

**Memorandum of Understanding
Between the
Bureau of Ocean Energy Management
And the
Bureau of Safety and Environmental Enforcement**

I. Purpose

This Memorandum of Understanding (MOU) establishes the working relationship of the Bureau of Ocean Energy Management (BOEM) and the Bureau of Safety and Environmental Enforcement (BSEE) in managing certain activities on the Outer Continental Shelf (OCS). This MOU is intended to help both agencies minimize duplication of effort, promote consistency in procedures and regulations, and resolve disputes. Separate Memoranda of Agreement (MOA) describe more specific roles and responsibilities of the two Bureaus and are designed to be updated as dictated by changing practices, law, or technology.

II. Authorities

Both BOEM and BSEE derive authority to regulate certain activities on the OCS through the Secretary of the Interior. Secretarial Order 3299 assigned BOEM conventional and renewable energy-related management functions, including, but not limited to, activities involving leasing, plans, environmental studies, NEPA analyses, economic and reserves analyses, and geologic risk analyses. BSEE's authority includes, but is not limited to, permitting, environmental compliance, conservation compliance, engineering standards and regulations, oil spill response planning, inspections, enforcement, and investigations. Additionally, both agencies have administrative requirements that derive from other government agencies, responsibilities that flow from Departmental regulations, and delegations of authority issued to implement various statutes, including the Outer Continental Shelf Lands Act, the Clean Air Act, the Oil Pollution Act of 1990, the Energy Policy Act of 2005, and the Gulf of Mexico Energy Security Act of 2006.

III. Background

On May 19, 2010, Secretary of the Interior Ken Salazar signed a Secretarial Order dividing the Minerals Management Service (MMS) into three independent entities to better carry out its three missions of 1) ensuring the balanced and responsible development of energy resources on the OCS; 2) ensuring safe and environmentally responsible exploration and production and enforcing applicable rules and regulations; and 3) ensuring a fair return to the taxpayer from offshore royalty and revenue collection and disbursement activities. MMS was renamed Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE) and Michael R. Bromwich was chosen as the Director for BOEMRE in June 2010.

An implementation plan published by the Department of the Interior in July 2010 called for restructuring the Department's offshore energy management responsibilities, detailing

a transition that would begin as early as October 1, 2010, and be completed by September 30, 2011. In the place of the former MMS – and to replace BOEMRE – three independent agencies with clearly defined roles and missions were to be created.

On October 1, 2010, the bureau completed the transfer of the revenue collection function. The Office of Natural Resources Revenue now resides under DOI's Office of Policy, Management and Budget. On January 19, 2011, Secretary of the Interior Ken Salazar and Director Bromwich announced the separation of the resource development and energy management and the safety and enforcement functions of BOEMRE into two independent entities: the Bureau of Ocean Energy Management (BOEM) and the Bureau of Safety and Environmental Enforcement (BSEE), which is effective October 1, 2011.

IV. Implementation

BOEM is responsible for managing development of the nation's offshore resources in an environmentally and economically responsible way. Functions include: Leasing, Plan Administration, Environmental Studies, National Environmental Policy Act (NEPA) Analysis, Resource Evaluation, Economic Analysis and the Renewable Energy Program.

BSEE enforces safety and environmental regulations. Functions include: All field operations including Permitting, Inspections, Technology Assessment and Research, Offshore Regulatory Programs, Oil Spill Response, and newly formed Training and Environmental Compliance functions.

This MOU takes into account the crucial need for information-sharing and other links between BSEE and BOEM that are essential to ensure that the business and regulatory processes related to offshore leasing, plan approval, and permitting are conducted effectively and efficiently.

V. Tasks to be performed

A transition team of senior managers and leadership will be formed for a period of at least one year in order to swiftly address issues related to the reorganization, including interdependencies and coordination, program operations, and corrective measures. This team will be made up of the Chief Environmental Officer, Chief of Offshore Regulatory Programs, Chief of Strategic Resources, Chief of Environmental Enforcement, Regional Directors, and the BSEE GOMR Deputy Regional Director.

The Deputy Directors of each Bureau shall meet no less than quarterly to discuss how each Bureau can better meet the goals and purpose of this MOU. The Deputy Directors may direct managers or supervisors to meet regularly to discuss specific goals or functions.

This MOU outlines the high-level working relationship between BOEM and BSEE. There are six Memoranda of Agreement (MOAs) describing more specific activities. These MOAs include:

Plans and Permits – Well Permits, Structures, Pipelines, and Oil Spill Response Plan review and approval

Environment and NEPA – Environmental Impact Statements, Environmental Assessments, Categorical Exclusions, and mitigations

Geologic Data – Management of geologic data, hardware, software, the GOMR visualization room, and related processes.

Assignments, Bonding, and Pipelines – Corporate information, adjudication, bonding and other financial information and activities, and pipeline rights-of-way.

Marine Minerals Program – Locations, conflicts, and inspections for OCS sulfur, sand, gravel, and other hard minerals.

Royalty Relief Requests – lease incentives, project or reservoir conservation, and economic analysis

The above MOAs are designed to establish principles across regions for particular interdependent functions and provide a foundation for the development of Standard Operating Procedures (SOPs). The SOPs are linked to specific functional areas and identify distinct lines of responsibility within BOEM and BSEE for a wide breadth of program activities. The SOPs are designed to be updated and revised in response to the identification and approval of changes to internal procedures and practices. As such, specific responsible Branches, Units or Teams within each Bureau are identified in the SOP documents for the update and maintenance of the SOPs. In addition, the responsible parties overseeing an SOP will also ensure the revised procedures are broadcast to affected parties as well as posted on the Bureau's Intranet.

Immediately following the reorganization (effective as of the beginning of FY12), all SOPs will be assigned to a responsible party with at least one representative from BOEM and BSEE. These responsible parties will closely monitor the procedures tied to these SOPs, revise these documents with required changes, and vet these changes through the appropriate level of authority. It is the intent of senior leadership for these SOPs to serve as living documents for both Bureaus and to serve as a road map for both current and future agency staff. SOPs should be consistent with their applicable MOA and this MOU, but may provide for regional differences as appropriate.

Many other activities will need continued close coordination including, but not limited to, the Five Year OCS Oil and Gas Leasing Program, lease activities, international activities, Congressional Affairs, Public Affairs, Technology Assessment and Research activities, Oil Spill Financial Responsibility, sharing of Geographic Information Systems (GIS) data, internal and external audit issues, activity-based costing, renewable energy activities and space issues. Management will be responsible for requiring good faith effort from

both bureaus to coordinate on interdependent issues and continue to work together on matters of mutual interest and concern.

In addition to this MOU, there will be other documents that set forth specific BOEM and BSEE interactions. These include a Reimbursable Service Agreement (RSA) between BSEE's Office of Administration and BOEM to service BOEM's Human Resources, Information Technology, and Administrative needs. Second, there will be at least one MOU between the Office of Natural Resources Revenue (ONRR), BOEM, and BSEE that will detail the responsibilities of each agency in royalty management. These agreements are not detailed in this MOU, its MOAs, or SOPs; however, they should be consistent with the intent to carry out DOI's missions, the Bureaus' missions, and this MOU.

VI. Proprietary Data

Proprietary Data is information contained in a record that is owned by a private individual or company and marketed under the specific legal rights of the party submitting or creating that data. The proprietor of the data has access rights and the data must be protected from unauthorized access.

Both BOEM and BSEE obtain proprietary data and information from companies to ensure safe and environmentally responsible development of energy and mineral resources on the Outer Continental Shelf (OCS). The creation of two new Bureaus from one necessitates the sharing and exchange of proprietary data in order to properly conduct mission critical business processes. Sharing proprietary data minimizes duplication of efforts and expenditures, and enhances inter-governmental cooperation. Specific data will be maintained by the responsible agency and made available to the other in an agreed upon format.

The BOEM or BSEE recipient and the recipient in the other Bureau agree to safeguard proprietary data from unauthorized disclosure, provide for secure storage and transmittal of proprietary data and information derived there from, and not to transmit or otherwise divulge these data or derivative information to any other party. The BOEM or BSEE recipient and the recipient in the other Bureau have established a "need-to-know" policy and agree to abide by all restrictions on proprietary data/information use.

To the extent permissible under federal law, the recipient agrees to abide by the policies, procedures, and regulations listed below:

Authority/Policy/Procedures

- The Administrative Procedures Act (APA)
- The Outer Continental Shelf Lands Act (OSCLA), as amended (43 U.S.C. 1331)
- The Freedom of Information Act (FOIA), 5 U.S.C. 552
 - 43 CFR Part 2, Subparts A & B
- BOEM and BSEE FOIA policy and procedures

- The Privacy Act of 1974
- The Departmental Manual
- BOEM and BSEE Service Manuals

Regulatory Authority

The following regulations address the ability to release records or define what data/information contained in a record is considered proprietary.

30 CFR 250.197 - “Data and information to be made available to the public.”

30 CFR 551

- 30 CFR 551.1 defines “Analyzed geological information,” “Interpreted geological information,” “Interpreted geophysical information,” and “Processed geological or geophysical information.”
- 30 CFR 551.14 “Protecting and disclosing data and information submitted to BOEM under a permit.”

30 CFR 252.7 & 552.7 - “Privileged and proprietary data and information to be made available to affected States.”

30 CFR 556.10 - “Information to States.”

30 CFR 580

- 30 CFR 580.70 “What data and information will be protected from public disclosure?”
- 30 CFR 580.71 “What is the timetable for release of data and information?”
- 30 CFR 580.73 “Will BOEM share data and information with coastal States?”

VII. Budget and Funding Limitations

This document is neither a fiscal nor a funds obligation document. Nothing in this MOU authorizes or is intended to obligate the parties to expend, exchange, or reimburse funds, services or supplies, or transfer or receive anything of value.

VIII. Modifications and Interpretations

Modifications to this MOU shall be made by mutual, written consent of both Bureau Directors. MOAs may be modified by the mutual, written consent of both Bureaus’ Deputy Directors. SOPs may be modified by the mutual, written consent of the applicable Regional Director or Senior Executive.

Interpretations of this MOU should be consistent with the stated goals and purpose. For specific actions, Bureaus should clarify their roles and responsibilities in specific MOAs and in SOPs.

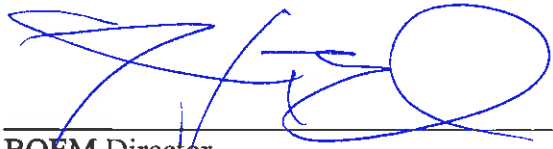
IX. Resolution of Disagreements

In the event of a disagreement, BOEM and BSEE shall use their best efforts to resolve the dispute in an informal fashion through consultation and communication. Every effort shall be made to resolve issues at the lowest organizational level possible. When the Bureaus have exhausted all options, the issue may be raised to the Assistant Secretary – Land and Minerals Management for ultimate resolution.

X. Financial information

Not applicable

XI. Signatures



BOEM Director

10/1/11

Date



BSEE Director

10/1/11

Date