



January 10, 2020

## Offshore Energy Agency Appropriations, FY2020

Three entities in the Department of the Interior (DOI) share responsibility for managing the nation's ocean energy resources, which cover approximately 1.7 billion acres on the U.S. outer continental shelf (OCS). The Bureau of Ocean Energy Management (BOEM) administers offshore energy leasing and mineral development; the Bureau of Safety and Environmental Enforcement (BSEE) oversees offshore operational safety and environmental protection; and the Office of Natural Resources Revenue (ONRR) manages public revenues from federally regulated offshore and onshore energy and natural resource projects. BOEM, BSEE, and ONRR receive appropriations in the annual Interior, Environment, and Related Agencies appropriations bill. Issues include determining the aggregate and program-level appropriations for each entity and considering related legislative proposals by the Trump Administration.

P.L. 116-94, enacted on December 20, 2019, contains FY2020 appropriations for BOEM, BSEE, and ONRR. P.L. 116-59 and P.L. 116-69 had provided continuing appropriations at FY2019 levels prior to enactment of P.L. 116-94, because appropriations were not enacted by the start of the fiscal year. In earlier action, on June 25, 2019, the House had passed a version of H.R. 3055 with FY2020 consolidated appropriations (also see H.Rept. 116-100 on H.R. 3052, an earlier stand-alone House bill). On October 31, 2019, the Senate passed its version of H.R. 3055 (also see S.Rept. 116-123 on S. 2580, a stand-alone Senate bill).

Total budget authority for BOEM's and BSEE's operations includes both discretionary appropriations and *offsetting collections* derived from a portion of OCS rental receipts, cost recovery fees, and (for BSEE) inspection fees. The discretionary appropriation for each fiscal year is reduced by the amount of eligible receipts and fees that are collected, so that the final amount appropriated to each agency is the net of those collections. Discussions of account- and activity-level funding in the sections below refer to total budget authority, regardless of offsets. ONRR's funding does not include offsetting collections.

### BOEM Appropriations

The Trump Administration requested \$193.4 million in total budget authority for BOEM for FY2020. This represented an increase of 8% over the total FY2019 budget authority of \$179.3 million in P.L. 116-6 (Consolidated Appropriations Act, 2019). Net of estimated offsetting collections, the FY2020 request was \$133.4 million, 3% more than the net appropriation of \$129.5 million for BOEM in P.L. 116-6.

P.L. 116-94 provided \$191.6 million in total budget authority for BOEM, 7% more than the FY2019 total budget authority and 1% less than requested by the Administration (**Table 1**). House-passed H.R. 3055 would

have provided \$182.8 million in total budget authority, and Senate-passed H.R. 3055 contained \$193.4 million. Net of offsetting collections, P.L. 116-94 provided \$131.6 million for BOEM, 1% less than requested and 2% more than enacted for FY2019. The House-passed bill would have provided \$122.8 million as the net appropriation, and the Senate-passed bill would have provided \$133.4 million.

BOEM's appropriations are contained in a single budget account, titled Ocean Energy Management. Within this account, the *Conventional Energy* budget activity (\$61.8 million FY2019; \$64.1 million FY2020 request; \$63.0 million enacted) funds administration of oil and gas leasing, including the development of forward-looking five-year leasing programs. BOEM had requested additional funding to support agency evaluation of proposed sales for its 2019-2024 program, described by BOEM in its FY2020 budget request as "the largest number of proposed lease sales in the history of the OCS leasing program."

The *Renewable Energy* activity (\$20.7 million FY2019; \$21.3 million FY2020 request; \$23.3 million enacted) supports BOEM's management of renewable ocean energy resources. Congress provided more funding than BOEM requested and stated in the joint explanatory statement for P.L. 116-94 that the increase was for additional offshore wind permitting and environmental staff.

The *Environmental Assessment* activity (\$79.8 million FY2019; \$85.1 million FY2020 request; \$82.5 million enacted) supports BOEM's responsibilities for assessing the environmental impacts of ocean energy activities to inform planning and policy decisions. BOEM stated that its requested funding increase would primarily support environmental studies for the 2019-2024 leasing program.

The *Executive Direction* activity (\$17.0 million FY2019; \$17.1 million FY2020 requested and enacted) covers leadership, budgeting, technology, and related activities. In its budget request, BOEM proposed redirecting some funds to support "leasing efforts in the field."

Also in FY2020, appropriators provided funding through a new BOEM budget activity titled *Marine Minerals* (\$5.7 million requested and enacted). BOEM proposed the new budget activity to support work on offshore non-energy minerals, particularly sand and gravel, and to assess the supply of critical minerals on the OCS.

### BSEE Appropriations

The Administration requested \$200.5 million in total budget authority for BSEE for FY2020, a decrease of 1% from the FY2019 total budget authority of \$202.1 million in P.L. 116-6. The requested net appropriation after offsetting

collections was \$131.0 million, 4% less than the FY2019 net appropriation of \$136.3 million in P.L. 116-6.

**Table 1. BOEM, BSEE, and ONRR Appropriations, FY2019 and FY2020**

(\$ millions)

Agency	FY2019 Enacted (P.L. 116-6)	FY2020 Request	House-Passed H.R. 3055	Senate-Passed H.R. 3055	P.L. 116-94	% Change FY2019-FY2020
BOEM Total Budget Authority	179.3	193.4	182.8	193.4	191.6	+7%
BOEM Net Appropriation	129.5	133.4	122.8	133.4	131.6	+2%
BSEE Total Budget Authority	202.1	200.5	207.7	202.2	202.9	+<1%
BSEE Net Appropriation	136.3	131.0	135.7	135.2	133.4	-2%
ONRR Total Appropriation	137.5	147.3	147.3	147.3	147.3	+7%

**Sources:** H.Rept. 116-9; H.Rept. 116-100; S.Rept. 116-123; and joint explanatory statement for P.L. 116-94.

**Notes:** Net appropriations reflect estimated reductions to the discretionary appropriation based on offsetting collections.

P.L. 116-94 provided BSEE with total FY2020 budget authority of \$202.9 million, 1% more than the request and nearly even (increase of less than 1%) with the FY2019 total budget authority (**Table 1**). The House-passed bill would have provided \$207.7 million and the Senate-passed bill \$202.2 million in total budget authority. Net of offsetting collections, the final appropriation was \$133.4 million, 2% more than the request and 2% less than FY2019. The net appropriation in the House-passed bill was \$135.7 million, and the net appropriation in the Senate-passed bill was \$135.2 million.

BSEE's funding is appropriated under two budget accounts, Offshore Safety and Environmental Enforcement (OSEE) and Oil Spill Research. Under the OSEE account, the *Operations, Safety, and Regulation* activity (\$146.3 million FY2019; \$151.8 million FY2020 requested and enacted) supports BSEE's development of regulations and safety standards, review and approval of OCS operating permits, inspections of facilities and equipment, and oversight of operator safety programs, among other activities. BSEE requested additional funding to expand its Risk-Based Inspection program, which focuses inspection resources on higher-risk facilities.

The *Environmental Enforcement* activity (\$4.7 million FY2019; \$4.8 million FY2020 requested and enacted) supports BSEE's compliance with environmental statutes and its oversight and enforcement of environmental compliance by operators on the OCS. BSEE stated that FY2020 funding would be used to improve the agency's safety and environmental compliance processes, including by focusing on areas of greatest risk and by shortening review timelines.

The activities for *Administrative Operations* (\$18.1 million FY2019; \$18.2 million FY2020 requested and enacted) and *Executive Direction* (\$18.1 million FY2019; \$18.1 million FY2020 requested and enacted) support a range of administrative services as well as BSEE's executive offices. BSEE stated that FY2020 funding would allow the agency to continue to establish best practices, enhance efficiencies, and improve knowledge sharing and collaboration in these areas.

The second BSEE account, *Oil Spill Research* (\$14.9 million FY2019; \$12.7 million FY2020 request; \$14.9 million enacted), funds research and planning for oil spill responses and supports Ohmsett, the National Oil Spill Response Research and Renewable Energy Test Facility. The Administration had requested a funding decrease for research activities, but the FY2020 appropriation contained level funding with FY2019.

### ONRR Appropriations

ONRR, which manages revenues from both offshore and onshore energy activities on federal and Indian lands, is funded within the broader appropriation for DOI's Department-Wide Programs. For FY2020, the Trump Administration requested \$147.3 million for ONRR, an increase of 7% over the FY2019 funding of \$137.5 million. P.L. 116-94 provided the requested amount of \$147.3 million (**Table 1**), as had both the House-passed and Senate-passed bills. DOI stated that the increase would allow ONRR to expand audit and compliance activities and to begin a multiyear effort to modernize its core revenue management system.

### Legislative Proposals

DOI budget submissions typically include some legislative proposals, such as those to establish new authorities or reauthorize expiring laws. Congressional action, if any, on such proposals might take place outside of the annual appropriations process. As part of its FY2020 DOI budget submission, the Trump Administration included a legislative proposal pertaining to offshore energy revenues. It seeks to direct that certain offshore (and onshore) energy revenues be deposited in a Public Lands Infrastructure Fund to address deferred maintenance needs of federal land management agencies and Bureau of Indian Education-funded schools. In the 116<sup>th</sup> Congress, H.R. 1225 and S. 500, among other bills, would implement similar proposals. For more information, see CRS In Focus IF10987, *Legislative Proposals for a National Park Service Deferred Maintenance Fund*.

### For Additional Reading

For a broader overview of FY2020 Interior appropriations, see CRS Report R45875, *Interior, Environment, and Related Agencies: Overview of FY2020 Appropriations*.

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