

Results!

Offshore Energy Rebranding Checklist

Environmentally Sustainable Operations

- ✓ Consistently Achieved Ratio of Less than 1.25% Flared/Vented Gas to Produced Gas: One of Best Performing Producing Provinces in the USA
- ✓ Zero Incidental Marine Mammal or Sea Turtle Fatalities from OCS Oil and Gas Exploration and Production Activities since at least 2017
- ✓ Less Oil Spilled in 2018 and 2019 from Active Exploration and Production Operations on Federal Offshore Leases in at least a Quarter Century
- ✓ 2018 Ratio of Volume Spilled to Volume Produced: Approximately 13 Tablespoons in a 660,430 Gallon Olympic-Sized Pool
- ✓ 2019 Ratio of Volume Spilled to Volume Produced: Approximately 17 Tablespoons in a 660,430 Gallon Olympic-Sized Pool

Safe Operations

- ✓ Steady Decline in Total Recordable Incidents/Illness Rates for Offshore Workers; 2019: 2nd Best Performance in USA among High-Hazard Industries

Robust Energy Production/Royalties/Economic Contribution

- ✓ More Oil Produced: 2018 & 2019 Record-High Production
2018: 647.3 Million Barrels
2019: 696.9 Million Barrels
- ✓ Increased Royalty Payments to the Government:
2017 to 2018; \$3.8 Billion to \$5.2 Billion
2018 to 2019; \$5.2 Billion to \$5.7 Billion
- ✓ Economic Contributions
2019 Offshore Supported 275,000 Total Domestic Jobs; \$60 Billion Total Economic Contributions in the U.S.

American Offshore Energy
Among the Safest & Most Environmentally Sustainable Production

AMERICAN OFFSHORE ENERGY

A REESTABLISHED BRAND with SAFE & ENVIRONMENTALLY SUSTAINABLE OPERATIONS AND ROBUST PRODUCTION

RESULTS NOT EXCUSES



MESSAGE FROM THE DIRECTOR

An Unprecedented Time. An Unparalleled Response.

A Rebranded American Offshore Energy Industry

**Results, Not Excuses: American Offshore Energy Is No longer an “Either/Or Proposition.”
The Trump Administration Delivered on a Once-Thought Impossible Goal: 2018 and 2019 were
Highest-Ever Offshore Oil Production Years Combined with the Lowest Oil Volume Spilled**

While the energy market experienced dramatic commodity price fluctuations in 2020, 2018 and 2019 were the Nation’s highest offshore oil production years. BSEE matched this historic production achievement by driving the best environmental stewardship performance in at least a quarter of a century, as evidenced by a key metric: oil volume spilled from active exploration and production activities on Federal offshore leases.

The results are impressive. When comparing total spill volume per one million barrels of oil produced offshore, the 2019 volume spilled was approximately 72 barrels out of 697 million barrels produced. This ratio is equivalent to the ratio of about one cup, or 17 tablespoons, in a 660,430-gallon Olympic sized pool. 2018’s volume spilled was even less, at approximately 51 barrels out of 646 million barrels produced, which was about $\frac{3}{4}$ of a cup, or 13 tablespoons in a 660,430-gallon Olympic sized pool.

The 2018 offshore spill volumes from active exploration and production on Federal offshore leases equals less than 1% of the volume (8,154 barrels) spilled by commercial marine transportation that same year. The comparison highlights this fact: the volume of oil spilled by American OCS exploration and production is overwhelmingly less

than the volume of oil spilled from marine transportation, often from the transportation of foreign-sourced production. Furthermore, the volumes spilled in 2018 and 2019 is *de minimis* when compared to the “natural seepage” of crude oil from geologic formations below the seafloor to the marine environment off North America, as reported in a well-known National Academies publication, *Oil in the Sea*.

Additionally, OCS operators have consistently flared and vented less than 1.25% of produced natural gas since 2017, making it one of the best performing producing provinces in the United States in this category in 2018 and 2019.

In 2019, when comparing offshore exploration and production injury and illness data that BSEE has been tracking for decades with data from annual Bureau of Labor Statistics reports, the offshore industry had the second best performance among high hazard industries in America – ranking second only to the nuclear power generation industry.

BSEE understands the OCS is a vital national resource and America expects us to regulate it in a manner that respects its multiple users, human and marine life alike.

I am pleased to report, during this Administration, there has not been a single reported incidental marine mammal or sea turtle fatality resulting from oil and natural gas exploration and production activities on the OCS.

Today, the U.S. is the #1 producer on the planet, with offshore production representing 15% of America's oil portfolio. Our businesses have created a robust offshore energy program that helps fuel our Nation. Thanks in great part to the OCS, America is no longer as reliant on foreign energy. In 1973, we experienced an oil embargo, resulting in a strangled energy supply, sky-rocketing inflation, and an implosion of the American economy. Congress and the private sector responded with a hope America would never be held hostage again. We have come a long way in less than 50 years. While it is the American way to be leaders and pioneers, we cannot ever forget the importance of safety and environmental stewardship. Without it, great achievements are temporary.

During the Trump Administration, hundreds of improvement initiatives and a "We Can Do It ALL" vision have helped reestablish a positive brand of American offshore energy — a province able to safely fuel the Nation in an environmentally sustainable manner. I am confident you will find the following highlights as evidence that BSEE has focused on results, not excuses.

Thank you for the investments you make, the risks you take, the taxes you pay, the jobs you create, and the energy you produce, all with an emphasis on safe performance and environmental sustainability on the OCS. You make America stronger and bolder.



Scott A. Angelle
Director, Bureau of Safety and Environmental Enforcement (BSEE)

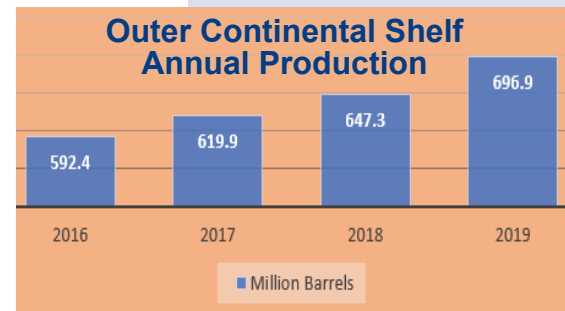


BSEE

...we are not an "either/or" agency
we can do it all!!!!

Energy Production ~~or~~/and
Safe Operations ~~or~~/and
Environmentally Sustainable

and the time is NOW





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Overregulation leads to strangulation. We have found a way to drive safety performance and environmental stewardship improvements beyond regulation, through innovation, collaboration, and communication versus isolation."

- Scott A. Angelle, BSEE Director



BSEE Strategic Plan

FY 2019 - 2022

Our Mission

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



A Roadmap to Advancing Our Mission



The sacrifice of being 1000 miles away
from my family, working in our Nation's
Capital, was not about making friends, but
all about making a difference.

The results prove it!"

- BSEE Director, Scott Angelle

STRATEGIC PLAN HISTORY

In 2017, the Department of the Interior Secretary's office published a list of 10 priorities. These priorities played a critical role in guiding BSEE in its development of both the Bureau's Strategic Plan and the Director's Change Management Initiative Plan.

The goals included in the BSEE Strategic Plan for FY 2019-2022 were developed by staff, and relied heavily on work done in preparation for the quarterly Vital Stats reviews - another effort that helped employees to clearly see the work of the Bureau, to measure our progress, and to make strategic decisions.



BSEE Strategic Plan FY 2019 - 2022

A ROADMAP TO BSEE'S FUTURE

Our Mission

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

A. SAFETY

Our regulations, inspections, permitting, investigations and analysis of incidents and equipment failures, and enforcement programs promote a culture of safety and risk reduction.

- Strengthen our inspection program by implementing an inspection strategy that is based on annual planning and incorporates regulatory compliance, risk, management systems and performance based techniques or methodologies.
- Improve consistency and training within fundamental bureau processes, such as permitting, inspections, investigations and enforcement that support safety objectives.
- Implement innovative activities to strengthen compliance and reduce risk.

B. ENVIRONMENTAL STEWARDSHIP

We practice integrated prevention, compliance, and preparedness activities that minimize and mitigate impacts to natural, cultural and economic resources.

- Leverage information from BSEE's environmental compliance and oil spill prevention activities to enhance decision making.
- Enhance our environmental compliance activities related to air quality, protected species and cultural resource protection, among others.
- Champion oil spill preparedness principles and practices including the verification of current industry capabilities and the advancement of oil spill response research and technologies.
- Actively participate in the National Response System's contingency planning activities and incident response practices.

C. ENERGY SECURITY

Recognizing the importance of the Outer Continental Shelf (OCS) to America's energy portfolio, we promote diligent and responsible exploration, development, production, and transportation that maximizes oil and gas recovery, ensures accurate production measurement and prepares for the advancement of offshore wind.

- Keep pace with technological innovations that enable development and production in frontier areas and resolve technological challenges such as development in high pressure/high temperature environments.
- Refine permitting review strategies to support timely development and accurately reflect the risks and phases of development of the OCS.
- Coordinate with other federal agencies to reduce any unintended impediments to development and production on the OCS.

D. ORGANIZATIONAL AGILITY

We maintain the ability to prepare for, adapt and respond to market forces and industry change for all lifecycle aspects of conventional and renewable energy development and operations offshore.

- Reform overly burdensome regulations while sustaining safety and environmental protection.
- Maintain diligent oversight of end-of-life facilities and reservoirs to ensure maximum resource recovery, sustain safe operations and strengthen decommissioning/idle iron compliance.
- Coordinate with the Bureau of Ocean Energy Management to promote responsible development, reduce unnecessary regulatory burdens on operators and represent the American public's interest in bankruptcies of OCS lessees.

E. PEOPLE

We are committed to maintaining a diverse and inclusive workforce that adheres to high standards of integrity and is accountable, competent, and engaged with the BSEE mission.

- Empower our workforce through increased employee engagement, training and professional development opportunities.
- Build mutual recognition and respect for the roles played by those on the front lines, in the regions and at headquarters to generate a level of dialogue throughout the bureau that supports collaboration, innovation and agility.
- Foster trust, demonstrate a commitment to ethics and ensure employee accountability.

F. DATA-DRIVEN DECISION MAKING

We actively use and share our data to support evidence-based decision making and drive industry and BSEE performance in the areas of safety, environmental stewardship, and conservation.

- Maintain a culture in which data is verified, valued, and shared.
- Ensure systems are reliable and designed for ease of use, to effectively acquire and deliver accurate, consistent, and up-to-date data.
- Advance data governance to assure that data is dependable, consistent, understandable, usable, and secure.

G. TRANSPARENCY

We make consistent, informed decisions by promoting knowledge sharing, data stewardship and collaboration within the organization, and with stakeholders.

- Establish consistent, documented policies and procedures across our Districts and Regions, where appropriate, and verify implementation through robust program evaluations and controls.
- Improve sharing of work products (including contract deliverables) and consistent, reliable information to better inform decision making through efforts such as vital statistics, data and trend analysis, and data stewardship.
- Ensure our research adheres to federal scientific integrity protocols, is scientifically sound, accessible and properly informs policy decisions.
- Accomplish our goals and priorities in a financially responsible manner.

H. ENGAGEMENT

We actively engage stakeholders to evaluate alternatives that inform present and future decisions affecting our programs.

- Institutionalize effective engagement and increase communications with all of our stakeholders.
- Focus on improvements to current efforts involving the Offshore Energy Safety Institute, Safe OCS and BAST-Best Available and Safest Technologies.
- Strengthen our participation within international organizations, interagency forums, industry standard-setting bodies and other external organizations.

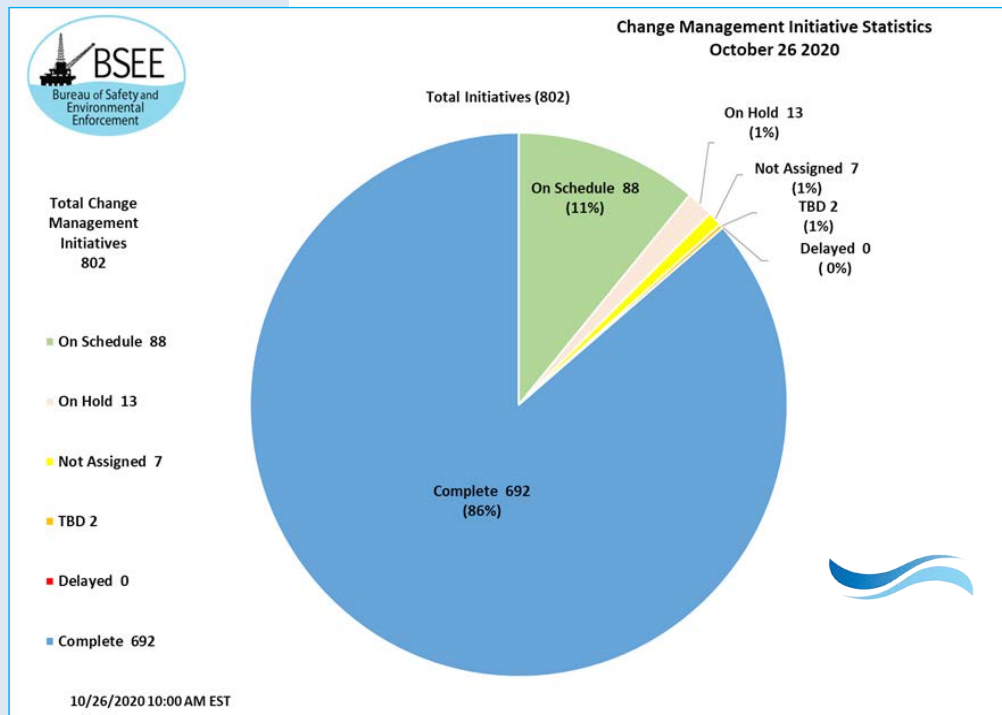




Change Management Initiative Program

BSEE's dynamic Change Management Initiative (CMI) program, established in 2017, tracks our efforts and helps us manage accountability for achieving agreed-upon completion time frames for our initiatives.

Each initiative is linked to one of eight BSEE's strategic goals, as well as the Secretary of the Interior's Priorities.



BSEE has completed
692 out of a total of
802 CMIs.

An additional 62 CMIs are scheduled
for completion by 12/31/20



SAFETY

Our regulations, inspections, permitting, investigations and analysis of incidents and equipment failures, and enforcement programs promote a culture of safety and risk reduction.

- Strengthen our inspection program by implementing an inspection strategy that is based on annual planning and incorporates regulatory compliance, risk, management systems and performance based techniques or methodologies.
- Improve consistency and training within fundamental Bureau processes, such as permitting, inspections, investigations and enforcement that support safety objectives.
- Implement innovative activities to strengthen compliance and reduce risk.

The following pages highlight a few of BSEE's Safety initiatives.



■ Reducing Lifting Incidents

BSEE's role in overseeing offshore energy operations is to ensure compliance with regulations, and to incentivize safer performance.

Lifting incidents are consistently the most frequently reported offshore incidents. Historically, about 22% of the total number of reported incidents are classified as crane or lifting incidents.

Contractor lifting injuries made up 86% of total reported lifting injuries, and since May of 2020, every lifting incident has involved a contract worker.

Since lifting incidents represent the potential for injury and significant environmental and/or safety impact, BSEE Director Angelle issued a challenge to a selected group of engineers, inspectors, and supervisors within BSEE's district, regional, and HQ offices to identify

potential immediate and longer-term mitigation measures for reducing the occurrences and severity of future lifting incidents by a target goal of 50% by 2021.

This Safe Lifting Initiative Team identified that most of the lifting incidents had a human component contributing to the event. Findings from the *ABS Group Crane Safety Assessment* (2015) reported that 60 to 80% of the mishaps involved human errors.

The Safe Lifting Initiative Team will employ the Safety



and Environmental Management Systems (SEMS) methodology to shift the focus of:

- ✓ BSEE, from evaluating and documenting the compliance state of an operator to assessing the safety performance of the operator.
- ✓ Industry, from merely having procedures to consistently following their procedures.

The quality and effectiveness of the operators' pre-work planning, specifically the safety discussions conducted before starting work, stands out as opportunities where work practices will likely improve safety performance.

Opportunities for BSEE include obtaining better data on lifting incident

causal factors and regulatory clarification around crane inspections.

In October 2020, BSEE began reaching out to operators, requesting collaboration in achieving BSEE's 50% reduction goal by challenging their organizations, both employees and contractors, to identify opportunities to improve mechanical lifting operations.



■ Offshore Cybersecurity

Cybersecurity is an evolving risk and must be managed because it has the potential to lead to serious harm for both personnel and the environment offshore.

BSEE is exploring how to use its authorities to ensure that companies operating on the Outer Continental Shelf (OCS) take potential cybersecurity risks seriously.

Part of BSEE's strategy is to promote the Department of Homeland Security (DHS) Cybersecurity and Infrastructure Security Agency (CISA)'s guidance, and also to act as a facilitator for the Department of Energy (DOE) to implement their Energy Sector Specific Plan (ESSP) that seeks to protect all of the Nation's critical energy infrastructure from both internal and external cyber threats.

BSEE's authority to address cybersecurity threats derives from both its general authority described in 30 CFR 250.107, requiring companies to reduce safety and environmental risks to as low as practicable, and from its Safety and Environmental Management Systems (SEMS) authority that provides operators the flexibility to manage all such risks in non-prescriptive, but auditable ways.

Current research indicates that an important cyber focus for the offshore operator should be quantifying and reducing the exposure of internet-enabled Industrial Control Systems (ICS) to cyber threats. ICS refers to the series of valves and many other mechanical devices that control flow, pressure, and temperature. BSEE is ideally suited to collect information that quantifies such

risks in OCS energy activities, and can use its relationship with offshore operators to enhance the cybersecurity efforts of CISA, DOE, and the United States Coast Guard (USCG).

BSEE can also use its SEMS authorities to collaborate with the industry to help improve their cybersecurity effectiveness. ■





■ Civil Penalty Program

BSEE's Safety Enforcement Division (SED) works closely with the Office of Enforcement, the Solicitor's Office, and our civil penalty team to manage the process and flow of Incidents of Non-Compliance (INCs) that result in Civil Penalty.

Review of processes and data gathered through the agency's vital statistic initiative has led SED to focus primarily on facility shut-in INCs. The legal criteria for civil penalty consideration are very similar to the factors outlined by regulation for facility shut-ins.

BSEE identified the need to develop greater consistency in the agency's civil penalty referral process and to work with subject matter experts to identify decision factors that are considered when INCs are written and further action is considered.

These final decisional criteria will be used to determine how shut-in INCs are reviewed against the civil penalty regulatory criteria.

With the rise of bankruptcies on the OCS, BSEE has worked with the Office of the Solicitor and the Office of Enforcement to develop communication recommendations for our team to use when developing case files for operators in bankruptcy. This will help BSEE ensure that civil penalty processes do not violate bankruptcy proceedings. ■





■ High Pressure/High Temperature (HPHT) Guidance and Proposed Rule-Making

Currently, BSEE reviews and, if warranted, approves high-pressure high-temperature (HPHT) projects under existing provisions for the Deepwater Operations Plan (DWOP) process, as outlined in 30 CFR 250.286-205.295).

As of September 30, 2020, BSEE has reviewed and approved three HPHT projects, is reviewing two projects, and one project is on hold pending a change of operator. Each project requires multiple plans to be reviewed.

BSEE published two Notices to Lessees and Operators (NTLs) in 2019 based on authority provided under the DWOP regulations and provision at 30 CFR 250.732 for independent third party verification. The NTLs provide guidance on the specific HPHT information prospective operators should submit to BSEE to support BSEE's programmatic reviews (NTL NO. 2019-G02 and No. 2019-G03).

BSEE began crafting HPHT regulations in 2020. When complete, the new regulations will benefit America by:

- Advancing safety through the provision of clear and consistent requirements operators must provide to BSEE for consideration of HPHT projects.
- Further instilling confidence these complex projects are safe and being thoroughly evaluated.



BSEE HPHT PROJECTS - BY THE NUMBERS





■ Safety Performance Enhanced by Analytical Review (SPEAR)

BSEE initiated the SPEAR effort to identify current and emerging trends related to safety and environmental hazards associated with energy activities on the Outer Continental Shelf (OCS).

The goal is to surface new data analytic tools and develop strategic, Bureau-wide processes to enable BSEE subject matter experts to thoroughly analyze information.

SPEAR will make recommendations and identify program areas where data analytics can and should be applied to support evidence-based decision making.

We believe these efforts are key to enhancing BSEE's safety and environmental stewardship decision-making as well as the overall safety outcomes for OCS energy operations.

“ The SPEAR program has the potential to markedly improve BSEE's ability to promote safety, protect the environment, and conserve offshore energy resources by improving the Bureau's ability to proactively identify operational risks during OCS energy activities.”

- Jarvis B. Abbott, BSEE SPEAR Program Coordinator



SAFETY

The SPEAR effort will:

- Explore the potential use of advanced data analytic tools.
- Establish a world class approach to analyzing and communicating data and information bureau-wide and to external stakeholders.

SPEAR workgroup objectives include:

- **Provide broad analytical support on critical safety and environmental issues.**
- **Pursue research and development of new, advanced data systems, and programs/processes that meet internal customer needs for information.**
- **Procure data systems and programs that are substantiated in the research and development phase.**
- **Assess the needs of our internal marketplace, routinely, for information that can be used to improve BSEE's effectiveness.**

SPEAR seeks to drive excellence on the OCS by supporting the Bureau's effort to improve its approach to:

- Analyzing data and information with a focus on the proactive identification of leading safety and environmental indicators.
- Ensuring timely communication of these indicators to BSEE management.



■ Best Available and Safest Technology (BAST)

The Outer Continental Shelf Lands Act (OCSLA), section 21 (43 U.S.C. § 1347(b)) states that the Secretary of the Interior shall require the use of Best Available and Safest Technology (BAST) in offshore operations wherever failure of equipment would have a significant effect on safety, health, or the environment. BSEE is charged with carrying out this mandate.

OCSLA section 21(b) and 30 CFR 250.107(c) establishes an obligation for the BSEE Director to continuously compare existing

regulations to the available technology for applicable equipment.

On December 23, 2019, BSEE published the *Drilling Equipment Subject to the BAST Statutory Requirement and their corresponding Performance Requirements Bureau Interim Directive* (BID) (BID 2019-107N). On July 7, 2020, BSEE updated the BID.

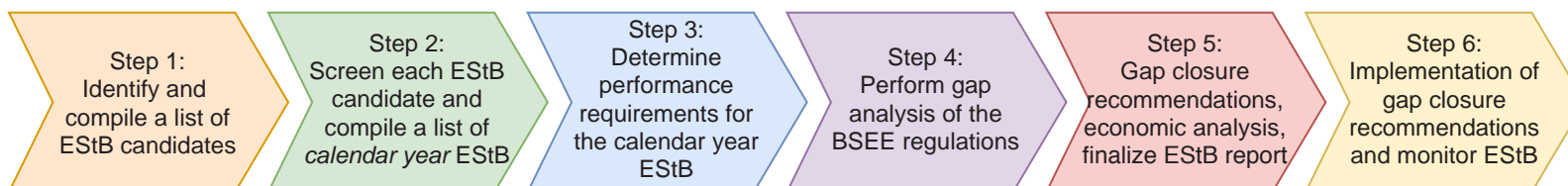
A similar BID, *Production Equipment Subject to the BAST Statutory Requirement and their*

corresponding Performance Requirements, was signed by BSEE Director Angelle on September 30, 2020.

An analysis of the 2020 drilling equipment subject to BAST is currently underway.

The following steps represent the process BSEE uses to conduct the required analyses, reporting, and implementation procedures that empower the BSEE Director to fulfill his responsibility to the American people.

Equipment Subject to BAST (EStB)



For more information, visit BSEE's BAST webpage: <https://www.bsee.gov/what-we-do/offshore-regulatory-programs/emerging-technologies/BAST>



ENVIRONMENTAL STEWARDSHIP

We practice integrated prevention, compliance, and preparedness activities that minimize and mitigate impacts to natural, cultural and economic resources.

- Leverage information from BSEE's environmental compliance and oil spill prevention activities to enhance decision making.
- Enhance our environmental compliance activities related to air quality, protected species and cultural resource protection, among others.
- Champion oil spill preparedness principles and practices including the verification of current industry capabilities and the advancement of oil spill response research and technologies.
- Actively participate in the National Response System's contingency planning activities and incident response practices.

The following pages highlight a few of BSEE's Environmental Stewardship initiatives.



■ Subsea Leak Detection

BSEE has focused on collaborating with offshore operators to improve subsea leak detection (SSLD) and response times, which will lead to improved environmental stewardship.

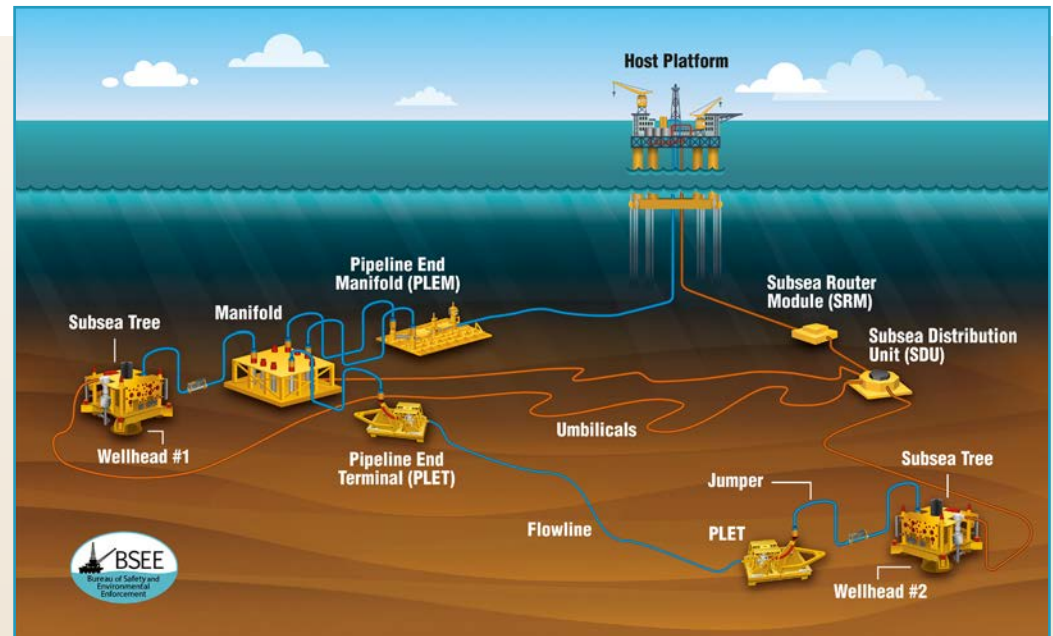
The effort began in late 2017, during a meeting BSEE called with the Operators Committee (OOC). In that meeting, BSEE asked the offshore industry to improve its subsea leak detection and response times.

Soon after the meeting, the OOC formed an industry task group to work with BSEE to improve detection methods.

The task group produced advanced training methods for offshore personnel, advanced subsea leak detection methods that use algorithms to process data and quickly alert personnel of a possible leak, and looked into other technologies and how they may be used in SSLD.

Since the task force was formed, the number of subsea wells that would benefit from having an advanced SSLD system that now have a SSLD system installed has improved from 0% to about 90%.

BSEE recently began verifying that SSLD systems and training have been implemented, as reported by operators.



This verification is being done through a Production Risk Based Inspection (PBRI), which allows BSEE to audit operators based on their own policies and procedures.

The first five operator PBRI audits were completed on September 24, 2020. The audit findings will be published in FY21.

Overall, the efforts by BSEE and the OOC operators have improved SSLD. The SSLD effort is an example of what can be accomplished when the regulator and industry work together to improve safety and environmental sustainability, even without adding regulation.



■ Environmental Compliance Upgrades

The Environmental Compliance Program exists to ensure lessees and operators on the Outer Continental Shelf (OCS) comply with Federal environmental laws, regulations, and standards.

Bureau improvements now include:

- Clear roles and responsibilities for staff.
- Procedures for provisioning subject matter experts for air quality, archaeological/cultural resources, benthic resources, fisheries, marine trash and debris, National Environmental Policy Act (NEPA), protected species, artificial reefs, and water quality.
- A process for developing and assessing annual goals and measurable targets for environmental

compliance requirements and national and regional priorities.

The Environmental Compliance Program supports BSEE's renewable energy efforts by coordinating with the Bureau of Ocean Energy Management during NEPA analysis, the renewable energy project approval process, and by developing standard operating procedures for enforcement and compliance functions.

BSEE's environmental compliance team also has developed a standard for defining undue harm or damage to natural resources that support DOI's offshore renewable energy regulations provided a compliance recommendation on three buoy decommissioning applications, and provided a course of action for over 15 incidents reported this fiscal year on offshore renewable energy activities on the Atlantic OCS.

■ Environmental Assessments

BSEE employs DOI NEPA streamlining guidance to promote efficient, effective, and timely environmental reviews of projects such as offshore decommissioning activities, updating BSEE regulations, and supporting the Bureau's permitting decisions.

The Office of Environmental Compliance (OEC) uses advanced studies, subsea surveys, and risk assessments to mitigate release of hydrocarbons into the marine environment.

In addition, the BSEE Gulf of Mexico Region Office of Environmental Compliance revised the region's NEPA coordination and review processes in March of 2020, to comply with the 2020 Biological Opinion issued by the National Marine Fisheries Service.

The Environmental Compliance team also participated in a U.S. Army Corps of Engineers-led Pebble Mine Project in southwestern Alaska. BSEE worked on developing the Final Environmental Impact Statement and is participating in the National Historic Preservation Act Section 106 consultation and the Endangered Species Act Section 7 consultation.



Environmental stewardship requires all of us to manage, protect, and care for the coastal, marine and human environments. We are reinforcing a culture of ownership across the Bureau as we execute the BSEE mission on the OCS."

- Ramona Sanders, BSEE Senior Environmental Stewardship Coordinator



Oil Spill Preparedness Research

In FY 2020, BSEE's Oil Spill Preparedness (OSP) Program funded over \$6 million in external spill research projects. These projects, including those conducted directly by principal investigators in BSEE's OSP Division, explored a variety of technologies and tactics to mitigate offshore oil spills.

One example is the funding and development of new and improved systems to detect and mechanically recover oil in icy environments remotely. Other research is improving the separation of oil and water in emulsions to improve emergency responders' recovery efficiencies.

Advances are also being made in use of in-situ burning to consume spills, such as better technologies for igniting troublesome oil-water emulsions and reducing the amount of smoke and particulate emissions produced in these operations.

As the current Vice Chair of the Interagency Coordinating Committee on Oil Pollution Research, BSEE is focusing the Nation's attention on the latest spill research needs by funding the Committee's update of its congressionally mandated Research and Technology Plan. Closely collaborating with government, industry, and academic partners, BSEE has also contributed funding to the National Academy of Sciences' "Oil in the Sea IV" publication – a comprehensive review that assesses the state of science on the fate and effects of hydrocarbons in the marine environment.

BSEE's research efforts benefit oil spill responders and contingency planners by providing expanded options for decision-making, better tactics, and updated equipment inventories. The OSP Division also manages Ohmsett, the largest saltwater testing and training facility in North



America, where researchers from government, industry, academia, and international organizations have made major advancements in oil spill response. Most major advances in U.S. response technologies and tactics have been developed or tested at Ohmsett. BSEE allocates part of its funding appropriated from the Oil Spill Liability Trust Fund to operate Ohmsett to service domestic and international customers.

BSEE's Oil Spill Preparedness Program has an oil spill response research role that funds the largest share of spill research in the Federal Government.



ENERGY SECURITY

Recognizing the importance of the Outer Continental Shelf (OCS) to America's energy portfolio, we promote diligent and responsible exploration, development, production, and transportation that maximizes oil and gas recovery, ensures accurate production measurement and prepares for the advancement of offshore wind.

- Keep pace with technological innovations that enable development and production in frontier areas and resolve technological challenges such as development in high pressure/high temperature environments.
- Refine permitting review strategies to support timely development and accurately reflect the risks and phases of development of the OCS.
- Coordinate with other Federal agencies to reduce any unintended impediments to development and production on the OCS.

The following pages highlight a few of BSEE's Energy Security initiatives.



■ Infrastructure Life Extensions

Safely recovering publicly-owned energy assets for the benefit of the American people underlies BSEE's efforts to avoid the stranding of known oil and natural gas reserves from the U.S. Outer Continental Shelf.

BSEE engineers follow a comprehensive process to maximize the oil and natural gas produced from floating production systems and compliant towers associated with deepwater projects.

As of January 1, 2020, there were roughly 50 floating production platforms and compliant tower production platforms operating in the Gulf of Mexico (GOM). Of those, nearly half are within 25% of their permitted design life.

Operators may request to extend activities on those facilities via the BSEE Life Extension Process. BSEE evaluates platforms and critical components, with dynamic responses susceptible to fatigue, for operations beyond the end of their original permitted life within this process.

Since these deep-water platforms fall under the Platform Verification program described in 30 CFR §250.909-913, BSEE recommends that the Life Extension requests be validated by a Certified Verification Agent (CVA).

For BSEE to accept an operator's Life Extension request, the operator must demonstrate through data, inspection, and engineering analyses that the structure and associated components have adequate fatigue life remaining and demonstrate structural integrity for the additional years requested.

The Gulf's deepwater province accounts for 69% of the active Federal leases, 92% of the oil produced, 72.5% of the natural gas produced, but only contains 4% of the active facilities.

BSEE is currently in the final stages of drafting our directive supplements detailing how we will consistently process these types of requests in the future. BSEE subject matter experts are currently working with the DOI Solicitor's Office to finalize the documents.



■ Joint BSEE/BOEM Shallow Water Gulf of Mexico Project

Bureau of Safety and Environmental Enforcement (BSEE) and Bureau of Ocean Energy Management (BOEM) research indicates the need to define the Gulf of Mexico Shallow Water Province (water depth less than 200 meters) as a distinct province to avoid stranding more than \$20 billion of the Nation's oil and natural gas resources.

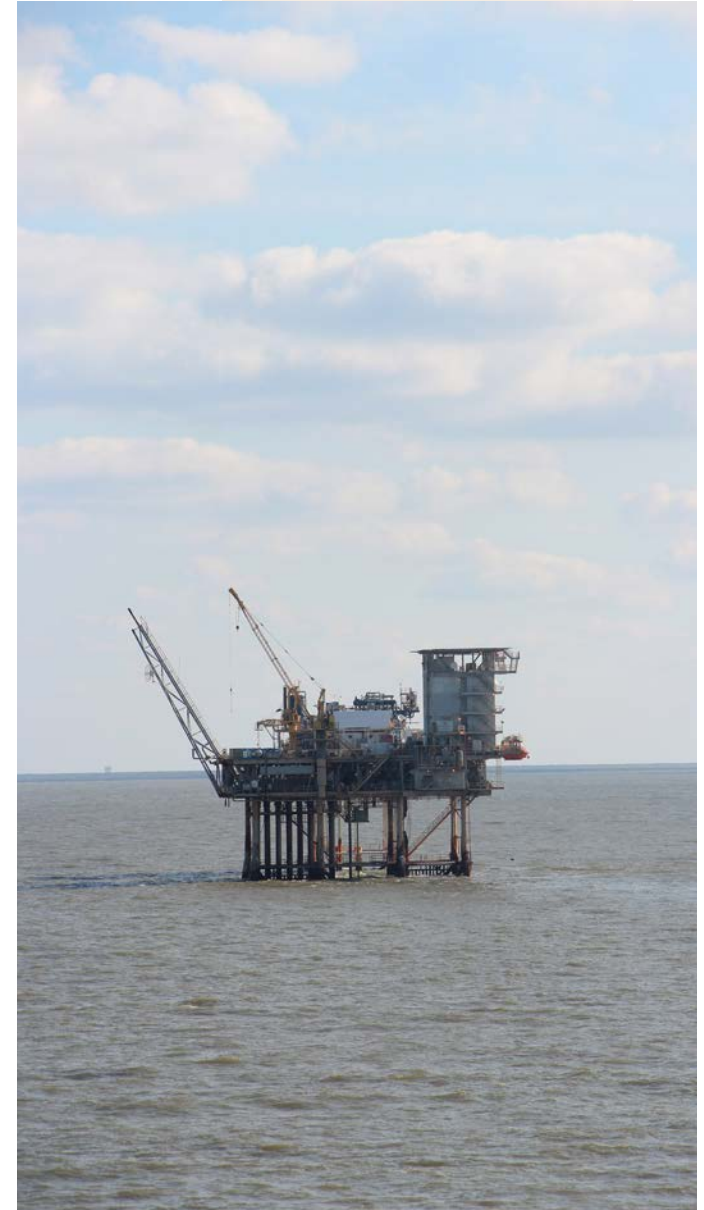
The Outer Continental Shelf (OCS) Gulf of Mexico province historically has been rich in oil & gas production since the first OCS shallow water well was drilled in 1947. Since that time, OCS operators have drilled more than 47,700 wells and installed nearly 7,000 platforms on the shelf.

As the industry grew, offshore activity progressed to deeper and deeper water, leaving the shallow water shelf in a slow, but steady decline in exploration and development.

Today, activity has reached a critical point in which oil & gas reserves may become stranded from a lack of activity in shallow water.

On November 19, 2019, BSEE and BOEM published the information/briefing report, "Gulf of Mexico Data and Analysis/Leasing, Drilling and Production, Gulf of Mexico Shallow Water Potential Stranded Assets," or otherwise known as the "Shallow Water Report."

The report provided OCS data and analyses on leasing, production, drilling, financing, and resources for the Gulf of Mexico province. Its purpose was to recommend a forward path regarding "Special Case" royalty relief, pursuant to regulation within 30 CFR Part 203, on the OCS to conserve oil and natural gas resources and stimulate production that might otherwise be stranded due to a lack of exploration and development activity.





ORGANIZATIONAL AGILITY

We maintain the ability to prepare for, adapt and respond to market forces and industry change for all lifecycle aspects of conventional and renewable energy development and operations offshore.

- Reform overly burdensome regulations while sustaining safety and environmental protection.
- Maintain diligent oversight of end-of-life facilities and reservoirs to ensure maximum resource recovery, sustain safe operations and strengthen decommissioning/idle iron compliance.
- Coordinate with the Bureau of Ocean Energy Management to promote responsible development, reduce unnecessary regulatory burdens on operators and represent the American public's interest in bankruptcies of OCS lessees.

The following pages highlight a few of BSEE's Organizational Agility initiatives.



ORGANIZATIONAL AGILITY

■ Regulatory Reform

Production Safety Systems Rule

BSEE published proposed revisions to the Production Safety Systems Rule on December 29, 2017. The proposed rule was open for public comment for 30 days. BSEE reviewed and considered over 60,000 comments before revising and finalizing the 2018 Oil and Gas Production Safety Systems Rule on September 28, 2018. Consistent with Executive Order 13783, the revisions were measured and tailored.

81 provisions were changed (16.74%)
3 provisions were deleted (<1%)
7 provisions were added
400 provisions remain unchanged (82.64%)



Well Control Rule

BSEE published proposed revisions to the Well Control Rule on May 11, 2018. The proposed rule was open for public comment for 87 days. BSEE reviewed and considered over 118,000 comments before revising and finalizing the 2019 Well Control Rule on May 15, 2019. Consistent with Executive Order 13783, the revisions were measured and tailored.

53 provisions were changed (15.5%)
15 provisions were deleted (4.39%)
33 provisions were added
258 provisions remain unchanged (75.4%)



■ Decommissioning

An important charge in BSEE's authorizing legislation is to ensure that exploration, development, and production activities, undertaken pursuant to the Outer Continental Shelf Lands Act, are properly decommissioned to ensure the long-term protection of energy resources and the surrounding environment and safeguard the rights of other users of the OCS. As offshore oil and natural gas facilities mature, the infrastructure reaches a point where decommissioning is required.

Over time, the number of wells, facilities, and pipelines subject to decommissioning will increase. Recognizing this trend, Director Angelle established a Decommissioning Advisor position to strengthen the organization's capabilities to meet end-of-lifecycle demands.

The Director's All Things Decommissioning initiatives championed BSEE efforts to revise several internal policies and update its decommissioning cost estimation algorithms. BSEE issued industry guidance on the timeliness of decommissioning activities to further reduce the environmental and financial risk of idle infrastructure being damaged by severe weather. BSEE also

revised guidance to industry on conducting and reporting site clearance activities for decommissioned infrastructure.

To encourage timely decommissioning, BSEE issues Incidents of Non-Compliance (INCs) to operators that fail to decommission all lease facilities and wells within one year of the lease termination as prescribed by regulation and lease stipulation.

BSEE also issues enforcement orders to operators to decommission facilities and wells on active leases with no future utility. BSEE continues to track infrastructure due for decommissioning and enforces requirements when necessary.

Operator bankruptcies are a growing concern for the Bureau. When the responsible parties for offshore infrastructure go bankrupt, decommissioning obligations may fall to the Federal government.

To better manage bankruptcy-related issues, BSEE and BOEM established an inter-bureau National Bankruptcy Coordination Team in 2019. The team works within the bankruptcy proceeding to ensure funds are set aside



ORGANIZATIONAL AGILITY



to fulfill the statutory duty to decommission facilities. Through these efforts, BSEE strives to hold operators accountable and reduce the risk of burdening taxpayers with decommissioning offshore infrastructure.

Conversely, as OCS facilities mature, the underwater components or "jackets" support the development of productive ecosystems that benefit a wide array of flora and fauna.

Additionally, the established presence of several, desirable fish species makes OCS facilities

Exxon's Lena - the world's first commercial compliant tower in a water depth of 1,000 feet is now in the decommissioning process.

Between
2010-2019,
1,882
structures were
decommissioned.

Continued on next page...



Decommissioning (CONTINUED)

prime locations for fishermen to frequent along coastal states. The majority of the facilities have been in place and fished at for several decades, assumedly providing financial benefits to the associated coastal communities that support the fishermen.

BSEE has increased support and encouraged participation in the Rigs-to-Reefs Program, which allows operators to reef the jackets of their idle and lease-terminated facilities under an associated state's artificial reef program.

Rigs-to-Reefs allows the established ecosystem to remain on the OCS and continue to benefit the marine environment and recreational fishermen.

To help assess benefits from to fishing, Director Angelle coordinated with Mr. Chris Oliver, Assistant Administrator of the National Oceanographic and Atmospheric Administration (NOAA) - National Marine Fisheries Service (NMFS), on the development and execution of a socioeconomic study to

address how active, idle, and reefed OCS facilities support coastal communities through the continued appeal-to, convenience-of, and productivity-for recreational fishing.

The Director has also led the development of a Memorandum of Collaboration (MOC) between BSEE, the Bureau of Ocean Energy Management (BOEM), NOAA, NMFS, the U.S. Coast Guard, U.S. Army Corps of Engineers (USACE), the U.S. Environmental Protection Agency (EPA), and associated State marine agencies to enhance existing collaboration among the agencies and work towards improving the Rigs-to-Reefs Program and determining how to best maximize the ecologic and economic value of mature OCS facilities in the Gulf of Mexico.

The MOC will facilitate improved communication among the agencies, allow for the effective sharing of critical research and information (like the aforementioned study effort), and support best practices and responsible decisionmaking.



More than 560 decommissioned OCS structures have been reefed since the artificial reefing program was established in 1987.



■ Renewable Energy

BSEE utilizes an interdisciplinary team of technical and policy specialists to provide a wide range of expertise to DOI's offshore renewable energy program. BSEE collaborates with BOEM on the development of safety and operational functions for the Department's renewable energy program, including workplace and process safety management, incident reporting and investigations, enforcement, and environmental compliance verification. Some examples of BSEE's work in this area include:

- ✓ Leading the development of a Policy Statement published by DOI in October 2019, establishing the agency as the sole regulator for workplace safety on renewable energy facilities.
- ✓ Funding the Block Island Structural Monitoring Joint Project, our Nation's first opportunity to establish a data-driven, systems-level framework for structural monitoring that will contribute significantly to the future of U.S. safety and structural design life.
- ✓ Conducting technical plan reviews and selection of Certified Verification Agents and associated Statements of Work. In FY 2020, BSEE reviewed 41

industry renewable energy submissions (156% increase from FY 2017).

- ✓ Providing Safety Management Systems (SMS) and oil spill response plan assessments.
- ✓ Drafting renewable energy health, safety, and environment guidelines and developing a compliance assurance program that includes SMS audits and a self-inspection program.
- ✓ Assessing impact producing factors and mitigation measures to ensure the environment is protected.
- ✓ Enforcing compliance with regulations for decommissioning activities (site assessment).

In 2019, the European offshore wind industry reported a total recordable injury rate of 5.5 injuries per one million hours worked. In comparison, the CY2019 recordable injury rate for the U.S. offshore oil and gas industry was 2.82 injuries per million hours worked.

We believe BSEE is prepared to bring our expertise to bear on the U.S.A. renewable industry.

**NEW ENERGY
DEVELOPMENT
ACTIVITY COMES WITH
NEW SAFETY RISKS.
BSEE IS POSITIONING
ITSELF TO DRIVE
SAFETY PERFORMANCE
AND ENVIRONMENTAL
SUSTAINABILITY
FOR THE U.S.A.
RENEWABLE INDUSTRY.**



PEOPLE

We are committed to maintaining a diverse and inclusive workforce that adheres to high standards of integrity and is accountable, competent, and engaged with the BSEE mission.

- Empower our workforce through increased employee engagement, training and professional development opportunities.
- Build mutual recognition and respect for the roles played by those on the front lines, in the regions and at headquarters to generate a level of dialogue throughout the bureau that supports collaboration, innovation and agility.
- Foster trust, demonstrate a commitment to ethics and ensure employee accountability.

The following pages highlight a few of BSEE's People initiatives.

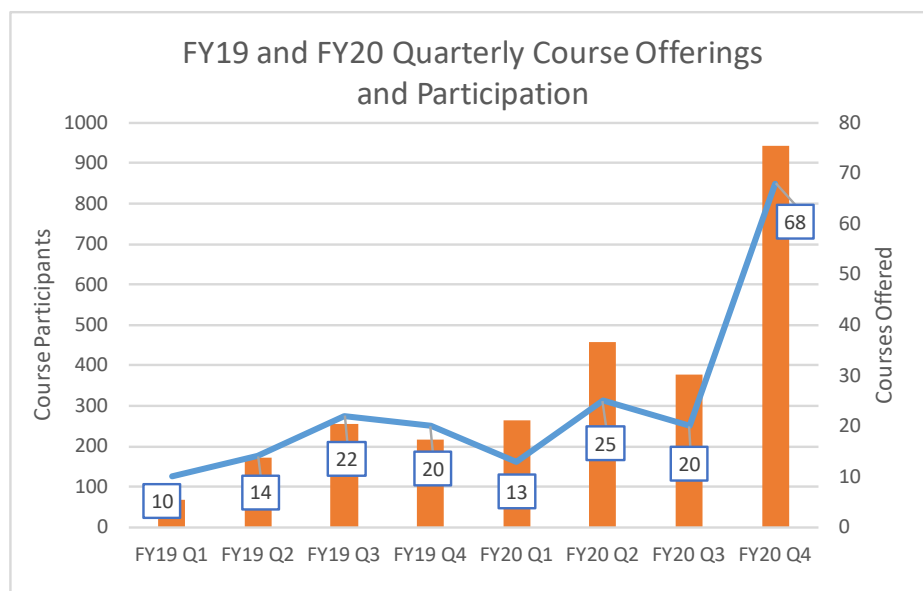


Employee Training

In October 2019, the BSEE Offshore Training Branch became the BSEE National Offshore Training Center (NOTC) under the leadership of the BSEE Gulf of Mexico Region. With this change, the National Offshore Training Program (NOTP) expanded to include curriculum development, delivery, evaluation, and compliance personnel certification, as well as the National Offshore Technical Training Program.

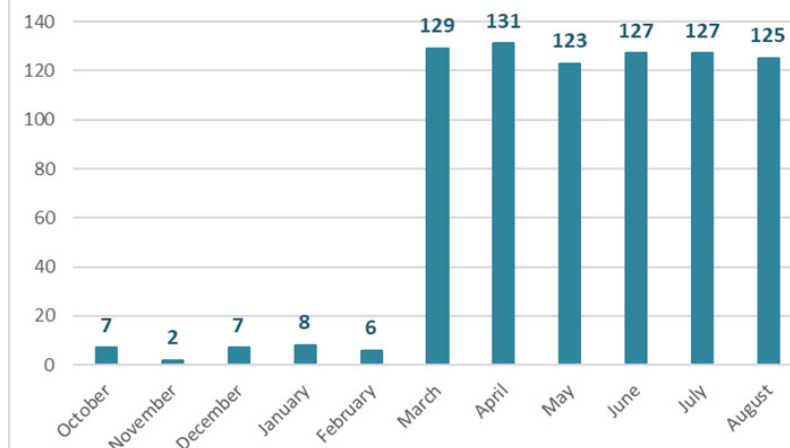
Current Program:

The NOTC is a multi-tiered technical training program. BSEE provides required technical training to inspectors and engineers, exceeding the offerings of previous years. The graph below illustrates the number of courses and participants in FY19 and FY20.



The table above depicts the progress we have made in Phase 1 of the "Best in Class" Building Plan.

Distinct Inspectors Participating in CBT Training



The initial assignment of e-learning has increased awareness of learning opportunities through computer-based training (CBT). These opportunities are laying the foundation for employee development at the convenience of not only the employee but the organization. These learning opportunities allow employees to better manage their time during weather events and down time.

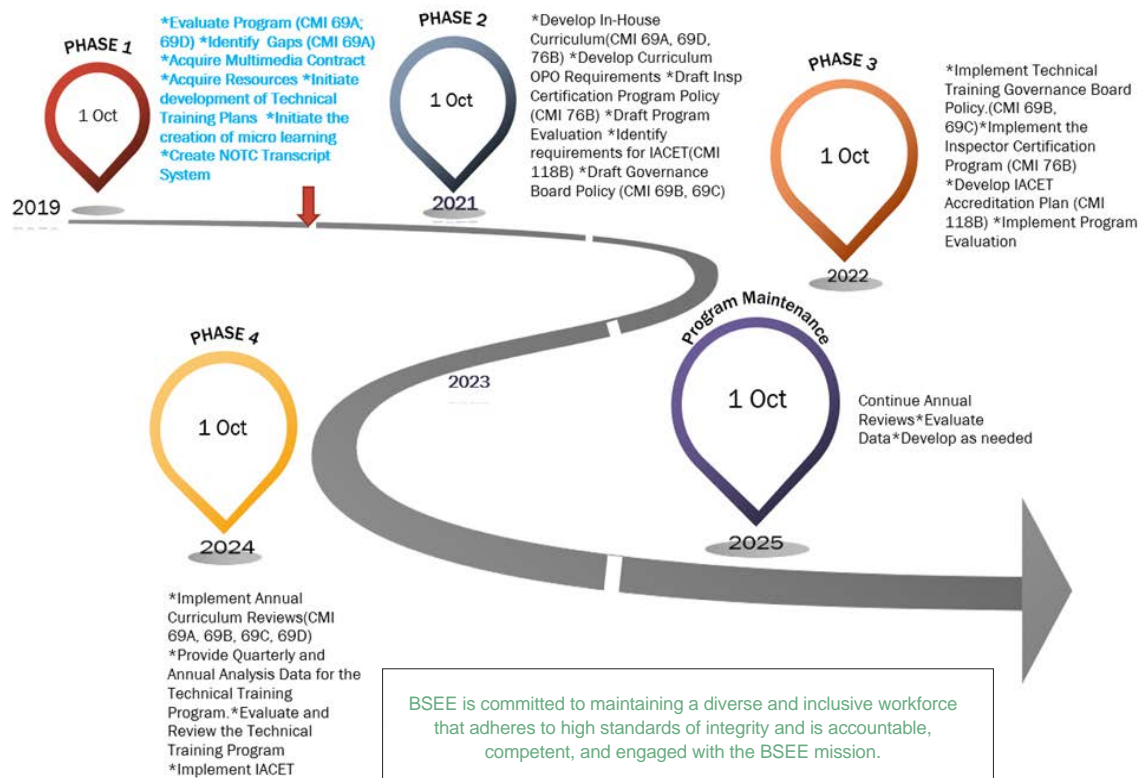
E-Learning for BSEE will be a great enhancement to traditional classroom training. It will allow BSEE to expand employees' technical expertise as it is blended with the more traditional classroom training.



Employee Training (CONTINUED)

To advance BSEE's Technical Training Program expansion, a 5-year "Best in Class" Building Plan was created and divided into 4 phases. FY 2020 was focused on Phase 1 and the beginning of Phase 2. Phase 2 is scheduled to begin in FY 2022.

The "Best in Class" Building Plan:



The biggest Phase 1 effort was the completion of the Inspector Gap Analysis. This process took 4 months to complete. The Gap analysis process included the review of current program requirements and in-person interviews with each region/district inspector subject matter experts.

There were an additional 116 critical skills/behaviors identified for review in addition to the inspectors' required curriculum.

In FY 2020, the NOTC developed the roadmap to reach this goal: To always provide the "Best in Class" student-centered learning opportunities with boldness, energy, and structure.



Vast improvements have been made since the rebranding and relocation of the National Offshore Training Center - more hours of instruction, wider availability of targeted topics required by the duties of the technical staff, and a more comprehensive approach to equip BSEE's workforce with the knowledge and skills necessary to meet the Bureau mission." -- Elizabeth Kramar, Learning and Development Manager, BSEE NOTC



■ Building an Engaged Workforce

Building an Engaged Workplace

Each year, the Office of Personnel Management (OPM) surveys employee perceptions about their work experiences, agency, and leadership through the Federal Employee Viewpoint Survey (FEVS). One result is the Employee Engagement Index (EEI), which measures factors that lead to engagement and comprises three subfactors, how employees perceive their 1) leaders, 2) supervisors, and 3) intrinsic work experience.

From 2016 to 2019, BSEE saw an overall increase in its EEI of 13%, the highest rate increase in the Department of Interior, led by the Alaska Region's 15% increase.

How did we get there?

BSEE's Strategic Human Capital Programs (SHCP) has closely tracked the EEI and, through in-depth analysis, identified upward trends as well as areas of concern.

For those Bureau work units experiencing a decline in EEI, our approach has been to equip leaders with survey data, recommendations, and suggested roadmaps to improving their EEI. SHCP team members work with BSEE leaders to develop action plans that address overall employee engagement. These plans include, but are not limited to:

- Facilitated employee listening sessions.
- Individual and team interviews.

- Targeted communication strategies.
- Engage employees through participation in or opportunities to lead forums.

While each leader could customize his or her approach to addressing survey outcomes, the common thread among them was understanding the importance of demonstrating a direct link between their efforts and the Bureau's Strategic Plan. This insight enhanced the overall relationship between supervisors and employees and fostered a growth mindset in BSEE. It has sustained a high level of participation in FEVS and improved overall employee engagement. In fact, in 2019, 81.5% of BSEE responded to the survey.

Why is the EEI focus valuable to BSEE?

Successful organizations foster conditions essential to an engaged workforce to ensure each employee can reach their potential and contribute to organizational success.

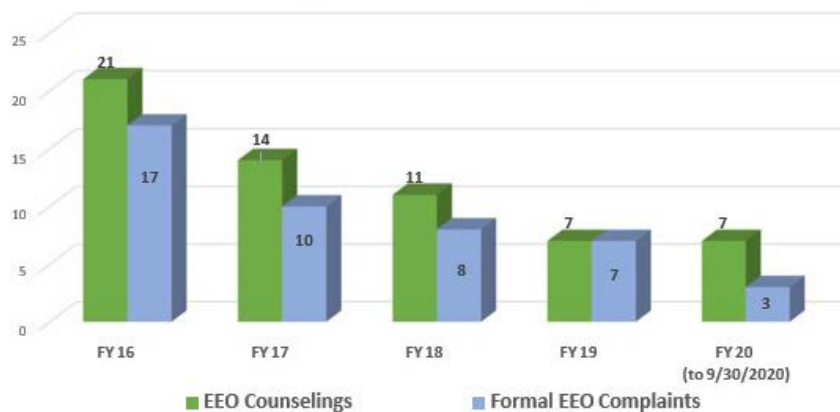
There is a direct link between employee engagement and employee performance. BSEE's EEI increase results from engaged leadership who knows that employee performance is critical as BSEE is unique in its responsibilities to drive safety performance and environmental stewardship in offshore operations.

FEVS Response Rates – Ranking and Comparison

Year	BSEE FEVS Response Rate	Rank within the DOI (Response Rate)	Average Response Rate – Small Gov't Agencies (100-999 employees)	Average Response Rate – All Gov't Agencies
2019	81.5%	#3	68%	43%
2018	89.0%	#2	67%	41%
2017	61.3%	#4	71%	46%
2016	49.1%	#8	69%	46%

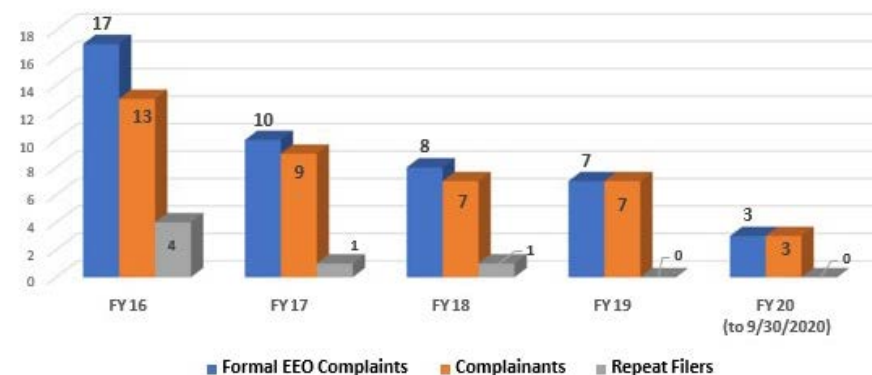


EEO Counselings Initiated vs. Formal EEO Complaints Filed

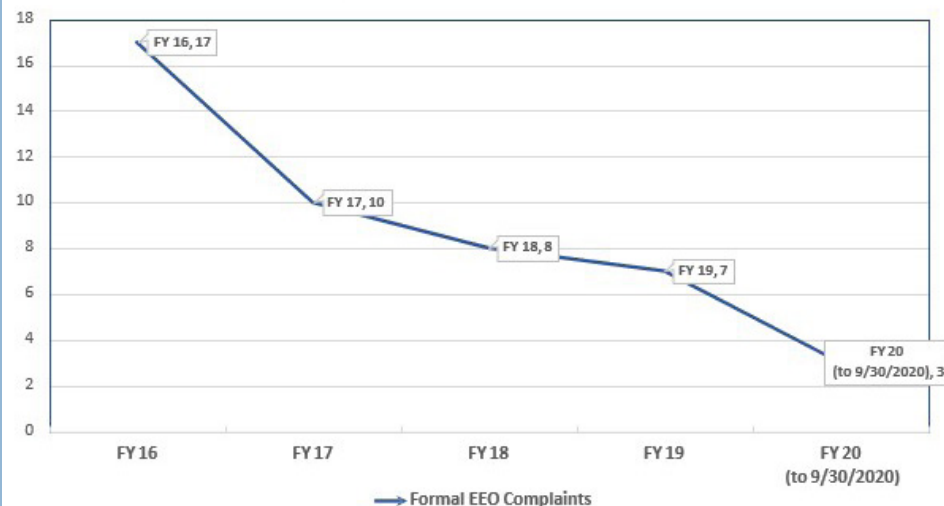


Note: This chart has been adapted to reflect the informal complaint process as EEO Counseling. The EEO Discrimination Complaint process always begins with EEO Counseling (Informal Complaint initiation). At the end of the EEO Counseling stage, individuals must elect to file a Formal Complaint of Discrimination. Otherwise, the process ends.

FORMAL EEO DISCRIMINATION COMPLAINT ACTIVITY
FISCAL YEARS 2016 THRU FY 2020



Formal EEO Complaints of Discrimination - filed by Fiscal Year



BSEE is committed to a harassment-free workplace in which all people, regardless of their race, color, gender, ethnicity, national origin, age, sexual orientation, or physical or mental disability are treated with the highest level of equality, fairness, dignity, and respect.

BSEE's goal of achieving organizational excellence is only realized if all employees are provided a safe and harassment-free workplace. The American ideal is built on the premise that we are a whole that is greater than the sum of its parts. Diversity and varying points of view are a strength. BSEE succeeds because of these differences, and BSEE will strive to eradicate all forms of harassment and discrimination.

EEO complaints have decreased by more than 80% since 2016.



DATA-DRIVEN DECISION MAKING

We actively use and share our data to support evidence-based decision making and drive industry and BSEE performance in the areas of safety, environmental stewardship, and conservation.

- Maintain a culture in which data is verified, valued, and shared.
- Ensure systems are reliable and designed for ease of use, to effectively acquire and deliver accurate, consistent, and up-to-date data.
- Advance data governance to assure that data is dependable, consistent, understandable, usable, and secure.

The following pages highlight a few of BSEE's Data-Driven Decision Making initiatives.



DATA-DRIVEN DECISION MAKING

■ Risk Assessment Committee

BSEE established the “Assessment of BSEE’s Risk Reduction Measures” Bureau Interim Directive (BID) in December 2018, which created a Risk Analysis Committee (RAC).

Under the BID, the RAC was tasked with conducting a risk assessment and gap analysis of potential process safety events associated with operations under BSEE’s jurisdiction and documenting the findings in a report.

In 2019, the RAC created a framework under which the committee will conduct future work and developed a standard operating procedure that subcommittees will use when conducting detailed risk assessments/gap analysis.





■ Incident Evaluation/Daily Reports

Bureau experts in data, safe operations, and specific oil and natural gas equipment meet daily to review inspector-reported incident data and issued incidents of non-compliance (INCs) for trend analysis.

The goal is to drive safety performance on the Outer Continental Shelf (OCS). Today more than ever, BSEE collaborates across the organization to improve offshore safety and environmental sustainability.

Several underlying safety-related incident trends have been discovered using this process:

- Detecting and tracking increases in lifting incidents;
- Fires involving turbochargers, compressors, exhaust manifolds; and
- Corrosion-related gas releases.

These trends have helped BSEE act on previously unknown safety issues and have resulted in numerous safety alerts and safety working groups.

By tracking this information, BSEE can identify the root and/or contributing causes of incidents and areas where operator practices were unclear.

Example safety alerts issued to the offshore industry due to data trends include: Safety Alert #383 - *Lifting Incidents Involving Tote Tanks* and Safety Alert #386 - *Turbo and Exhaust Manifold Fires Related to Engines*.

In addition to the issuance of the safety alerts, BSEE engaged directly with offshore operators and trade associations on lifting safety improvements and convened special lifting and “slips, trips, and falls” review teams to reduce OCS incidents.





■ SafeOCS Participation

SafeOCS is a confidential reporting program that collects and analyzes data to drive safety performance in oil and natural gas operations on the Outer Continental Shelf (OCS). The objective of SafeOCS is to capture and share essential information across the industry about accident precursors and potential hazards associated with offshore operations.

BSEE established the program with input from industry, and then entered into an agreement with the Department of Transportation's Bureau of Transportation Statistics (BTS) to develop, implement, and operate the program. SafeOCS collects, analyzes, and disseminates near-miss incident information as a proactive risk management, early warning system. BSEE's goal is to identify problems before they become full-fledged incidents, thus fulfilling our important safety role.

In 2018, the current Administration energized efforts to gain participation resulting in an increase in voluntary operator participation from 4% in 2016, to a rate of 86% of oil production by June 2019. This calculates to a 2,766% increase.

Companies that decide to participate in SafeOCS first agree to a Memorandum of Agreement (MOA) coordinated through BTS. Each MOA is unique and specific to the participating company.

Currently, 21 offshore oil and natural gas production companies and critical service providers have signed agreements in place. Participation in SafeOCS has remained steady despite the challenges oil and natural gas producers faced during COVID-19 and the accompanying downturn in oil and natural gas demand.

The goal of creating these agreements is to harness the collective expertise, experience, and knowledge of the company participants, and the independence and statistical capability of BTS in the collection, analysis, and sharing of statistical reports on safety learnings.

By participating, companies are contributing

to the combined knowledge on how to make the OCS a safer place to work and operate. Participating companies can incorporate the learnings from shared incident and event data into their continuous improvement efforts.

Key benefits of this effort include the following:

- provides a secure, central repository for collection, collaboration, and sharing of learnings of safety-related data
- identifies types of data that will provide valuable learning information
- aligns incident and indicator definitions
- implements a robust methodology for identifying systemic issues
- disseminates results to stakeholders who can then take actions to reduce or eliminate risk of reoccurrence through greater barrier integrity
- provides opportunities to network and benchmark performance
- sets up framework wherein actions cannot legally be taken against data submitters nor can raw data be used for

regulatory development purposes.

In FY 2020, the SafeOCS program completed two final reports in fiscal year 2020. One report, entitled "Industry Safety Data for the Oil and Gas Industry Phase I Report," covered voluntary near miss and safety data, provided by nine participating companies in the Phase I effort from 2014-2017. This is a historical collaboration for the oil and gas industry on near miss data. The data from this effort will be used to inform BSEE operational activities, such as deeper insight into lifting incidents and dropped objects, as well as risk-based inspection strategies.

The second report, titled, "Oil and Gas Production Safety Systems Events 2018 Annual Report," covered production safety systems equipment failures for 2018. Among the ways the data from this effort will be used is to inform BSEE's enhancement of production inspections.

FY 2020 also saw the addition of two near real-time dashboards for equipment failure reporting and tracking; and the development and testing of a near miss and safety data reporting dashboard.



TRANSPARENCY

We make consistent, informed decisions by promoting knowledge sharing, data stewardship and collaboration within the organization, and with stakeholders.

- Establish consistent, documented policies and procedures across our Districts and Regions, where appropriate, and verify implementation through robust program evaluations and controls.
- Improve sharing of work products (including contract deliverables) and consistent, reliable information to better inform decision making through efforts such as vital statistics, data and trend analysis, and data stewardship.
- Ensure our research adheres to Federal scientific integrity protocols, is scientifically sound, accessible and properly informs policy decisions.
- Accomplish our goals and priorities in a financially responsible manner.

The following pages highlight a few of BSEE's Transparency initiatives.



■ Permitting, Quality Assurance and Quality Control

The Office of Policy and Analysis (OPAA) is establishing BSEE's Quality Assurance/Quality Control (QA/QC) Program.

BSEE's QA/QC Program

1) Supports implementation of BSEE's core mission functions and activities by ensuring that core mission offices and programs have the tools and information needed to understand whether:

- BSEE mission objectives are achieved in an effective and efficient manner. Internal controls sufficiently mitigate against risks that may diminish program effectiveness.
- Decisions are sound, documented, and supported by best available information.

2) Will be facilitated by OPAA's Evaluation Branch, through engagements with those program offices performing core mission functions.

3) Builds upon the Bureau's efforts dedicated to improving the quality and transparency of processes and decision making around core Bureau functions, such as permitting and inspections.

Such BSEE efforts include:

- Previous activities conducted under the QA Permitting BID;
- Establishing the GOMR District Inspection Review program;
- Establishing a weekly quality control check procedure for making public information on requests for alternate compliance, departures, and time extensions; and
- The development of numerous policies and directives.

Implementation of the program outlined in a Bureau Interim Directive (BID) and initial program steps will focus on developing an inventory of functions and processes for review and pilot reviews in two or three program offices.



BSEE!Safe

In May 2019, BSEE launched BSEE!Safe, the world's first mobile solution to give offshore oil and gas workers critical, new safety alerts direct to their cell phones.

The BSEE!Safe text messaging service allows offshore personnel to voluntarily elect to receive a text message alert each time BSEE publishes a Safety Alert.

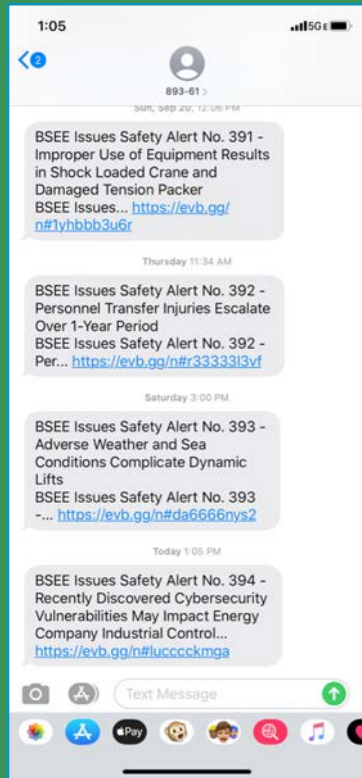
As of Sept. 30, 2020, BSEE has published 58 safety alerts containing information on incidents including fires, injuries, equipment failures, and chemical exposure.

Approximately 68 million work hours in calendar year 2018 were performed by offshore workers on the OCS. Nearly 84 percent of these hours were performed by

contractors on behalf of operators.

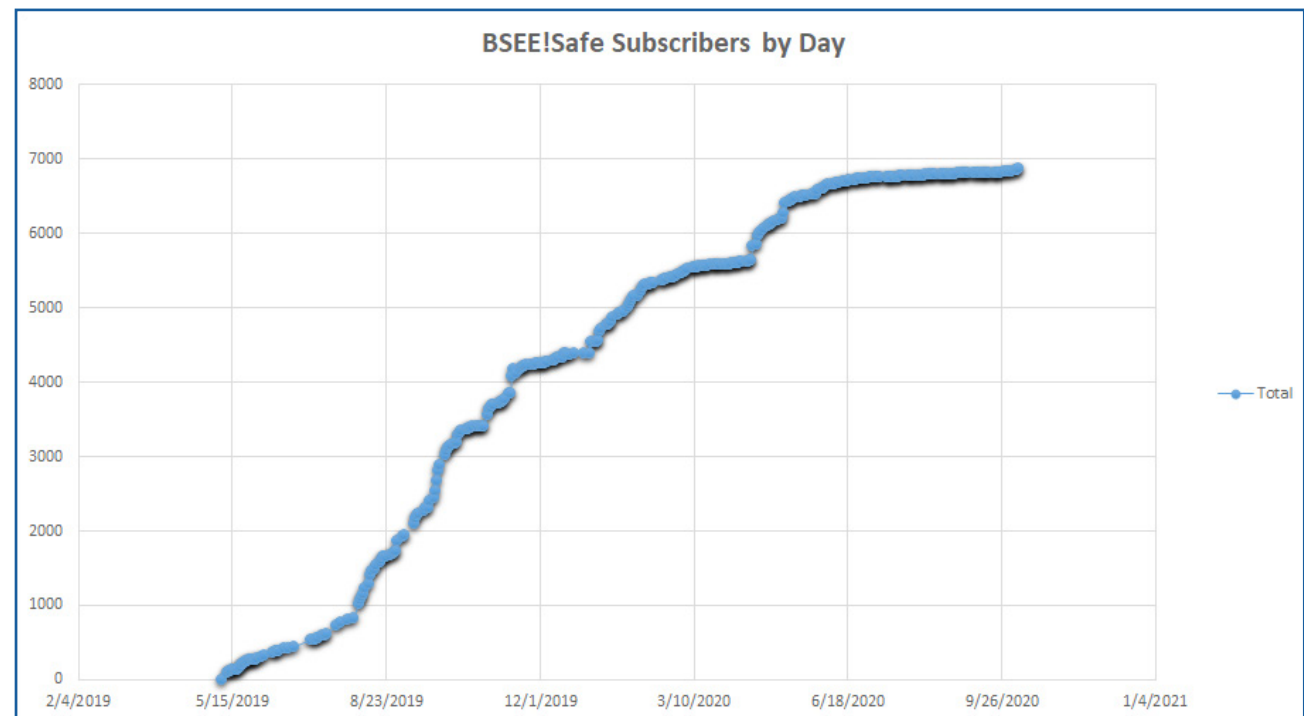
Ensuring these contractors have access to safety information is essential and BSEE!Safe delivers.

Since the institution of the program, more than 6,500 people have subscribed to receive BSEE!Safe updates.



BSEE!Safe creates a channel for communicating directly with offshore workers, making potentially lifesaving information available to them without it having to first pass through a supervisor or operator.”

– Jason Mathews, Chief,
Office of Safety Management





ENGAGEMENT

We actively engage stakeholders to evaluate alternatives that inform present and future decisions affecting our programs.

- Institutionalize effective engagement and increase communications with all of our stakeholders.
- Focus on improvements to current efforts involving the Offshore Energy Safety Institute, Safe OCS and BAST-Best Available and Safest Technologies.
- Strengthen our participation within international organizations, interagency forums, industry standard-setting bodies and other external organizations.

The following pages highlight a few of BSEE's Engagement initiatives.



■ Stakeholder Engagement, Messaging, Meetings, and Coordination

Early in Fiscal Year 2020, BSEE began engaging stakeholders to encourage them to drive safety performance, protect the environment and conserve offshore energy resources.

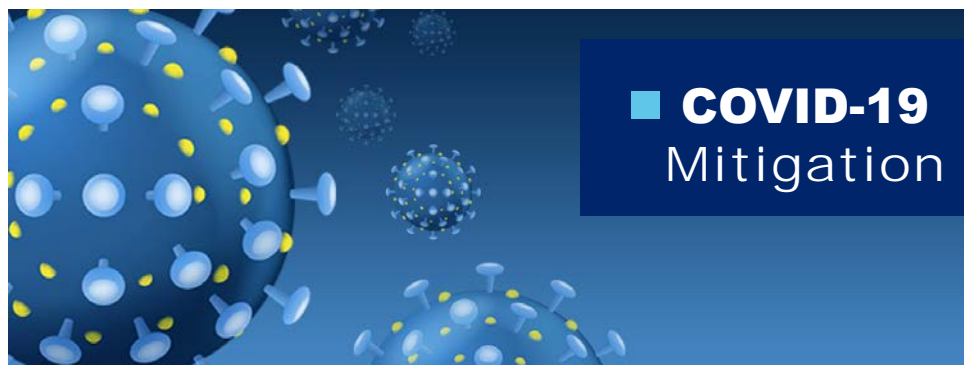
regularly to employ procedures to mitigate the spread of COVID-19. As a result of this effort, no BSEE inspectors contracted COVID-19 while conducting inspections offshore.

We started with in-person briefings to industry regarding the Gulf of Mexico Shallow Water Province. Director Angelle presented information on a joint BSEE/BOEM report focused on the decline in production in shallow water and an overview of royalty relief to prevent the unnecessary stranding of oil and natural gas resources.

We also met with industry at BSEE-sponsored workshops in January 2020. BSEE met with 92 people representing 40 companies to explain the royalty relief process. Staff also met with about 160 industry representatives to discuss BSEE's Notice to Lessees regarding incident reporting.

Beginning in March 2020, BSEE began coordinating with industry





■ COVID-19 Mitigation

When President Trump declared a national emergency March 13, 2020, BSEE immediately began establishing COVID-19-related protocols to ensure offshore oil and natural gas operations remained safe and environmentally sustainable.

BSEE staff used Centers for Disease Control and Prevention (CDC) guidelines to develop health screening protocols, provide personal protective equipment to inspectors, and aligned mitigation measures with the offshore industry to provide maximum protection for all workers.

BSEE also consulted with the Department's medical staff to ensure any mitigation measure BSEE undertook aligned with the most current medical guidance; and, as the CDC's recommendations evolved, BSEE, likewise, refined its mitigation practices and communicated these changes to

inspectors through a series of seven instructional memorandums.

From March 15 through September 14, 2020, BSEE Gulf of Mexico Region inspectors flew 257,080 miles over the course of 1,856 missions. They conducted 1,441 onsite physical inspections on a total of 1,112 Gulf of Mexico facilities, and 1,259 virtual, electronic record inspections onshore.

During this same time period, no BSEE employee traveling to the Outer Continental Shelf was infected with COVID-19.

BSEE's proactive approach to ongoing operations, particularly inspections, during the pandemic was systematic, thorough and effective in mitigating the risk to employees and offshore workers. Extensive communication and coordination with operators were key.

Inspector General **Confirms BSEE COVID-19** Response Is On the Mark

On September 21, 2020, the DOI Office of Inspector General released a [CARES Act Flash Report](#) confirming BSEE developed appropriate protocols to protect our inspectors and offshore workers throughout the COVID-19 pandemic.

The report found that BSEE:

- Developed, communicated, and updated COVID-19 guidance for all personnel involved with offshore inspections.
- Continued to complete its required inspections.
- Adapted its practices and remotely witnessed operators' blowout preventer tests by accessing the operators' software systems.

BSEE inspections of offshore operations are mission essential functions as they allow for the continued production of oil and natural gas, vital for the country's energy, economic, and national security.

"It was never an 'either/or' question," said BSEE Director Scott Angelle. "We knew America was counting on us to both maintain production for national and economic security and to keep our employees safe. The Department's Inspector General agrees we have done exactly that."



■ Great American Outdoors Act

The U.S. Outer Continental Shelf (OCS) delivers safe, environmentally sustainable and robust energy production. Revenues generated from those operations not only support national security, the economy and American jobs, but they will now fund the single biggest conservation investment in over half a century!

Every American who relies on energy for daily life is connected to the OCS. Thanks to the jobs and revenue the OCS brings to virtually every state in our Nation, every American will get to enjoy our greatest resource – the Great American Outdoors.

The Great American Outdoors Act
– *the most significant conservation legislation in 50 years* –
is great news for our Nation!



Thanks to offshore energy, Americans will continue to enjoy the wellness and recreation opportunities the great American outdoors has to offer for years to come. Offshore oil and natural gas royalties will provide up to \$1.9 billion a year for the next five years to repair facilities and infrastructure in our national parks, forests, wildlife refuges and American Indian schools.

Whether we are enjoying our favorite outdoor activities, breathing our Nation's freshest air, or remaining connected with nature – We all benefit from The Great American Outdoors Act, the single biggest conservation investment in over a ½ century.

[#GreatAmericanOutdoorsAct](#)





■ SafeOCS Engagement

BSEE held approximately 50 calls, webinars, and face-to-face meetings from October 1, 2019 through September 30, 2020.

18 Meetings with voluntary near miss and safety data “Industry Safety Data” (ISD) companies / one-on-one.

7 Meetings with University of Louisiana Lafayette about establishing a data center field office for SafeOCS near offshore oil and natural gas industry companies and subject matter experts.

1 June 23 meeting with Gulf Research Program to discuss both organizations’ projects and programs and the potential for fellowships on data for SafeOCS.

1 June 4 Offshore Operators Committee General Meeting.

3 Meetings with ISD companies as a group.

3 Meetings with Texas A&M (Research Data Center). This was about potential use of an existing center established for other Department of Transportation and Census programs in support of SafeOCS. This is a long-term goal due to Census projects this year.

4 International Association of Drilling Contractors/International Association of Oil and Gas Producers Reliability

and Performance Information Database RAPID S53 program status updates — collaborative sharing of information on Blowout Preventer Equipment.

1 June 22 briefing for the American Petroleum Institute’s Center for Offshore Safety (COS) leadership

1 Sept 15 meeting with University of Houston about a potential research data center location.

10 Memorandum of Agreement update activities, and calls with companies.

2 Meetings with ISD ad hoc workgroup on specific focus areas.



OUR MISSION SIMPLIFIED!



Safety, Environment, Resource Conservation

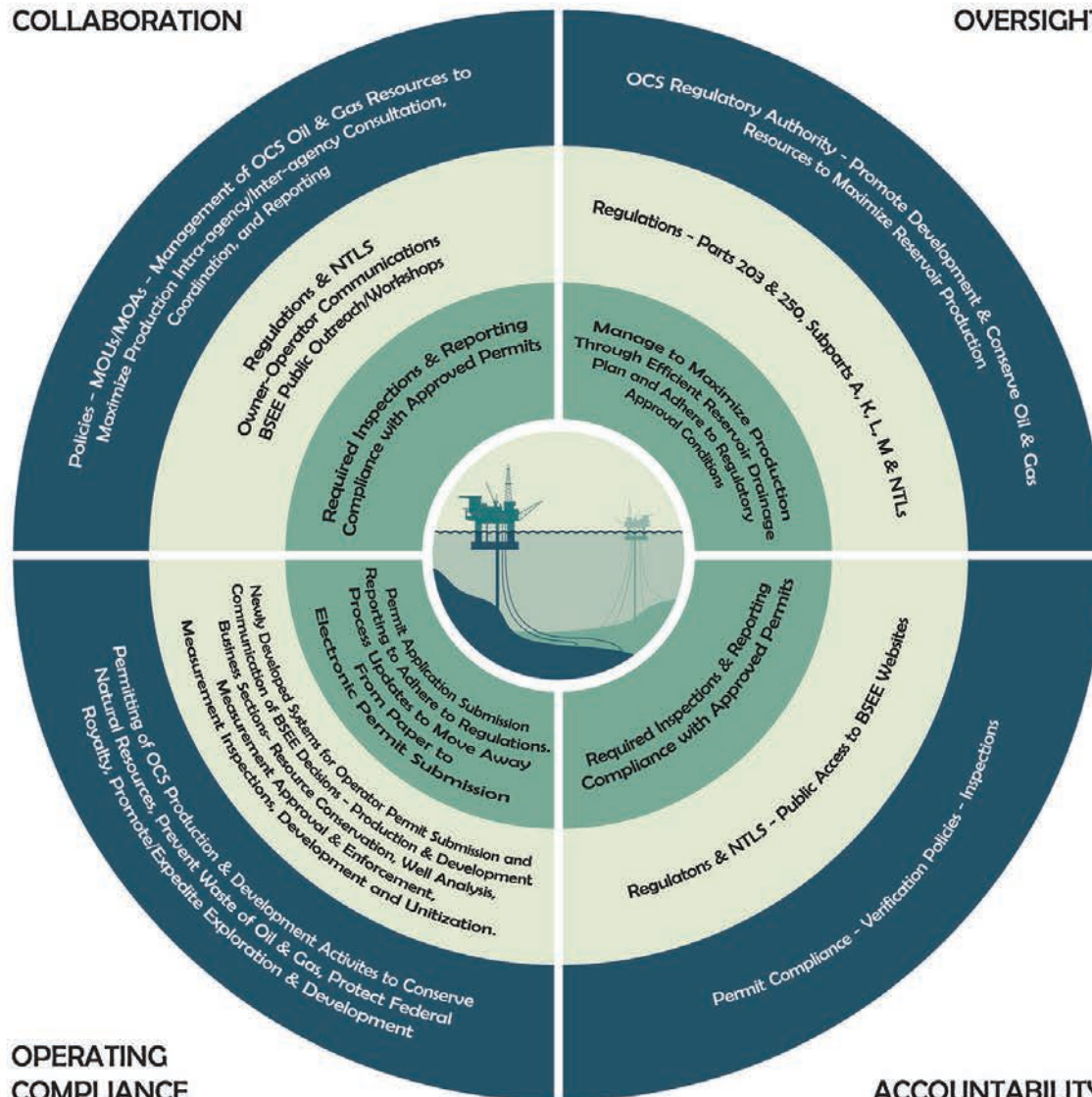
The following pages are graphic representations of BSEE's mission elements illustrating our execution.

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

BSEE Production and Development Conservation Processes

COLLABORATION

OVERSIGHT

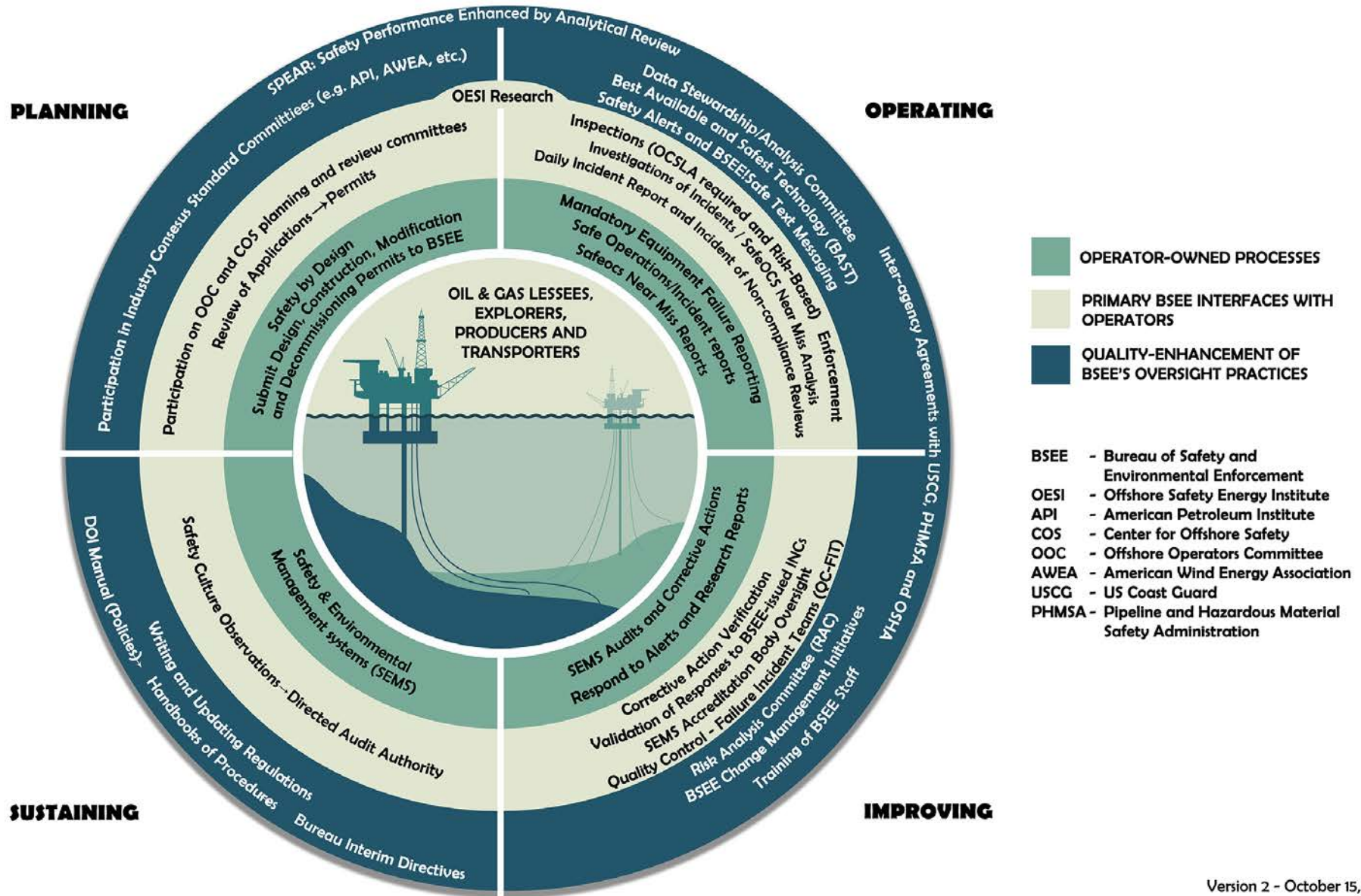


BSEE Oversight Practices

Primary BSEE Interfaces with Operators

Operator-Owned Processes

BSEE'S SAFETY OVERSIGHT AND ASSURANCE PROCESSES



Version 2 - October 15, 2019

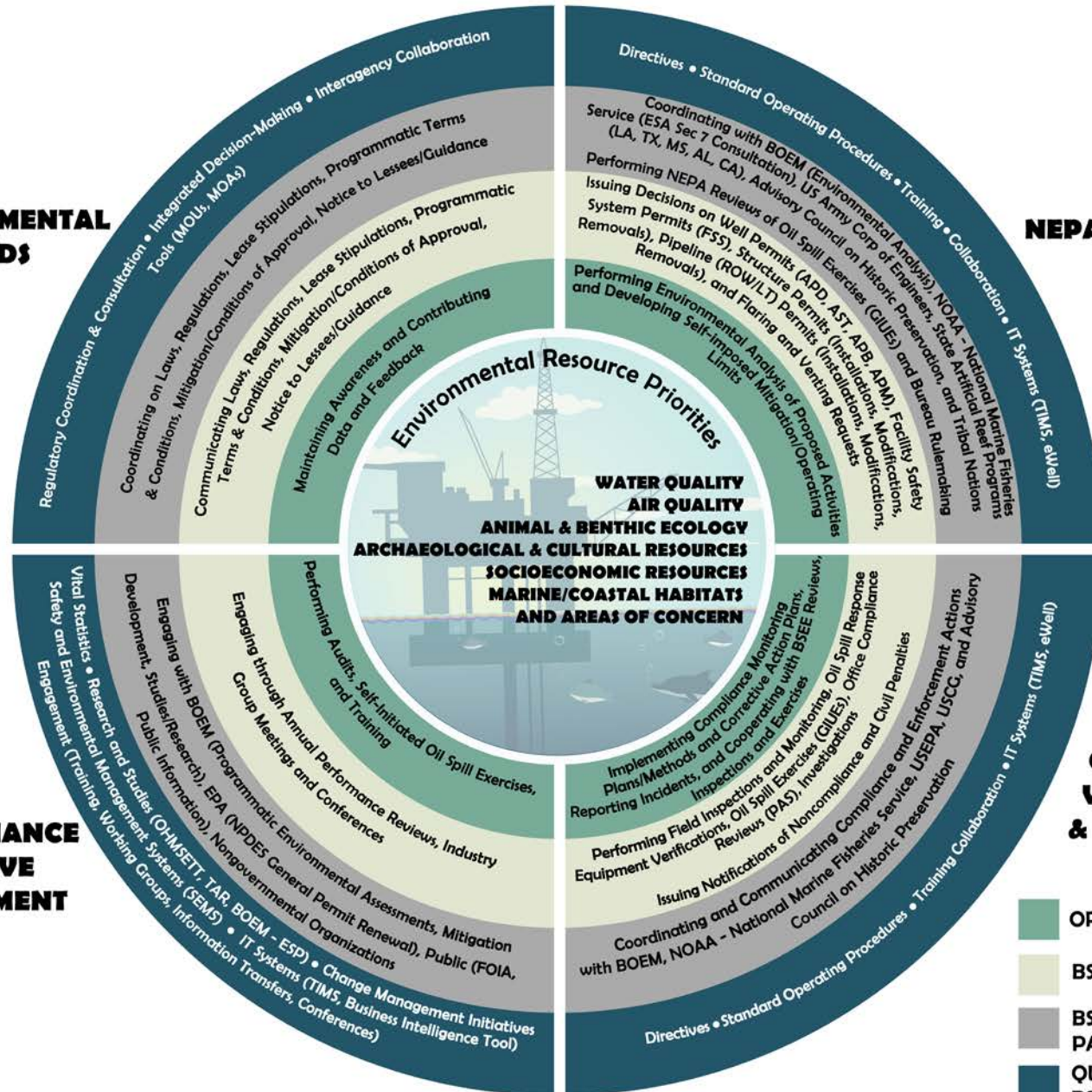
BSEE ENVIRONMENTAL STEWARDSHIP OVERVIEW

ENVIRONMENTAL STANDARDS

NEPA COMPLIANCE

COMPLIANCE VERIFICATION & ENFORCEMENT

PERFORMANCE & ADAPTIVE MANAGEMENT





C'est Pas Fini

During my tenure at BSEE, the Bureau has undergone a transformation that can only be described as monumental.

From the institution of a Strategic Plan that has guided our direction, to the completion of 692 Change Management Initiatives, our Bureau is not only leaner than ever before, but we are focused on data-driven decision making as we undertake initiatives to promote safety, protect the environment and conserve offshore resources.

Each effort encapsulated in our Change Management Initiatives has helped BSEE meet its mission and drive offshore safety and environmental performance.

In FY2017, BSEE employed 870 staff, across all disciplines and offices. Today, we have 763 employees. We have not sacrificed

positions that directly impact offshore safety or environmental sustainability, but we have evaluated our needs and maximized our productivity.

Spending, likewise, has been targeted and strategic, with funding requests and total obligations in balance.

Under the Trump Administration, BSEE has responded to the Administration's executive orders and the Department of Interior Secretary's orders to develop offshore energy resources safely and in an environmentally sustainable manner. We have done that.

We are not done though. We continue to look for innovative ways to drive safety and environmental performance offshore and refine our internal processes to ensure that we provide the services Americans expect.