

# BOEM

BUREAU OF OCEAN ENERGY MANAGEMENT



## Stewardship of U.S. Outer Continental Shelf Energy and Mineral Resources

### Strategic Framework





# Bureau of Ocean Energy Management

## Stewardship of U.S. Outer Continental Shelf Energy and Mineral Resources: BOEM Strategic Framework



Federal management of U.S. Outer Continental Shelf (OCS) energy and mineral resources has a long and productive history following the passage of the Submerged Lands Act and Outer Continental Shelf (OCS) Lands Act (OCSLA) in 1953. The OCSLA vested in the Secretary of the Interior the authority to provide access to and oversight of the safe and environmentally sound production of these resources. The Energy Policy Act of 2005 expanded the Secretary's OCS energy resource management portfolio to include energy from sources other than oil and gas – covering renewable energy sources and alternative use of OCS facilities.

The Bureau of Ocean Energy Management (BOEM) plays a critical role in securing OCS energy and mineral resources for the Nation. The bureau is charged with providing access to and developing OCS resources in a manner that is safe and environmentally sound, prevents waste, and provides a fair return for public resources.

BOEM's management responsibilities, as defined in the OCSLA, are significant. They extend over approximately 1.76 billion acres of the OCS, and include resource assessments; providing appropriate access to energy and mineral resources; environmental, economic, and fiscal reviews; scientific research; and leasing, plan approvals, and lease management throughout the lifecycle of OCS energy projects. As of September 2014, the program has resulted in the production of 18.7 billion barrels of oil and 177.6 trillion cubic feet of natural gas, conveyance of more than 100 million cubic yards of sand resources for coastal restoration, and developed a successful regulatory framework for OCS renewable energy development. Underlying all of BOEM's stewardship activities is a commitment to transparency, rigorous environmental review, and decision making informed by science.

BOEM employees are the driving force behind the success of the bureau's stewardship mission. Their broad expertise and dedication allows the bureau to contribute significantly to a comprehensive and diverse national energy strategy to increase U.S. energy security.

This Strategic Framework provides a high-level overview of the priorities the bureau is pursuing over the next five years to ensure that its programs make their full contribution to U.S. energy, marine mineral, economic, and environmental stewardship goals. Overall, the bureau will continue its pursuit of expanding conventional energy resources; increasing opportunities for renewable energy production on the OCS; and providing OCS sand resources for coastal ecosystem restoration and protection of economically important coastal areas. This framework addresses both policy and organizational priorities to support the bureau's mission and vision.

*The Mission of the Bureau of Ocean Energy Management is to manage development of U.S. Outer Continental Shelf energy and mineral resources in an environmentally and economically responsible way.*

*The Vision of the Bureau of Ocean Energy Management is excellence in the management of Outer Continental Shelf energy and mineral resources for environmental sustainability, economic development, and national security.*



## BOEM Core Values

The success of any organization is inexorably linked to the dedication and competency of its employees. In partnership with the bureau's leadership, it is BOEM's employees who set the tone for how the bureau will conduct its work on behalf of the American public. The individuals who comprise BOEM are expected to commit to a set of core organizational values, and strive for excellence in all activities of the bureau.



**Responsible Stewardship:** The bureau is responsible for stewardship of U.S. OCS energy and mineral resources, as well as protecting the environment that development of those resources may impact. The resources we manage belong to the American people and future generations of Americans; wise use of and fair return for these resources are foremost in our management efforts.

**Science-Informed Decisions:** BOEM is committed to using the best available science in bureau decision making. To fill critical gaps in the information needed to inform the wide range of decisions within the bureau, BOEM facilitates world class research by talented scientists in many disciplines. The bureau also employs a significant number of scientists and technical experts across a range of relevant disciplines that provide the foundation of human capital needed to make sound decisions at all levels of the organization.

**Integrity and Ethics:** As public servants, we adhere to fundamental principles of ethical behavior. The bureau as a whole is committed to conducting its business according to the highest ethical standards. In accordance with the examples set by BOEM leadership, each BOEM employee is expected to conduct their daily operations in a way that demonstrates both professional and personal integrity. This includes a commitment to the highest level of scientific and scholarly integrity.



**Public Involvement and Transparency:** The bureau is committed to transparency and robust public involvement. BOEM uses a variety of mechanisms to inform and involve the public. Formal and informal information sharing, public comment opportunities, stakeholder outreach meetings, task forces, committees, and many other methods of engagement are employed to ensure that the public has an opportunity to be involved in the planning, analysis and review processes used to arrive at program and policy decisions.

**Internal Support for the Mission:** The leadership of the bureau is committed to building a diverse workforce and providing it with the administrative support, training, resources, and tools needed to perform their jobs to the best of their abilities and meet BOEM's mandates.

## Strategic Framework Priorities

In the current era of budgetary constraints, there is a need to focus the bureau's resources on those actions and programs that are critical to meeting BOEM's statutory mandates, while simultaneously delivering the best value to the American public. To meet current and future demands, BOEM has developed the following list of strategic framework priorities to guide our work over the next five years:



- Contributing to the American Economy and Energy Security through Responsible Development of Conventional OCS Energy Resources
- Enhancing Domestic Energy Diversity and Efforts to Provide Clean Energy through Development of Renewable OCS Energy Resources
- Increasing Access to OCS Marine Mineral Resources, where Appropriate
- Conducting Rigorous Environmental Analysis to ensure that Development is Appropriately Mitigated to Protect the Environment
- Ensuring that Mission-Critical Decisions are Informed by the Best Available Science and Technical Information
- Conducting Outreach, Collaboration, and Government-to-Government Consultation in Support of BOEM's Mission

These strategic framework priorities are discussed in detail below.

***Priority: Contributing to the American Economy and Energy Security through Responsible Development of Conventional OCS Energy Resources***

In recent years, American consumers have spent well over one trillion dollars annually on energy. This accounts for more than 8 percent of the Gross Domestic Product. Oil and gas supply about 63 percent of the energy consumed domestically, and directly or indirectly support the supply chain for delivering nearly all the goods and services in our country. Furthermore, domestically produced oil and gas significantly affect the balance of payments and international trade, national energy security, and the overall health of the U.S. economy.

Under the OCSLA, the Secretary of the Interior is responsible for the administration of energy and mineral exploration and development of the OCS. BOEM has implemented the Secretary's responsibilities through an OCS oil and gas exploration and development program that resulted in 18% of U.S. domestic oil production and 5% of U.S. domestic natural gas production in 2013, as well as over \$9 billion in revenues to the federal government in Fiscal Year 2013.



BOEM is taking an innovative and regionally-tailored approach to OCS oil and gas planning and leasing that is designed to account for:

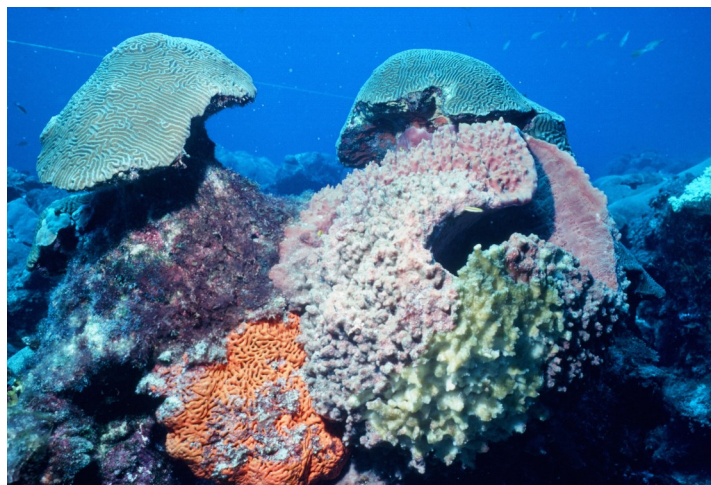
- 1) resource potential,
- 2) environmental and social concerns, and
- 3) infrastructure viability of each individual OCS planning area.

BOEM is also taking important actions to evaluate frontier areas for the appropriateness of exploration and development, and ensuring the proper regulatory safeguards and environmental protections are in place for responsible development. To encourage the expansion of U.S OCS oil and gas resources in a responsible manner, BOEM will continue to make advances in its regulatory and science programs to promote regulatory and environmental protection.



To pursue this strategic framework priority over the next five years, BOEM will:

- ▶ Continue implementation of the 2012-2017 OCS Oil and Gas Leasing Program.
- ▶ Develop and implement the 2017-2022 OCS Oil and Gas Leasing Program.
- ▶ Actively engage partners, stakeholders, and the public, with adequate opportunities for their involvement in critical public policy and environmental issues related to OCS oil and gas development.
- ▶ Address reform issues to regulate OCS oil and gas effectively in the 21st century, including revisions in the oversight of frontier areas to establish a more strategic and effective diligence regime appropriate for these challenging areas.
- ▶ Develop Arctic OCS-specific standards to ensure environmental protection and to provide industry certainty regarding regulatory requirements.
- ▶ Continue advances in internal valuation programs of the geological and economic resource potential of the OCS to ensure the American public is receiving the best value for use of this public resource.
- ▶ Ensure that OCS operators have sufficient financial resources to fully meet all of their decommissioning requirements through the development and implementation of a comprehensive Financial Assurance, Risk Management, and Loss Prevention Program.
- ▶ Updating the bureau's 30-year old air quality regulations to incorporate important changes that occurred over the years, as well as to account for the legislative language that added the North Slope Borough to BOEM's air quality jurisdiction.



**Priority: Contributing to Domestic Energy Diversity and Efforts to Provide Clean Energy through Development of Renewable OCS Energy Resources**



Since the passage of the OCSLA in 1953, BOEM's role has evolved to include alternative energy sources on the OCS. The Energy Policy Act of 2005 gave the bureau jurisdiction over OCS alternative energy projects, such as wave and wind energy. As such, BOEM determines how to provide access to and regulate alternative energy resources. Although this industry is not as mature as the OCS oil and gas sector, the OCS wind component of BOEM's portfolio is particularly important in diversifying U.S. energy options and in providing a clean and renewable source of domestic energy.

The bureau has made significant progress in implementing its OCS renewable energy responsibilities, including establishment of two Renewable Energy Task Forces on the West coast and eleven on the East coast. BOEM has held five competitive OCS wind lease sales for Rhode Island/Massachusetts, Virginia, Maryland, Massachusetts and New Jersey planning areas. BOEM is proactively working to minimize conflict of multiple uses of other OCS areas that may be valuable future wind energy resources (Hawaii). BOEM has also been working with stakeholders regarding development of OCS transmission lines that will be important to distributing OCS renewable energy, including approval of the Block Island Right-of-Way.

As BOEM looks forward, a new phase is expected for the OCS renewable energy program as the planning and leasing efforts begin to transition to the construction and operation of OCS wind facilities in several areas.

*To pursue this strategic framework priority over the next five years, BOEM will:*

- ▶ Continue planning and conducting OCS wind lease sales as the multiple uses of more OCS areas become de-conflicted.
- ▶ Provide effective environmental and regulatory oversight over the next phases of site assessment, development, construction, and operation of OCS wind facilities.
- ▶ Work cooperatively with stakeholders, including supporting the intergovernmental OCS renewable energy task forces, to ensure an appropriate level of public, state, and federal agency, and tribal involvement in the offshore renewable energy processes.
- ▶ Advance additional offshore renewable energy projects, meeting milestones for transmission projects, issuance of research leases, Department of Energy pilot projects, and others.
- ▶ Continue to review and revise regulations and auction processes for maximum effectiveness, efficiency, and clarity.
- ▶ Implement the transfer of inspection and enforcement responsibility for offshore wind to the Bureau of Safety and Environmental Enforcement.





## Priority: Increasing Access to OCS Marine Mineral Resources, where Appropriate

Under the OCSLA, BOEM is tasked with managing the extraction of "non-energy minerals" (primarily sand and gravel) from the ocean floor. As steward for these resources, BOEM must ensure that the removal of any mineral resource is done in a safe and environmentally sound manner, and that any potential adverse impacts to the marine, coastal, and human environments are avoided or minimized. BOEM must balance conflicting uses of the OCS that may limit access to surface minerals and competing requests for a limited amount of valuable sand resource that is critical to State and local governmental coastal economies and tourism.



Hurricane Sandy and its impact on Eastern U.S. coastal areas and beaches demonstrated the value and need for the BOEM Marine Minerals Program. In the wake of the storm, the program was strategically positioned to address immediate resource requirements and information needs of localities, states and other stakeholders. The Marine Minerals Program focused almost immediately on assisting recovery from the hurricane, including working with states and federal partners on resource delineation, environmental issues, and leasing of sediment for coastal resiliency efforts.

Similar to the Hurricane Sandy response along the Atlantic coast, the Marine Minerals Program in the Gulf of Mexico Region is poised to be a significant contributor to ongoing and proposed coastal restoration projects through the use of OCS sand resources. The demand for this resource by Gulf of Mexico coastal states has greatly increased in recent years due to many factors. One major factor is the availability of associated funding from fines and penalties assessed to the parties responsible in

the *Deepwater Horizon* incident. Additionally, the Gulf of Mexico Energy Security Act (GOMESA) contribution to restoration budgets will increase, beginning in 2017. These multiple funding streams will ensure that the Marine Minerals Program will continue to provide OCS sand as a vital component to these restoration programs. The continued provision of OCS sand is environmentally preferable over coastal sources, because it is sourced from outside of the coastal system and adding it decreases a deficit in the coastal sediment budget, thus increasing resilience over the long term.



As of July 2015, BOEM has executed 48 leases and agreements for coastal restoration projects and conveyed more than 109 million cubic yards of sediment to restore more than 269 miles of coastline in seven states (New Jersey, Maryland, Virginia, North Carolina, South Carolina, Florida, and Louisiana). In addition, the bureau is engaged in new negotiated noncompetitive agreements for offshore sand resources for projects along the Atlantic coast and in the Gulf of Mexico.

*To pursue this strategic framework priority over the next five years, BOEM will:*

- ▶ Manage OCS sediment resources through the continuation of OCS resource assessment and delineation efforts, database development and planning, identifying and managing conflicts with other activity on the OCS, and conducting appropriate environmental reviews.
- ▶ Conduct research to determine the environmental effects of dredging on biological and physical systems, ensuring the proper management and protection of the natural resources.
- ▶ Continue to develop outreach strategies to educate the public, partners, stakeholders, and other federal agencies on the bureau's role as steward of OCS marine mineral resources.
- ▶ Collaborate with state and federal project sponsors and project teams during project development, and engage in early environmental consultations with other agencies to ensure that environmental requirements and responsibilities are met in a timely manner.

***Priority: Conducting Rigorous Environmental Analysis to ensure that Development is Appropriately Mitigated to Protect the Environment***



A critical component of BOEM's mission is protecting the environment while overseeing the development of OCS energy and marine mineral resources. Environmental safeguards not only protect the physical and biological environment in which the OCS energy and mineral activities are occurring, they also ensure that we are not taking inappropriate risks or jeopardizing the environment for future generations.

The bureau must consider the potential environmental impacts from the activities that it authorizes on the marine, coastal, and human environments, as required by the OCSLA and National Environmental Policy Act (NEPA). The bureau engages in consultations under a suite of other environmental laws, such as the Endangered Species Act and Marine Mammal Protection Act.

*To pursue this strategic framework priority over the next five years, BOEM will:*

- ▶ Provide NEPA support for decision making, including completion of multiple high-level programmatic NEPA documents required over the next five years.
- ▶ Complete a high-level review of BOEM's NEPA program and implement any associated recommendations.
- ▶ Fund coordinated long-term monitoring efforts, engaging federal, academic, and other partners.
- ▶ Work with federal partners to continue improving the processes for environmental regulatory reviews related to BOEM mission areas.

**Priority: Ensuring that Mission-Critical Decisions are Informed by the Best Available Science and Technical Information**



To ensure that the science needed to complete NEPA documents is available and tailored to BOEM's specific decision-making needs, BOEM funds applied research through its Environmental Studies Program. The research covers physical oceanography, atmospheric sciences, biology, protected species, social sciences and economics, cultural resources, and environmental fates and effects. BOEM is a leading contributor to the growing body of scientific knowledge about the marine, coastal, and human environments, all of which is applied within the bureau for decisions.

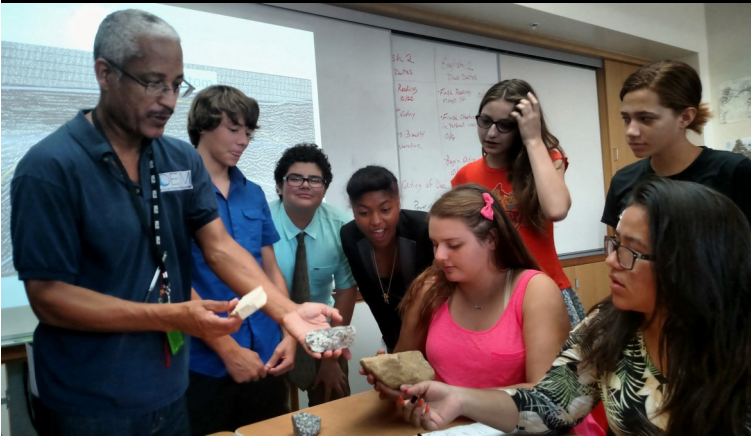
Employing quality science underlies all of BOEM's program activities. The Resource Evaluation Program activities support all BOEM program areas through critical technical and economic analysis. The program identifies and assesses areas of the OCS that are the most promising for oil and gas. For both oil and gas and renewable energy, it also develops appropriate economic terms to ensure the public receives a fair return for the use of its resources. In addition, it helps identify and evaluate non-energy minerals, with focus on sand for shoreline and wetlands protection and barrier islands restoration. The program ensures that bureau decisions are based on the best technical information available, including economic, geological and geophysical.

*To pursue this strategic framework priority over the next five years, BOEM will:*

- ▶ Target research to fill information gaps and address issues related to changing environmental conditions.
- ▶ Fund the collection of baseline information on species, habitats, and ecosystems for environmental reviews related to all BOEM program areas.
- ▶ Enhance the offshore oil and gas reserves inventory used as a basis for analysis and estimation of the volume of undiscovered oil and gas resources on the OCS.
- ▶ Refine worst-case discharge and explore options to encourage additional end of project life oil and gas production.
- ▶ Conduct analyses to analyze the effectiveness and appropriateness of oil and gas and renewable energy economic lease terms and conditions.



## Priority: Conducting Outreach, Collaboration, and Government-to-Government Consultation in Support of BOEM's Mission



The work that BOEM conducts to accomplish its mission involves collaboration with a wide variety of partners and stakeholders. At the federal level, management of ocean resources is shared by a number of different government agencies. The bureau's foundation in science, stewardship, and partnership places us squarely in the center of interagency implementation of the *President's National Ocean Policy*, as BOEM uses an adaptive and collaborative

management approach to accomplish its OCS stewardship responsibilities.

Combining and leveraging resources through partnerships to satisfy common scientific needs is a central component of BOEM's approach to gathering robust scientific information for decisions and consultation processes. Through the Environmental Studies Program, BOEM seeks to maximize cooperative efforts with other federal programs involved with marine environmental research and data collection. Through partnerships, the Environmental Studies Program has been able to greatly leverage its allocated annual research budget of approximately \$35 million. Two Environmental Studies Program studies have recently received prestigious Partners in Conservation Awards.

BOEM is also working closely with several states regarding offshore energy and mineral development. BOEM actively and comprehensively coordinates OCS renewable energy activities with federal, state, local, and tribal government partners through 13 federal-state task forces. BOEM has direct coordination with 13 Atlantic coastal states through cooperative agreements related to marine minerals. BOEM also coordinates public information meetings to help keep interested stakeholders updated on major conventional and renewable energy milestones, and regularly solicits public comments and feedback on conventional and renewable energy documents through *Federal Register* notices and associated public meetings.

In an effort to keep the public informed about the activities of the bureau, BOEM distributes frequent electronic *Notes to Stakeholders* and *Science Notes* to the public, and uses social media to inform stakeholders. Documents for public comment and other information are also frequently shared via the internet. Public forums and workshops provide face-to-face interaction with stakeholders, and serve not only to share information, but also provide the opportunity for open dialogue and interaction. The bureau makes every attempt to use input from stakeholders.



BOEM respects Indian tribal self-government and sovereignty. To this end BOEM holds consultations with Alaska Natives and Native American tribes on actions that may have a substantial effect on a tribe such as: tribal cultural practices, lands, resources, or access to traditional areas of cultural or religious importance on federally managed lands that could be impacted by BOEM authorized activities. It is essential that the bureau understands and listens to the views and recommendations from representatives of tribal governments. In the interests of furthering this engagement, BOEM maintains open and transparent communications with tribal governments. BOEM makes use of traditional knowledge in its policy and decision-making processes whenever possible.

*To pursue this strategic framework priority over the next five years, BOEM will:*

- Increase outreach and dissemination of scientific information funded by BOEM.
- Leverage the National Ocean Policy to enhance regulatory efficiency through better coordination and collaboration, as well as improved long-term stewardship of ocean and coastal resources.
- Work with partners to leverage funds to support research to be used in science informed decision making.
- Facilitate the sharing of new and existing scientific information through portals such as geoESPIS, marinecadastre.gov, and ocean.data.gov.
- Engage with federally recognized tribal governments and Alaska Native Claims Settlement Act corporations to advance BOEM's consultation practices and to identify specific objectives for advancing improved relations and incorporating traditional knowledge into policy and decision-making processes.

## Implementation of the Strategic Vision

This strategic framework translates BOEM's mission and vision into a coherent set of priorities consistent with bureau values and legal and regulatory direction. To accomplish these priorities, BOEM will continuously track progress and reexamine the bureau's work – making adjustments as necessary to ensure that stewardship responsibilities are at the forefront of decision making that best serves the American public.

As the bureau moves forward, challenges remain. BOEM will continue to examine the relevance of our priorities and our effectiveness of adapting to a changing environment. With strong leadership commitment, BOEM will meet these challenges and continue to be a model of excellence in OCS energy and minerals resources management for the Nation.



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