility to ensure all offshore energy infrastructure is decommissioned when no longer useful for operations. By regulation, conventional energy infrastructure is required to be decommissioned within one year after lease expiration. In addition, BSEE's "Idle Iron" Program targets

inactive wells and facilities that have no future utility on active leases and requires operators or lessees to decommission such infrastructure, even though the lease is still active. It is in the best interest of the taxpayer that assets with no future utility be decommissioned in a timely manner to ensure the infrastructure does not pose a safety or environmental threat and is not an obstruction to other users of the OCS.

Currently, BSEE estimates there is at least $38 billion in decommissioning liability for all conventional energy leases on the OCS; most of this decommissioning liability is managed by BSEE's Gulf of Mexico Regional Office, with the exception of as much as $93 million in the Pacific Region. BSEE has been collecting actual decommissioning expenditure data from conventional energy OCS operators since 2016. BSEE's analysis of these actual expenditure data continues to strengthen the BSEE algorithms used to estimate decommissioning costs which are then used by BOEM to ensure the proper financial assurance is in place. Also, while bankruptcies do not change the process for estimating decommissioning costs, they are prioritized and become a critical and urgent part of BSEE's workload.

In FY 2022 and continuing into FY 2023, the Bureau intends to begin issuing contracts to perform decommissioning services on conventional energy infrastructure orphaned by bankrupt operators when there were no other jointly or severally liable parties. These contracts will initially fund the proper plugging and abandonment of orphaned wells and ultimately fund the proper decommissioning of the associated orphaned pipelines and structures that are remaining.

Opportunities and Challenges

The offshore oil and gas industry working in the OCS has made progress in the amount of infrastructure decommissioned over recent years. For example, in the 1990s and early 2000s, approximately 4,000 platforms existed; currently, there are roughly 1,800 platforms. Similarly, the number of wells peaked in the mid-1990s at approximately 15,000, and now there are about 9,600. However, many of these facilities are still on production and are not yet due for decommissioning.

To help ensure timely decommissioning, BSEE issues violation notices in the form of INCs to responsible parties that have failed to decommission all lease facilities and wells within one year of the lease termination as prescribed by regulation and lease stipulation. Additionally, BSEE issues orders to operators to decommission facilities and wells on active leases that no longer have future utility. BSEE continues to track infrastructure that is required to be decommissioned and enforces such requirements, consistent with timelines provided by regulation and/or notice to lessees. Such enforcement actions also help to reduce safety and environmental concerns that may exist while the infrastructure remains to be decommissioned.

BSEE revised its policies for enforcing decommissioning timelines in FY 2019 and began issuing orders to address idle infrastructure. In FY 2019 and FY 2020, BSEE ordered a total of 30 operators to decommission over 400 "idle iron" wells. BSEE continues to analyze operator decommissioning performance and is taking additional steps, as needed, to balance compliance, safety, conservation, and environmental stewardship. In FY 2021, BSEE initiated a review of current decommissioning enforcement processes and began developing a framework using existing authorities to better

communicate obligations and enforce consequences of not performing decommissioning timely and failing to meet regulatory requirements.

In FY 2023, BSEE also expects to continue its efforts with owners and operators, co- and prior-lessees responsible for decommissioning, contractors performing decommissioning activities, and the USCG to ensure that the government and all potential responsible parties are prepared to respond to discharges that could occur from decommissioning activities.

Bureau of Safety and Environmental Enforcement

Summary of Requirements - Oil Spill Research
(Dollars in Thousands)

Oil Spill Research	FY 2021 Actual	*FY 2022 Annualized CR FTE*	FY 2022 Annualized CR Amount	Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (+/-) FTE	Program Changes (+/-) Amount	*FY 2023 Request FTE*	FY 2023 Request Amount	*Change from 2022 (+/-) FTE*	Change from 2022 (+/-) Amount
Oil Spill Research (OSR)											
Oil Spill Research	**14,899**	***22***	**14,899**	**-**	**-**	***+1***	**+200**	***23***	**15,099**	***+1***	**+200**
Total, Oil Spill Research	**14,899**	***22***	**14,899**	**-**	**-**	***+1***	**+200**	***23***	**15,099**	***+1***	**+200**
TOTAL, OSR	**14,899**	***22***	**14,899**	**-**	**-**	***+1***	**+200**	***23***	**15,099**	***+1***	**+200**

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Bureau of Safety and Environmental Enforcement

Language Citations

Appropriations Language

Offshore Safety and Environmental Enforcement 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, $15,099,000, which shall be derived from the Oil Spill Liability Trust Fund, to remain available until expended.

Note. A full-year 2022 appropriation for this account was not enacted at the time the Budget was prepared; therefore, the Budget assumes this account is operating under the Continuing Appropriations Act, 2022 (Division A of Public Law 117-43, as amended). The amounts included for 2022 reflect the annualized level by the continuing resolution.

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FY 2023 BUDGET JUSTIFICATION

Bureau of Safety and Environmental Enforcement

Oil Spill Research Appropriation

Table 8: Oil Spill Research Budget Summary

Oil Spill Research	2021 Actual	2022 Annualized CR	Fixed Costs (+/-)	Internal Transfers (+/-)	Program Changes (+/-)	2023 Request	Change from 2022 (+/-)
Oil Spill Research	**14,899**	**14,899**	**-**	**-**	**+200**	**15,099**	**+200**
FTE	*18*	*22*	*-*	*-*	*+1*	*23*	*+1*

Summary of 2023 Program Changes for Oil Spill Research

Request Component	($000)	FTE
Program Changes:		
Renewable Energy Research	+200	+1
TOTAL Program Changes	**+200**	**+1**

With the Oil Spill Research (OSR) Appropriation, the Bureau derives funding from the Oil Spill Liability Trust Fund to execute its delegated responsibilities in support of title I, section 1016; title IV, sections 4202 and 4303; title VII; and title VIII, section 8201 of the Oil Pollution Act of 1990. BSEE executes these responsibilities through a robust world-class Oil Spill Preparedness Program (OSP Program) managed by the Oil Spill Preparedness Division (OSPD) that protects people and the environment by optimizing responses to offshore facility oil spills through: (1) regulatory oversight; (2) basic, applied, and developmental research; (3) integrated government and industry preparedness; and (4) accountability to the National Response System.

The Preparedness Verification (PV) Role delineates BSEE's spill preparedness responsibilities pursuant to the OPA 90. These ensure industry's compliance with the Act, 30 CFR Part 254, and any applicable contingency plans, including the National Oil and Hazardous Substances Pollution Contingency Plan (NCP). OPA 90 Title VII mandates that BSEE establish "... a program for conducting oil pollution research and development ..." The Oil Spill Response Research (OSRR) Role within the Program provides offshore owners and operators, as well as the government, with new or improved technologies, tools, and procedures to better combat oil spills. The technologies and data produced from robust government research and development inform regulatory updates, improve contingency plans, enhance the response tools in oil spill removal organization's (OSRO) equipment inventories, and support safe and environmentally sustainable operations for offshore energy exploration and development. BSEE's Ohmsett Management Role ensures that this remarkable facility maximizes its potential for supporting oil spill response testing, training, and research as mandated by OPA 90 section 7001(c)(7) for the industry,

academic, and government customers. Ohmsett is critical for U.S. and international efforts to advance oil spill response technologies. The FY 2023 request addresses the key needs, knowledge, and technology gaps in the three roles of BSEE's OSP Program.

JUSTIFICATION OF 2023 PROGRAM CHANGES

The FY 2023 budget request for Oil Spill Research is $15.1 million and 23 FTE, a program change of +$200 thousand and +1 FTE from the FY 2022 Annualized CR.

Renewable Energy Research (+$200; +1 FTE): BSEE is requesting $200,000 and 1 FTE in FY 2023 for renewable energy research. As renewable energy solutions such as offshore wind and marine hydrokinetic energy gain wider acceptance and emphasis, BSEE is forging ahead to enact its related mission and responsibilities. The Bureau's Oil Spill Preparedness Program is forecasting important resource needs to ensure that offshore renewable energy operations are conducted in a safe and environmentally sustainable manner.

The expected additional emphasis on renewable energy testing and training projects alongside traditional oil spill response research and development (R&D) necessitates an additional FTE at Ohmsett. The FTE will conduct a variety of activities including reviewing and approving renewable energy and spill response testing plans; processing contract task orders to operate the facility; conducting security escort and external affairs duties; overseeing Bureau funded construction and operational upgrades to the facility; and supporting the needs of the BSEE Ohmsett Program Manager and BSEE Contracting Officer.

PROGRAM OVERVIEW

As a national leader in Federal oil pollution research, BSEE's OSP Program will continue to initiate new, and shepherd ongoing, research projects that advance the collective knowledge of oil spills and development of new and better response technologies. Many projects evolve and progress over a few years as new data is acquired and/or technology breakthroughs are made. The OSP Program contributes to BSEE's efforts to ensure that the Nation's offshore oil and gas exploration, development, and production activities in both State and Federal waters can succeed in a safe and environmentally responsible manner. This Program supports Executive Order 13990, *Protecting Public Health and the Environment and Restoring Science to Tackle the Climate Crisis*, and other related policies.

PERFORMANCE OVERVIEW

BSEE integrates all aspects of oil spill preparedness, response, and research activities 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. This integrated approach reduces impacts to offshore oil and gas production operations and the environmental and economic resources of the United States.

BSEE's FY 2023 budget request is affected by change initiatives in response to internal and external program reviews. In FY 2023, BSEE will address remaining recommendations initiated in FY 2019 from an internal review as well as the DOI Office of Inspector General's program review. The ongoing multi-year efforts include negotiating and implementing a new agreement with the State of Alabama and

updated agreements with the States of Louisiana, Texas, California, and Alaska. BSEE anticipates that similar agreements will need to be negotiated during FY 2023 with Atlantic coastal states as new offshore wind energy systems become operational along the Atlantic coast. The agreements cover coordination of oil spill response plan (OSRP) reviews, joint inspections, exercise design and documentation, and enforcement. In addition, BSEE's continuing regulatory change initiative will address a significant list of outdated requirements in the 30 CFR Part 254 regulations. The regulatory initiative was approved by DOI in FY 2018 and will continue through FY 2022. BSEE is also conducting a five-year project initiated in FY 2020 with the USCG to update offshore response information for Regional and Area Contingency Plans.

Preparedness Verification (PV) Role

The functions that serve the PV role help the Bureau, State, and Federal partners, and the industry to be ready to respond to an oil spill from an offshore facility by ensuring offshore facility owners and operators maintain approved comprehensive OSRPs, have access to sufficient caches of oil spill response equipment, and have adequate personnel training and management structures needed to respond to and mitigate a spill.

Additionally, BSEE has been responding to the rapidly evolving offshore renewable energy industry on the Atlantic Coast through policy development related to OSRP reviews and research regarding potential pollutants from these facilities. In FY 2023 and beyond, BSEE expects to continue to increase its engagement with the offshore renewable energy industry along the Atlantic Coast, as well as in other OCS regions. The four PV functions below will also apply to this new industry.

Under the PV Role, BSEE's OSPD executes the Bureau's function associated with the National Response Systems' (NRS) contingency planning and incident response elements. This program office implements the processes and procedures for the functions summarized in Figure 1 and detailed below:

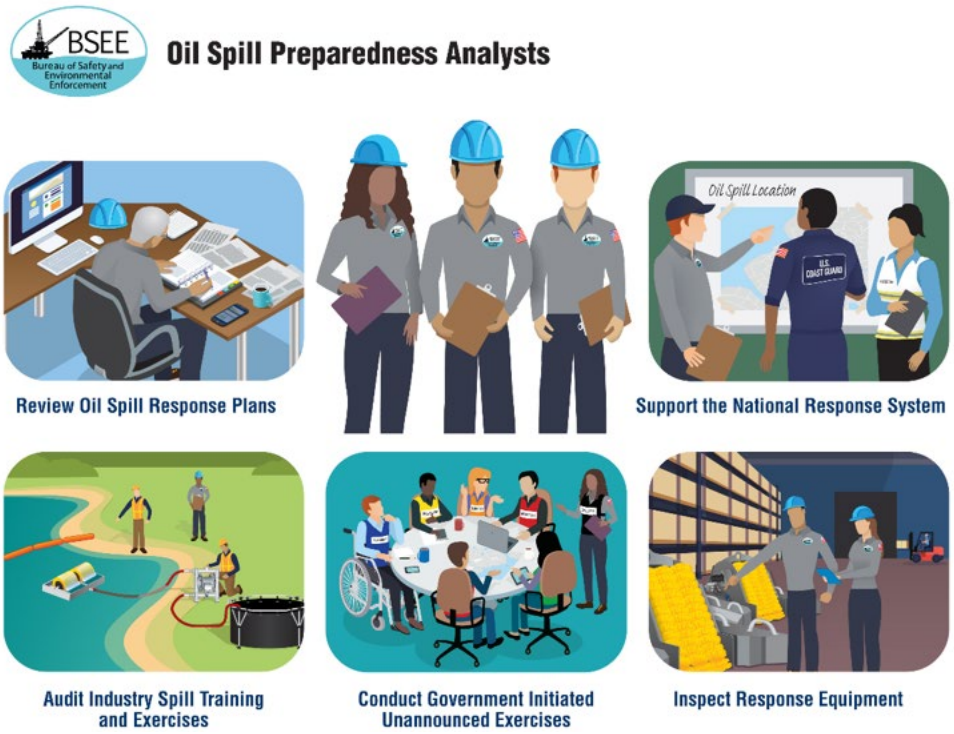

Figure 1: Summary of important functions in the PV Role of the OSP Program.

Oil Spill Response Plan (OSRP) Oversight: In accordance with OPA 90 and 30 CFR Part 254, all owners and operators of offshore facilities seaward of the coastline that handle, store, or transport oil must submit an OSRP for approval before operations begin and must operate their facilities in accordance with that OSRP. BSEE is responsible for reviewing, approving, and rescinding OSRPs to ensure that the plan holder is prepared to respond to a worst-case discharge from its facility quickly and effectively to the maximum extent practicable.

The processes and procedures the Bureau established to manage OSRPs include:

- Providing objective, justifiable, and documented verification of the oil spill preparedness posture of offshore facilities' owners/operators, as required by 30 CFR Part 254.
- Guiding the regulatory and administrative focus of employee activities by detailing clear OSRP review direction inside established legal boundaries.
- Ensuring administrative consistency across the lifespan of an OSRP; and
- Developing administrative records for program office decisions.

BSEE also reviews numerous details within each section and appendix of the OSRPs to verify that the information complies with the requirements of 30 CFR Part 254 and that the contents are consistent with the NCP as well as the appropriate Regional and Area Contingency Plans (RCPs and ACPs).

In order to consistently make correct judgments on the validity of an OSRP, BSEE must stay abreast of the latest advances in oil spill response technologies, policies, and procedures. This ongoing education is

reinforced with regular field visits to plan-holders to carry out other regulatory responsibilities mandated by 30 CFR Part 254, such as inspections of response equipment, observations of response exercises, and evaluations of the competencies of response personnel. Thus, BSEE personnel continually balance their time and resources between managing the Nation's OSRP library and operationally verifying the effectiveness of the OSRPs. In FY 2021, BSEE conducted 116 plan review activities to ensure that the 102 approved OSRPs remain up to date and in compliance with regulations.

In FY 2023, the Bureau will continue to apply and enhance its IT initiative that electronically processes OSRPs. BSEE's new e-Permits software design enterprise has a sub-program (coined eOSRP) that allows plan holders to electronically submit their OSRPs to BSEE and to exchange correspondence. The system was envisioned to reduce the burden on operators and government analysts. While the system is operating as initially planned, certain efficiencies must still be achieved. In FY 2019, BSEE modified the system to effectively process large-size files submitted by plan holders. In FY 2020 through FY 2022, BSEE allowed external reviewers, such as the USCG, to access the system for integrated plan reviews.

Training and Exercise Evaluation: Facility owners/operators, spill response contractors, and governmental officials collectively use training and exercises to improve skills and validate the efficacy of an OSRP. These activities strengthen the tactical and strategic spill response and mitigation competencies in a risk-reduced environment. The Bureau evaluates the following training and exercise activities:

(1) *Industry-Initiated Exercises*: BSEE verifies that offshore owners/operators conduct their required oil spill preparedness exercises. Within a triennial cycle, owners/operators must exercise their Qualified Individuals, Incident Management Teams, Spill Response Operating Teams, response equipment, and other resources and capabilities described within an OSRP. Bureau personnel attend these exercises in person and/or review these organizations' documentation to confirm that the owner/operator conducts them.

(2) *Government-Initiated Unannounced Exercises (GIUEs)*: BSEE employs GIUEs to verify the proficiencies of owners/operators in following their approved OSRPs. The exercises allow the Bureau to witness and evaluate, on a no-notice basis, a plan holder's capabilities to use public and private equipment, resources, and staff to respond to a hypothetical oil spill. BSEE's OSPD regularly plans and executes these exercises in close coordination with other BSEE offices, Federal partners such as the USCG, NOAA, and the Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA), and State government partners – all of whom have key roles associated with offshore oil spill preparedness and response.

(3) *Industry Training Audits*: Independent of exercises, offshore facility owners/operators must ensure the response personnel listed in their OSRP are periodically trained to operate response equipment or staff key incident management organizational positions. BSEE confirms the quality and frequency of this training by independently reviewing training records and/or attending the training in person.

In FY 2021, the Bureau conducted 8 GIUEs and audited 114 training and industry exercise activities.

Equipment Verification: The Bureau evaluates the state of industry spill preparedness by verifying that the equipment listed in OSRPs is properly maintained, ready to be operated, and performs as specified by the manufacturer. BSEE verifies the continued adequacy of the inventories when new equipment is added or when equipment is temporarily or permanently removed. BSEE's OSPD staff regularly travel across the Gulf of Mexico States, California, and Alaska to visit storage depots to review inventory lists and visually inspect response equipment assigned to the 102 OSRPs. In FY 2021, the Bureau verified the condition and location of hundreds of pieces of response equipment located at 66 separate sites. The Bureau verifies equipment sufficiency through the following two approaches:

(1) *Records Reviews*: BSEE conducts records reviews and PV visits with OSROs contracted by offshore facility owners and operators to determine if oil spill response equipment is being inspected at required intervals, and if preventive and scheduled maintenance is being performed. The Bureau also verifies that equipment listed in OSRPs is present at the location(s) specified in the OSRP or can be accounted for; and

(2) *Performance Testing*: BSEE conducts performance testing of spill response equipment that has been modified, damaged, or repaired. The Bureau also conducts performance testing of equipment claimed to have oil recovery capacities that are inconsistent with other data available to BSEE.

National Response System (NRS) Support: The Bureau's OSP Program is an important component of the NRS as promulgated and implemented by the NCP. The NCP provides a framework for coordination among Federal, State, and local responders and responsible parties to respond effectively to discharges of oil and hazardous materials. The framework includes four levels of contingency planning (national, regional, area, and industry site-specific) that guide preparedness and response efforts. BSEE maintains subject matter expertise on the intent, organization, and execution of the NRS to ensure that OSRPs are consistent with the system's tenets. BSEE's OSPD also provides liaison services, training and education, and incident-specific advice to the Bureau and to partnering agencies for issues associated with the NRS. The Bureau accomplishes its liaison responsibilities by participating in activities of 34 NRS groups and their development of contingency plans under the NRS. These include:

- National Response Team (NRT) and the NCP;
- Regional Response Teams (RRTs) and their respective RCPs;
- Coastal Area Committees (ACs) and their respective ACPs;
- Preparedness for Response Exercise Program (PREP) and the PREP Compliance, Coordination, and Consistency Committee (PREP 4C); and
- Incident Response.

Preparedness coordination under the NRS is an essential aspect to ensuring the success of a consistent national oil spill response preparedness program. The Bureau regularly attends meetings and supports activities of the NRT, RRTs, and ACs. The NRT convenes monthly and supports national level preparedness and response policies and programs. The Bureau also regularly supports the activities of several NRT subcommittees on response and preparedness issues. RRTs provide Federal On-Scene Coordinators with regional contingency planning guidance. The RRTs serve as focal points for regional

interagency contingency planning guidance. Similarly, ACs serve as focal points for contingency planning at the local level and are comprised of members of Federal, State, and local agencies.

Oil Spill Response Research (OSRR) Role

BSEE's OSRR role addresses the Bureau's oil spill research requirements under OPA 90 and provides valuable input to the Preparedness Verification role as well as providing industry with tools to improve oil spill preparedness and response. The technologies and data produced from robust government research and development inform regulatory updates, improve contingency plans, enhance the response tools in OSRO equipment inventories, and support safe and environmentally sustainable operations for offshore energy exploration and development. Government research and development also spurs economic growth by stemming the impacts of oil spills, yielding new innovations in technologies and tactics, identifying research gaps and dead-ends, and reducing investment risks for private research and development entities.

The OSRR functions perform the basic, applied, and developmental research needed to advance the detection, containment, and cleanup of oil spills that may occur from offshore facilities. BSEE also coordinates research efforts between organizations and disseminates findings and recommendations through a variety of internal and public forums, such as formal committees, workshops, conferences, publications, and the Internet. The Bureau implements the processes and procedures for the following functions of the OSRR Role:

- Research Project Development and Management,
- Interagency Coordinating Committee on Oil Pollution Research (ICCOPR or Committee),
- Government Research Expertise,
- Research Program and Facility Coordination, and
- Research Promotion and Dissemination.

Research Project Development and Management: BSEE's Response Research Scientists and Engineers oversee comprehensive research portfolios that traditionally address mechanical containment, recovery, and storage; remote sensing; chemical agents; *in-situ* burning; shoreline protection and mitigation; preparedness initiatives; and decision-making tools. BSEE executes these research projects through different avenues that include:

- Contracted Services, Grants, and Cooperative Agreements with private industry, non-profit research institutions, or academic entities;
- Interagency Agreements with Federal partners, such as the U.S. Navy, U.S. Environmental Protection Agency (EPA), NOAA, USCG, PHMSA, and DOE; and
- Internally directed research conducted by the OSPD research scientists and engineers serving as principal investigators.

The Bureau requires that all researchers receiving funding from BSEE conduct their activities in accordance with all applicable regulatory requirements and adhere to the DOI Scientific Integrity Policy and the DOI Code of Scientific and Scholarly Conduct. BSEE also ensures that all influential scientific information and highly influential scientific assessments are considered for peer review in accordance with the Bureau's Peer Review Process Handbook.

Interagency Coordinating Committee on Oil Pollution Research (ICCOPR or Committee): BSEE's OSPD represents the Bureau on this 16-member Federal Committee that operates as the primary Federal body designated to coordinate oil spill research. ICCOPR was created by Title VII of OPA 90 for two primary purposes:

> *(1) Research and Technology Planning*: The Committee prepares and periodically updates a comprehensive, coordinated Federal oil pollution research, development, and demonstration plan, which serves as guides for Federal agencies in their research investments. The ICCOPR's Oil Pollution Research and Technology Plan identifies the Federal Government's 171 priority research needs in 28 Standing Research Areas – many of which directly affect the Bureau's OSP Program.
>
> *(2) Collaboration*: The Committee promotes cooperation and coordination with industry, universities, research institutions, State governments, and other nations through information sharing, coordinated planning, and joint funding of projects.

The Bureau plays a crucial leadership role in ICCOPR by serving on the Committee's Steering Committee, previously serving as the Committee's Vice Chair[1] on a rotating basis, and routinely providing updates on research of importance to ICCOPR members. BSEE served as the ICCOPR Vice-Chair role in FY 2020 and FY 2021 and will continue as a member of the Committee's Executive Steering Group. Participation in ICCOPR enables the Bureau to facilitate an increased awareness of new tools and strategies available for offshore oil spill preparedness and response. Participation in ICCOPR allows BSEE to identify emerging issues and research gaps that inform budget allocation decisions.

The ICCOPR Oil Pollution Research and Technology Plan for FY 2015 to FY 2021 documented 25 Standing Research Areas and identified 150 priority oil spill research needs, 60 of which apply to the BSEE oil spill research program. In December of 2021, the ICCOPR published the next version of the plan for FY 2022 to FY 2027. The new plan increased the number of Standing Research Areas to 28 and listed 171 priority research needs. The ICCOPR's Research and Technology Plan heavily informs OSPD's project proposals and funding decisions to ensure that the Bureau is meeting its mission needs while also targeting the nation's larger research gaps. OSPD will be using this important document to steer its research projects for FY 2023 and beyond.

Government Research Expertise: In addition to their general technical training and knowledge, BSEE response research scientists and engineers develop subject matter expertise in specific spill response tactics and technologies (i.e., dispersants, *in-situ* burning, remote sensing, and mechanical recovery). Consequently, entities from within the Federal Government and the outside scientific community may request OSPD staff to serve on special project teams and peer review panels. BSEE has leveraged this research expertise in a variety of international forums important to the U.S. Government including the Arctic Council's Emergency Prevention, Preparedness, and Response Working Group (EPPR), the

[1] Elijah E. Cummings Coast Guard Authorization Act of 2020 passed January 1, 2021 (H.R. 6395) eliminated the rotational Vice Chair position. BSEE served as Vice Chair in FY 2020 and 2021.

International Offshore Petroleum Environment Regulators Group (IOPER), and Canada's multi-million dollar Multi-Partner Research Initiative (MPRI).

Research Program and Facility Coordination: The Bureau leverages the resources and capabilities of government and private research programs to advance the mission of improving oil spill preparedness. BSEE regularly coordinates and executes projects with the following government entities and facilities to support joint research collaborations:

- USCG Research and Development Center – New London, Connecticut;
- U.S. Army Corps of Engineers Cold Regions Research and Engineering Laboratory – Hanover, New Hampshire;
- U.S. Naval Research Laboratory Chesapeake Bay Detachment – Chesapeake Beach, Maryland;
- DOE National Energy Technology Laboratory – Albany, Oregon; and Pittsburgh, Pennsylvania;
- NOAA – Silver Spring, Maryland; and Seattle, Washington;
- Oil Spill Recovery Institute – Cordova, Alaska; and
- Ohmsett – Leonardo, New Jersey.

Research Promotion and Dissemination: The Bureau maximizes the benefits and connections made from research by disseminating the results to a variety of audiences. Communication sparks new ideas, harnesses group expertise to solve problems, reduces duplication of efforts, and advances the state of the science. Consequently, BSEE identifies and pursues the opportunities and venues to share research findings, gain insight on new problems, and establish effective research networks. The Bureau publicizes research findings through online products (i.e., https://www.bsee.gov); journal and periodical publications; and speaking engagements at workshops, meetings, and conferences.

In FY 2023, BSEE will continue its work advancing new technology for remote sensing tools for oil spill detection and thickness determination installed on subsea gliders, satellites, drones, and fixed-wing platforms; integration of remote sensing data into command-and-control systems to support operational decision making; and the development of "smart" skimming technologies to improve recovery rates and efficiencies. BSEE will also continue to advance new *in-situ* burn techniques that will reduce carbon emissions, provide for burning of highly emulsified oil, and reduce residues that can sink. These techniques will have profound impacts on Arctic spill preparedness in regions where disposal or transfer of collected oil is problematic due to remote locations, and soot and burn residue can harm the environment.

In FY 2023, BSEE will continue to utilize a Technology Readiness Levels (TRL) metric to measure progress of oil spill response equipment from concept to full commercialization and use in an actual spill response. BSEE developed the TRL metric in FY 2018 as a screening tool when evaluating the merits of proposed research initiatives. By applying the TRLs to its research, BSEE has been able to move response technology forward in a measurable, methodical way while providing a visible means for the response community to monitor new technologies that may be ready for commercialization. BSEE will continue to support other agencies in their efforts to adopt this metric for their oil spill research programs. Wider use of the TRL metric will provide a more consistent measurement of oil spill technology readiness across the government.

Information derived from the OSRR role 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 who 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, or populated areas where health and the economy could be adversely affected.

One ongoing initiative pertinent to expanded Arctic drilling is the study of wellhead burning as a response strategy. BSEE completed the first phase of a project to assess the science supporting the contention that, in the case of a loss-of-control incident on an Arctic gravel island, intentionally igniting the discharge flow would be an appropriate temporary response strategy. In FY 2020 through FY 2022, this research investigated techniques to reduce safety hazards for workers when employing this response strategy.

The Bureau will continue or start other research initiatives in FY 2023 as follows:

- Continue to conduct GIUEs.
- Continue its work advancing new technology for remote sensing tools on subsea gliders, satellites, drones, and fixed wing platforms for oil spill detection and thickness determination.
- Continue to conduct OSRP Oversight.
- Develop, test, and evaluate enhanced mechanical recovery technologies.
- 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.
- Locate, track, and remove oil during low light conditions.
- Investigate enhancements to improve oil separation and demulsification processes.
- Optimize the temporary storage and disposal of recovered fluid in remote or harsh environments.
- Integrate and institutionalize oil spill response TRLs to the technology development process for projects conducted under the OSRR program.
- Investigate options to advance/develop (near) real-time data transfer tools for prompt spill response.
- Develop tools or methods to determine the efficiency of surface dispersant delivery techniques/systems as a function of spill characteristics.
- Better understand the potential effectiveness of chemical dispersants and herders in various operational environments.
- Develop technology or techniques for optimum application of herders.
- Develop tools or methods to improve on *in-situ* burning, by optimizing the burn efficiency, reducing soot and harmful emissions, and developing innovative and robust ignition systems capable of withstanding extreme weather and harsh environments to expand the window of opportunity in which *in-situ* burning can be employed.
- Develop tools or methods to quantify the amount of oil remediated by offshore *in-situ* burning.
- Continue research on alternative methods to combust weathered, emulsified, and viscous oils.
- Develop tools or methods to determine oil slick thickness; and

- Continue to fund Ohmsett and research conducted at the facility, including projects related to renewable energy.

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

The Bureau manages and uses the Ohmsett facility (Figure 2) for oil spill response testing, training, and research as mandated by OPA 90 Section 7001(c)(7). Ohmsett is critical for U.S. and international efforts to advance oil spill response technologies. Without Ohmsett, the testing and evaluation of equipment, systems, and methodologies would be difficult to accomplish. During spill incidents, tests at sea generally cannot be repeated and the research efforts may interfere with spill responders. Moreover, conducting intentional test spills at sea rather than during a "spill of opportunity" involves a rigorous permitting process and will be significantly more expensive than testing at Ohmsett.

Figure 2: Overhead (left) and tank-level views (right) of the Ohmsett Facility in Leonardo, New Jersey.

The Ohmsett facility is located at the U.S. Navy Base, Naval Weapons Station Earle, in Leonardo, New Jersey. An Agreement with the U.S. Navy allows BSEE to use the facility to: "(a) test various types of oil spill control equipment; (b) train other agencies and private companies on oil spill response and clean up; (c) research new methods of tracking spills in the ocean; (d) research the characteristics of oil slicks; (e) research wave energy and movement; and (f) research and test marine renewable energy sources." Ohmsett users include government agencies, academia, and public and private companies. Situated adjacent to Sandy Hook Bay, Ohmsett hosts a large, outdoor, aboveground concrete test tank that is 667 feet long, 65 feet wide, 11 feet deep, and filled to a depth of eight feet with 2.6 million gallons of saltwater. Three rail-mounted bridges span the width of the tank and can travel at a speed of up to six knots, which simulates a vessel towing equipment. The tank's wave generator creates realistic sea environments, while state-of-the-art data collection and video systems record test and training results. Ohmsett also has the capability to conduct tests of scaled renewable energy systems such as current and wave energy converters.

Ohmsett plays an important role in protecting the Nation's oceans by supporting development of 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 response 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 hone their techniques using full-scale equipment. Students can learn and perform best practices in spill response through classroom exercises and hands-on use of response equipment deployed in and near the test tank (Figure 3).

Figure 3. U.S. Coast Guard Strike Team personnel train on recovering oil with a skimmer in the Ohmsett tank. The USCG is an important customer for Ohmsett's services.

Other Federal Agencies frequently rely on Ohmsett to conduct tests of their equipment, oil characteristics and behavior, and their response protocols. Recently, the EPA utilized the facility to evaluate the behavior of Bakken crude oil and its emissions as it pertains to responder safety. The USCG evaluated how the effectiveness of traditional oil recovery techniques and technologies changes as the oil is weathered over time. BSEE, NOAA, EPA, and NASA collaborated on tests to assess the accuracy of remote sensing technologies to characterize spilled oil. Other recent activities included oil spill response equipment testing in a simulated Arctic environment, wave energy conversion device tests, skimmer and boom tests, and dispersant tests, including the impact of undispersed oil's mechanical recoverability. The U.S. Army Night Vision and Electronic Sensors Directorate utilizes Ohmsett to test advancements in their ability to remotely detect oil slicks and differentiate between oil slicks of different thicknesses.

BSEE will also continue into FY 2023 a multi-year effort begun in FY 2019 to catalogue, digitize, and publish appropriate archived records from more than 40 years of research conducted at Ohmsett. Many of these records contain historical research findings not available elsewhere.

Customer Recruitment and Support: In order to be successful in scheduling and hosting tests and training sessions at Ohmsett, BSEE's OSPD:

- Provides leadership for marketing activities of the facility; and serves as the primary point of contact for those interested in arranging testing and training, including potential customers in the energy industries, Federal, State, and foreign governments, and universities. The success of

Ohmsett depends upon the oil spill response and research community's awareness of and attraction to the facility's capabilities and services.

- Ensures scientific integrity is practiced at Ohmsett. It is important that all stakeholders are confident in the results/findings of research and testing procedures conducted at the facility, as well as the safeguarding of proprietary information when appropriate.
- Coordinates background security checks for domestic and international customers and visitors with the facility's host, Naval Weapons Station Earle.

Renewable Energy Research Support: Ohmsett's services and capabilities also support the testing and validation of renewable energy technologies such as marine hydrokinetic devices. Over the past ten years, a variety of marine hydrokinetic technologies have been tested at Ohmsett (Figure 4). Experiments and testing can be monitored and controlled with multiple traveling bridges, underwater video, computer wave generating equipment, onsite fabrication, viewing windows, scuba diver support, and test planning. As the development of offshore renewable energy technologies are expected to dramatically increase, Ohmsett will play an important role in the expected dramatic increase in the development of offshore renewable energy technologies. The U.S. Department of Energy (DOE) established the U.S. Testing Expertise and Access for Marine Energy Research (TEAMER) Program to support testing and research for marine energy technologies and provide access to test facilities and technical expertise to assist with numerical modeling and data collection in operational and extreme conditions. Because of the facility's unique capabilities, DOE recently added Ohmsett to its list of network facilities approved for the TEAMER Program. Waterpower technology developers who receive development grants from DOE can only use the listed facilities to test their inventions.

Figure 4. Wave energy harvesting technology tested at Ohmsett in 2013 by Seattle-based Oscilla Power, Inc. From: *Fall/Winter 2013 Ohmsett Gazette.* "Wave Energy Harvesting Technology Tested." Page 6. https://www.ohmsett.com/gazette.html.

Facility Improvements: Per its agreement with the Navy, BSEE is responsible for maintaining the Ohmsett tank, systems, and facilities. In FY 2022, BSEE plans to complete periodic maintenance improvements and upgrades to the Ohmsett facility. Ohmsett's tank water is maintained at open-ocean salinity for realistic testing; however, this harsh environment dictates that the tank's 2.6 million gallons of saltwater be drained every five years to allow for steel and concrete refurbishment, including painting more than one-acre of concrete. This effort, which is on the order of $7 million, began in FY 2021 and will be completed in FY 2022 (Figure 5).

Figure 5. Wave generator flap (left) being removed from tank. View of the empty tank (right) after main bridges and equipment have been removed prior to the tank's materiel inspection, paint stripping, and resurfacing. (Photos courtesy of Applied Research Associates)

In FY 2023, BSEE also intends to initiate planning for three major renovations at the facility: (1) replacing the 40-year-old moveable bridge system to better serve its customers' IT and space needs; (2) installing a separate flume tank resource that will provide customers a meso-scale experiment apparatus; and (3) remodeling the chemistry laboratory and classroom spaces.

Additionally, the following Ohmsett projects are slated to carry into or begin in FY 2022 and continue into 2023:

- Design and fabricate a new wave attenuation/beach system to create more realistic wave conditions.
- Construct a new electrical substation; and
- Construct a new water treatment facility to comply with new policies enacted by Naval Weapons Station Earle and the municipal water treatment authority.

Additional information on Ohmsett can be found at http://www.ohmsett.com.

Bureau of Safety and Environmental Enforcement

Appendices

Disclosure of Program Assessments

Purpose: To fulfill legislative requirements Bureaus/Offices funded in Division G of the Consolidated Appropriations Act, 2021, for disclosure of program assessments used to support Government-wide, Departmental, or Agency initiatives or general operations. Section 403 of the Consolidated Appropriations Act, 2021 (P.L. 116-260), shown below, continues requirements regarding the disclosure of planned funding assessments in the annual budget justification.

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.

Additionally, Section 424 of the Act makes adherence to Subcommittee reprogramming guidelines statutory by reference. The reprogramming guidelines, shown below, reiterate the requirement to disclose assessments in the annual budget justification and associated reprogramming requirements if changes occur.

Assessments.-"Assessment" as defined in these procedures shall refer to any charges, reserves, or holdbacks applied to a budget activity or budget line item for costs associated with general agency administrative costs, overhead costs, working capital expenses, or contingencies.

(a) No assessment shall be levied against any program, budget activity, subactivity, budget line item, or project funded by the Interior, Environment, and Related Agencies Appropriations Act unless such assessment and the basis therefor are presented to the Committees in the budget justifications and are subsequently approved by the Committees. The explanation for any assessment in the budget justification shall show the amount of the assessment, the activities assessed, and the purpose of the funds.

(b) Proposed changes to estimated assessments, as such estimates were presented in annual budget justifications, shall be submitted through the reprogramming process and shall be subject to the same dollar and reporting criteria as any other reprogramming.

(c) Each agency or bureau which utilizes assessments shall submit an annual report to the Committees, which provides details on the use of all funds assessed from any other budget activity, line item, subactivity, or project.

(d) In no case shall contingency funds or assessments be used to finance projects and activities disapproved or limited by Congress or to finance programs or activities that could be foreseen and included in the normal budget review process.

(e) New programs requested in the budget should not be initiated before enactment of the bill without notification to, and the approval of, the Committees. This restriction applies to all such actions regardless of whether a formal reprogramming of funds is required to begin the program.

EXTERNAL ADMINISTRATIVE COSTS

To improve efficiency across the Department, BSEE offers a full array of administrative functions to other Bureaus and Departmental offices to help meet their administrative needs in an efficient and cost-effective manner. 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, EEO, finance, human resources, IT 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, and BSEE is a leader in providing services across the Department. 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 and provides regular reporting on costs and performance information. 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 during the year of execution to reflect actual work.

BUREAU ADMINISTRATIVE COSTS

Funding is assessed for Bureau-wide infrastructure support to BSEE. This includes costs associated with office space, security, information technology, utilities, and communications for all organizational needs to carry out the Bureau's primary missions. BSEE provides these same services to BOEM through a reimbursable services agreement. Funding for shared activities and related support services is used for:

- Lease and utilities of office space
- Emergency Management, Security, and Safety & Occupational Health programs
- Workers' and Unemployment compensation
- Voice and data communications
- Facility maintenance
- Mail and shipping services
- Printing costs
- Records management
- Leadership development programs
- Transportation Subsidy benefits
- IT Shared services and support

Assessments of Bureau Programs	2022 Ann. CR Dollars in Thousands ($000)	FY 2023 Request Dollars in Thousands ($000)
External Administrative Costs		
Various Activities		
Working Capital Fund Centralized Billing	3,925	4,262
Working Capital Fund Direct Billing	3,107	3,342
Subtotal	**7,032**	**7,604**
Internal Bureau Assessments for Administrative Costs		
Operations, Safety and Regulation	11,818	12,410
Administrative Operations	2,464	2,538
Executive Direction	1,921	1,978
Subtotal	**16,203**	**16,926**
Total Assessments of Bureau Programs	**23,235**	**24,530**

The internal Bureau assessment reported for 2023 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.

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Bureau of Safety and Environmental Enforcement

Appendix B – Employee Count by Grade
(Total Employment)

Employee Count by Grade	FY 2021 Actual	FY 2022 Estimate	FY 2023 Estimate
Executive Level V ……..……	0	1	1
SES ……..…….	3	4	4
Subtotal ……..…….	**3**	**5**	**5**
SL - 00 ……..……	0	0	0
ST - 00 ……..……	0	0	0
Subtotal ……..…….	**0**	**0**	**0**
GS/GM -15 ……..…….	63	64	65
GS/GM -14 ……..…….	173	175	193
GS/GM -13 ……..…….....	255	275	285
GS -12 ……..……	106	124	132
GS -11 ……..……	97	123	129
GS -10 ……..……	1	2	2
GS - 9 ……..…….	36	38	40
GS - 8 ……..…….	17	17	17
GS - 7 ……..…….	16	30	30
GS - 6 ……..…….	16	16	16
GS - 5 ……..…….	7	10	10
GS - 4 ……..…….	1	2	2
GS - 3 ……..…….	0	0	0
GS - 2 ……..…….	0	0	0
GS - 1 ……..…….	0	0	0
Subtotal ……..…….	**788**	**876**	**921**
Other Pay Schedule Systems ……..…….	0	0	0
Total employment (actuals & estimates) ……..…….	**791**	**881**	**926**

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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.
P.L. 117-58	The Infrastructure Investment and Jobs Act of 2021 amended the OCS Lands Act to give authority to the Department of the Interior to grant a lease, easement, or right-of-way on the Outer Continental Shelf for activities that provide for, support, or are directly related to the injection of a carbon dioxide stream into sub-seabed geologic formations for the purpose of long-term carbon sequestration.

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 DOI for OCS activities in the Beaufort Sea and Chukchi Sea OCS Planning Areas of the Arctic OCS.
16 U.S.C. 470-470W6	The 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. 3901-3906	Prompt Payment Act of 1982
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).