

February 1, 2021

Offshore Energy Agency Appropriations, FY2021

Three entities in the Department of the Interior (DOI) share responsibility for managing the nation's ocean energy resources on almost 2.5 billion acres of 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 Administration.

P.L. 116-260, enacted on December 27, 2020, contained FY2021 appropriations for BOEM, BSEE, and ONRR. Several continuing resolutions had provided appropriations at FY2020 levels prior to enactment of P.L. 116-260, because appropriations were not enacted by the start of the fiscal year. In earlier action, on July 24, 2020, the House passed H.R. 7608 with FY2021 consolidated appropriations (also see H.Rept. 116-448 on H.R. 7612, an earlier stand-alone House bill). On November 10, 2020, the Senate Committee on Appropriations released a draft Interior appropriations bill and explanatory statement.

Total budget authority for BOEM and BSEE 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 \$188.8 million in total budget authority for BOEM for FY2021. This was a 1% decrease from the total FY2020 budget authority of \$191.6 million provided in P.L. 116-94. Net of estimated offsetting collections, the FY2021 request was \$125.8 million, 4% less than the net appropriation of \$131.6 million for BOEM in FY2020.

P.L. 116-260 provided \$192.8 million in total FY2021 budget authority for BOEM (**Table 1**), 1% more than the FY2020 total budget authority and 2% more than requested by the Administration. House-passed H.R. 7608 would have

provided \$186.8 million in total budget authority, and the Senate committee draft contained \$197.8 million. Net of offsetting collections, P.L. 116-260 provided \$127.8 million for BOEM, 2% more than requested and 3% less than enacted for FY2020. This includes a \$2.0 million rescission of unobligated prior-year funds. The House-passed bill would have provided a net appropriation of \$121.8 million; the Senate-passed bill would have provided \$134.8 million.

BOEM's appropriations are contained in a single budget account, titled Ocean Energy Management. Within this account, the *Conventional Energy* budget activity (\$63.0 million FY2020; \$60.5 million FY2021 requested and enacted) funds administration of oil and gas leasing, including the development of forward-looking five-year leasing programs. BOEM had sought a funding reduction, because preparation of its National OCS Oil and Gas Leasing Program for 2019-2024 was put on hold.

The *Renewable Energy* activity (\$23.3 million FY2020; \$26.5 million FY2021 request; \$28.5 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. 116-260 that the increase was to "improve" BOEM's offshore wind permit processing capacity.

The *Environmental Assessment* activity (\$82.5 million FY2020; \$75.9 million FY2021 requested and enacted) supports BOEM's responsibilities for assessing the environmental impacts of ocean energy activities to inform planning and policy decisions. BOEM requested increased funding for its Environmental Studies Program but reduced funds for the 2019-2024 leasing program that was on hold.

The *Marine Minerals* activity (\$5.7 million FY2020; \$8.8 million FY2021 request; \$10.8 million enacted) supports BOEM's management of offshore non-energy minerals, particularly sand and gravel, and BOEM's assessment of the supply of critical minerals on the OCS. The joint explanatory statement for P.L. 116-260 directed that at least \$2.0 million of the funding increase go to critical mineral assessment.

The *Executive Direction* activity (\$17.1 million FY2020; \$17.2 million FY2021 requested and enacted) covers leadership, budgeting, technology, and related activities. The requested increase was primarily related to fixed costs.

BSEE Appropriations

The Administration requested \$204.0 million in total budget authority for BSEE for FY2021, a 1% increase over the FY2020 total budget authority of \$202.9 million in P.L. 116-94. The requested net appropriation after offsetting

collections was \$130.3 million, 2% less than the FY2020 net appropriation of \$133.4 million.

Table 1. BOEM, BSEE, and ONRR Appropriations, FY2020 and FY2021
(\$ millions)

Agency	FY2020 Enacted (P.L. 116-94)	FY2021 Request	House-Passed H.R. 7608	Senate Comm. Draft	FY2021 Enacted (P.L. 116-260)	% Change FY2020-FY2021
BOEM Total Budget Authority	191.6	188.8	186.8	197.8	192.8	+1%
BOEM Net Appropriation	131.6	125.8	121.8	134.8	127.8	-3%
BSEE Total Budget Authority	202.9	204.0	202.7	200.3	198.7	-2%
BSEE Net Appropriation	133.4	130.3	129.0	126.7	125.1	-6%
ONRR Total Appropriation	147.3	148.5	148.5	131.0	148.5	+1%

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. 116-260 provided BSEE with total FY2021 budget authority of \$198.7 million, 3% less than the request and 2% less than the FY2020 total budget authority (**Table 1**). The House-passed bill would have provided \$202.7 million and the Senate committee draft \$200.3 million in total budget authority. Net of offsetting collections, the final appropriation was \$125.1 million, 4% less than the request and 6% less than FY2020. This includes a \$10.0 million rescission of unobligated funds. The net appropriation in the House-passed bill was \$129.0 million; in the Senate committee draft, it was \$126.7 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 (\$151.8 million FY2020; \$154.1 million FY2021 requested; \$152.8 million 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. The FY2021 joint explanatory statement noted the funding increase over FY2020 was for additional safety personnel.

The **Environmental Enforcement** activity (\$4.8 million FY2020; \$5.1 million FY2021 requested; \$4.8 million enacted) supports BSEE's compliance with environmental statutes and its oversight and enforcement of environmental compliance by operators on the OCS. BSEE stated that FY2021 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** (\$18.2 million FY2020; \$18.5 million FY2021 requested; \$18.2 million enacted) and **Executive Direction** (\$18.1 million FY2020; \$18.5 million FY2021 requested, \$18.1 million enacted) support a range of administrative services and BSEE's executive offices. BSEE's FY2021 request reflected reduced funding for the Ethics Program (transferred to the Interior Solicitor's office) but an increase for general program activities, including performance recognition.

The second BSEE account, **Oil Spill Research** (\$14.9 million FY2020; \$12.7 million FY2021 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 less funding for research, stating the requested amount would allow a focus on "priority research activities" in line with Administration goals, but the account was funded at the FY2020 level.

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 FY2021, the Trump Administration requested \$148.5 million for ONRR, an increase of 1% over the FY2020 funding of \$147.3 million. P.L. 116-260 provided the requested amount of \$148.5 million (**Table 1**), as had the House-passed bill, whereas the Senate committee draft had \$131.0 million. ONRR's request contained some program reductions and some increases, including an increase in fixed costs.

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 FY2021 DOI budget submission, the Trump Administration included a legislative proposal pertaining to offshore energy revenues. It sought 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 the Bureau of Indian Education. In the 116th Congress, P.L. 116-152, the Great American Outdoors Act, established a similar fund. For more information, see CRS In Focus IF11636, *The Great American Outdoors Act*, P.L. 116-152.

For Additional Reading

For a broader overview of FY2021 Interior appropriations, see CRS Report R46519, *Interior, Environment, and Related Agencies: Overview of FY2021 Appropriations*.

Laura B. Comay, Specialist in Natural Resources Policy

Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.