



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

**RECOMMENDATIONS 58 - 64 FROM
THE REPORT TITLED “A NEW HORIZON:
LOOKING TO THE FUTURE OF
THE BUREAU OF OCEAN ENERGY
MANAGEMENT, REGULATION AND
ENFORCEMENT”
(CR-EV-MMS-0015-2010)**



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Memorandum

APR 23 2018

To: Allen Lawrence
Division Chief, Internal Control and Audit Follow-up
Office of Financial Management

From: Jeff Carlson 
Director, Energy Audits Unit
Office of the Inspector General

Subject: Verification Review of Recommendations 58 through 64 from the Report Titled
“A New Horizon: Looking to the Future of the Bureau of Ocean Energy
Management, Regulation and Enforcement”
Report No. CR-EV-MMS-0015-2010

The Office of Inspector General has completed a verification review of Recommendation 58 through 64 presented in our evaluation report, *A New Horizon: Looking to the Future of the Bureau of Ocean Energy Management, Regulation and Enforcement*, issued December 7, 2010. Our objective of this review was to determine whether the Bureau of Safety and Environmental Enforcement (BSEE) implemented Recommendations 58, 59, 60, 61, 62, 63, and 64 as reported to the Office of Financial Management (PFM), Office of Policy, Management and Budget. We concur that all seven recommendations are resolved and closed.

Background

Following the Deepwater Horizon explosion, the Minerals Management Service was divided into several entities, among them the Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE), which is now the Bureau of Ocean Energy Management (BOEM) and the Bureau of Safety and Environmental Enforcement (BSEE). Our report, “A New Horizon: Looking to the Future of the Bureau of Ocean Energy Management, Regulation and Enforcement” issued December 7, 2010, made 64 recommendations designed to address and ensure that operations on the Outer Continental Shelf (OCS) are conducted in a safe manner protective of human life, health, and the environment. Recommendations 58 to 64 pertained to activities under the responsibility of BSEE.

BSEE concurred with the report’s recommendations in a memorandum dated March 11, 2011 and detailed BSEE’s plans to implement them. In an April 21, 2011 memorandum, we referred the recommendations to the Assistant Secretary for Policy, Management and Budget to track their implementation.

Scope and Methodology

The scope of this review was limited to determining whether BSEE implemented the recommendations we reported. To accomplish our objective, we reviewed the OIG evaluation report, and BSEE's responses to each recommendation, to include evidence that supports PMB's closure of each recommendation. We did not perform internal control testing or conduct fieldwork to determine whether the underlying deficiencies that were initially identified have been corrected. As a result, this review was not conducted in accordance with Generally Accepted Government Auditing Standards, issued by the Comptroller General of the United States, or Quality Standards for Inspection and Evaluation issued by the Council of the Inspectors General on Integrity and Efficiency.

Results of Review

Our current review found that BSEE has resolved and implemented Recommendations 58, 59, 60, 61, 62, 63, and 64.

Recommendation 58:

Draft a new Memorandum of Agreement (MOA) with the U.S. Coast Guard (USCG), Environmental Protection Agency (EPA), and other interested agencies, requiring appropriate participation of all parties in the review of Oil Spill Response Plans (OSRPs) and any related drills or exercises.

Action Taken:

1. BSEE and USCG signed an MOA on April 3, 2012, governing responsibilities among the agencies regarding oil discharge planning, preparedness, and response.

We consider recommendation 58 resolved and implemented.

Recommendation 59:

Develop a review process for Oil Spill Response Plans (OSRPs) that incorporates risk-based and other strategies to ensure that all critical information and spill scenarios are included in the OSRP by operators and are comprehensively reviewed and verified by BOEMRE and/or other appropriate officials.

Actions Taken:

1. BSEE increased its fiscal year 2012 budget by \$1.2 million for 8 full-time equivalent positions for oil spill response compliance.
2. Standard Operating Procedures (SOPs) were added to the Oil Spill Response Division (OSRD) manual, detailing guidelines and procedures for OSRD processes, including review of Oil Spill Response Plans (OSRPs).
3. A quick reference guide was developed to facilitate the review of OSRPs.
4. NTL 2012-N06 was issued, which provided owners and operators with requirements for shelf and deepwater OSRPs.

5. An updated MOA between BSEE and the USCG clarified agency roles and responsibilities for oil discharge planning, preparedness and response.
6. An OSRP review checklist was created for use by BSEE and USCG staff.
7. The OSPD manual incorporated SOPs for the 30 C.F.R. part 254 regulatory process and have been formally implemented within OSPD and were reviewed annually.
8. SOPs were incorporated into BSEE's "ePermits" program.

We consider recommendation 59 resolved and implemented.

Recommendation 60:

Determine and ensure technical expertise necessary for staff to conduct comprehensive review of Oil Spill Response Plans (OSRPs).

Actions Taken:

1. BSEE's Oil Spill Preparedness Division (OSPD), formerly OSRD, developed and implemented standard operating procedures in its manual to ensure all key regulatory responsibilities, including the review of oil spill response plans were covered.
2. OSPD identified its top nine training requirements for preparedness analysts and developed a training tracker worksheet, to be updated as training is completed by staff.
3. A new training and qualification system for preparedness analysts – the Preparedness Analyst Qualification System – was formally implemented.
4. Preparedness analysts attended various professional conferences and meetings.

We consider recommendation 60 resolved and implemented.

Recommendation 61:

Ensure that inspectors verify the availability and presence of all equipment, including third-party equipment, listed in OSRPs prior to conducting inspections.

Actions Taken:

1. BSEE cited implementation of existing Bureau policy including unannounced annual inspections of oil spill response equipment, as well as review of equipment operations, maintenance records, and equipment inventory.
2. BSEE implemented baseline training requirements for its analysts.
3. Periodically, BSEE and USCG jointly performed oil spill response equipment inspections.
4. The OSPD Manual has been revised and includes excerpts about equipment verification and inspections, which was confirmed during interviews with OSPD staff.

We consider recommendation 61 resolved and implemented.

Recommendation 62:

Develop policies and procedures to require detailed descriptions of containment and control measures for the source of possible spills and determine where to incorporate these measures, either in the OSRP or elsewhere in the permitting process.

Actions Taken:

1. BSEE cited existing Bureau policy – specifically, NTL No. 2010-N10, which BOEMRE issued effective November 8, 2010 on applicable regulations and evaluation of information demonstrating adequate spill response and well containment resources.
2. BSEE published another NTL – No. 2012-N06 on August 10, 2012 – which deals with preparing and submitting OSRPs for owners and operators of oil handling, storage, or transportation facilities and clarifies, as appropriate, source control strategies for subsea containment equipment.
3. BSEE regularly conducted government initiated unannounced exercises, which focus on issues including source control.

We consider recommendation 62 resolved and implemented.

Recommendation 63:

Review calculations for worst-case discharges (WCD), with input from the Flow Rate Technical Group, and make recommendations for changes to 30 C.F.R. 254.47, as appropriate.

Actions Taken:

1. BSEE's Oil Spill Response Division reviewed the comments, recommendations, and suggestions in the report issued by the U.S. Geological Survey on May 12, 2011 and responded to the recommendations and suggestions.
2. BSEE published an NTL No. 2013-N02 on August 26, 2013 related to WCD scenarios.
3. BSEE provided input into BOEM's evaluation of worst case discharge calculation procedures.
4. BSEE examined a research project underway to evaluate worst case discharge scenarios in OSRPs.
5. BSEE recommended proposed changes to the Code of Federal Regulations to handle worst case discharge related matters.

We consider recommendation 63 resolved and implemented.

Recommendation 64:

Conduct additional research on containment and control measures to determine appropriate requirements for containing oil discharge at the source.

Actions Taken:

1. BSEE funded projects related to deepwater well control and spill response.
2. BSEE participated on the Interagency Coordinating Committee on Oil Pollution Research.
3. BSEE published a final report on Capping Stack Technology Requirements, which addressed appropriate requirements for containing oil discharge at the source.

We consider recommendation 64 resolved and implemented.

Conclusion

We concur that recommendations 58-64 have been resolved and implemented. We informed BSEE and PFM officials of the results of this review on March 9, 2018.

We would like to thank BSEE for providing the data requested during our review. If you have any questions concerning this memorandum, please contact me at 303-236-9243.

cc: Scott Angelle, Director, BSEE
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