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Description of document: Letter correspondence at the Bureau of Ocean Energy Management (BOEM) to or from the Government Accountability Office (GAO), 2016

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Source of document: BOEM FOIA Officer
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United States Department of the Interior

BUREAU OF OCEAN ENERGY MANAGEMENT
WASHINGTON, DC 20240-0001

45600 Woodland Road, VAM-BOEM DIR
Sterling, VA 20166

Telephone (703) 787-1818
Facsimile (703) 787-1209

April 5, 2017

Via Electronic Mail

RE: Freedom of Information Act (FOIA) Request No. BOEM-2017-00083

This letter is in response to your FOIA request dated March 13, 2017 and received by the Headquarters FOIA Office for the Bureau of Ocean Energy Management (BOEM) on March 14, 2017. Your request was assigned request number BOEM-2017-00083. Please refer to this number in any future correspondence with our office regarding this request.

Description of the Requested Records

You requested a copy of all letter correspondence at the BOEM to or from the Government Accountability Office (GAO) during calendar year 2016 and 2017 to date.

The Bureau's Response to Your Request

We are writing to you today to provide you with the Bureau's final response. The Bureau located 16 pages that are responsive to your request. A copy of these documents are attached and are being released to you in their entirety.

Fees

We have classified you as an "other-use" requester. As such, we may charge you for some of our search and duplication costs, but we will not charge you for our review costs; you are also entitled to up to 2 hours of search time and 100 pages of photocopies (or an equivalent volume) for free. See 43 C.F.R. § 2.39. Inasmuch as there were no billable costs incurred for this request, it has been processed at no charge to you.

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Conclusion

This concludes BOEM's response to your request. If you have any questions, please feel free to contact me by email at boemfoia@boem.gov; by phone at (703) 787-1818; or by postal mail at FOIA Office; Bureau of Ocean Energy Management; Mail Stop: VAM-BOEM DIR; 45600 Woodland Road; Sterling, VA 20166.

Sincerely,

X



Natasha Alcantara
Freedom of Information Act Officer/Public Liaison
Signed by: Bureau of Ocean Energy Management

Attachments: As stated



United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

MAR 22 2016

The Honorable Gene Dodaro
Comptroller General
U.S. Government Accountability Office
Washington, DC 20548

Dear Mr. Dodaro:

As required by 31 U.S.C. § 720, the Department of the Interior (Department) is pleased to provide this written statement of actions in response to the recommendations in the Government Accountability Office (GAO) report entitled, *Offshore Oil and Gas Resources: Actions Needed to Better Protect Against Billions of Dollars in Federal Exposure to Decommissioning Liabilities* (GAO-16-40).

In its report, the GAO identified seven recommendations for implementation by the Bureau of Safety and Environmental Enforcement (BSEE) and the Bureau of Ocean Energy Management (BOEM). The following is a summary of actions taken or planned by BSEE and BOEM to implement these recommendations.

Recommendation 1: To improve the effectiveness of Interior's oversight of the decommissioning process, GAO recommends that the Secretary of the Interior direct BSEE to establish documented procedures for identifying and tracking idle and terminated lease infrastructure.

Response: BSEE plans to issue a standard operating procedure (SOP) for the idle iron program, documenting procedures for the identification and tracking of idle and terminated lease infrastructure.

Target Date: September 30, 2016

Responsible Bureau/Official: BSEE – Margaret Schneider, Deputy Director

To better ensure that the government obtains sufficient financial assurances to cover decommissioning liabilities in the event of lessee default, GAO recommends that the Secretary of the Interior:

Recommendation 2: Ensure that BSEE collects all relevant data associated with decommissioning from lessees.

Response: BSEE and BOEM will jointly prepare a data system project plan to address this recommendation. The project plan will include a schedule of work.

Target Date: September 30, 2016

Responsible Bureaus/Officials:

BSEE – Margaret Schneider, Deputy Director

BOEM – Walter D. Cruickshank, Deputy Director

Recommendation 6: Ensure that BOEM completes its plan to revise its financial assurance procedures, including the use of alternative measures of financial strength.

Response: Currently, BOEM is updating its financial assurance requirements for OCS leases and facilities to reduce the current risk exposure associated with decommissioning liability. The primary purpose of these changes is to update the financial assurance policies to align with current business practices and the significant increase in the cost of decommissioning OCS facilities.

On September 22, 2015, BOEM issued proposed guidance to clarify procedures for oil and gas companies operating on the OCS. Specifically, the guidance contains updated financial criteria for determining a lessee's ability to carry out its financial obligations, including decommissioning liabilities, in whole or in part, and the potential need for additional financial security. BOEM is reviewing the comments and input received to date and intends to finalize a Notice to Lessees this year.

Target Date: June 30, 2016

Responsible Bureau/Official: BOEM – Walter D. Cruickshank, Deputy Director

Recommendation 7: Revise BOEM's regulations to establish a clear deadline for the reporting of transfers to require that lessees report the transfer of rights to lease production revenue.

Response: BOEM's final rule, RIN 1010-AD06, was signed on March 11, 2016. Among other things, it updates and streamlines the existing OCS leasing regulations and modifies the provisions concerning transfers of rights to lease production. The rule, expected to be published soon, not only expands the category of transfers of interest in lease production revenue that must be filed, but also clarifies that the transfer instrument be provided to BOEM for recordation within 90 days after the last party executes the instrument. Recordation serves as notice of such transfers to third parties and enables BOEM to monitor transfers of lease production revenue and to evaluate the financial strength and reliability of transferee companies for risk management purposes.

Target Date: April 30, 2016

Responsible Bureau/Official: BOEM – Walter D. Cruickshank, Deputy Director

Similar letters have been sent to the Members of Congress and Federal officials listed in the enclosure. If you have any questions about this response, please contact Andrea Nygren, BOEM Audit Liaison Officer, at (202) 208-4343, or Linh Luu, BSEE Audit Liaison Officer, at (202) 208-4120.

Sincerely,

A handwritten signature in black ink, appearing to read 'Janice M. Schneider', with a long, sweeping horizontal stroke extending to the right.

Janice M. Schneider
Assistant Secretary
Land and Minerals Management

Enclosure

Enclosure

The Honorable Ron Johnson
Chairman
Committee on Homeland Security
and Governmental Affairs
United States Senate
Washington, DC 20510

The Honorable Thad Cochran
Chairman
Committee on Appropriations
United States Senate
Washington, DC 20510

The Honorable Lisa Murkowski
Chairwoman
Subcommittee on Interior, Environment
and Related Agencies
Committee on Appropriations
United States Senate
Washington, DC 20510

The Honorable Lisa Murkowski
Chairwoman
Committee on Energy
and Natural Resources
United States Senate
Washington, DC 20510

The Honorable Rob Bishop
Chairman
Committee on Natural Resources
House of Representatives
Washington, DC 20515

The Honorable Harold Rogers
Chairman
Committee on Appropriations
House of Representatives
Washington, DC 20515

The Honorable Tom Carper
Ranking Member
Committee on Homeland Security
and Governmental Affairs
United States Senate
Washington, DC 20510

The Honorable Barbara Mikulski
Ranking Member
Committee on Appropriations
United States Senate
Washington, DC 20510

The Honorable Tom Udall
Ranking Member
Subcommittee on Interior, Environment
and Related Agencies
Committee on Appropriations
United States Senate
Washington, DC 20510

The Honorable Maria Cantwell
Ranking Member
Committee on Energy
and Natural Resources
United States Senate
Washington, DC 20510

The Honorable Raul Grijalva
Ranking Member
Committee on Natural Resources
House of Representatives
Washington, DC 20515

The Honorable Nita Lowey
Ranking Member
Committee on Appropriations
House of Representatives
Washington, DC 20515

The Honorable Ken Calvert
Chairman
Subcommittee on Interior, Environment
and Related Agencies
Committee on Appropriations
House of Representatives
Washington, DC 20515

The Honorable Jason Chaffetz
Chairman
Committee on Oversight
and Government Reform
House of Representatives
Washington, DC 20515

The Honorable Gene Dodaro
Comptroller General of the United States
U.S. Government Accountability Office
Washington, DC 20548

The Honorable Alan Lowenthal
Ranking Member
Subcommittee on Energy and
Mineral Resources
Committee on Natural Resources
House of Representatives
Washington, DC 20515

The Honorable Betty McCollum
Ranking Member
Subcommittee on Interior, Environment,
and Related Agencies
Committee on Appropriations
House of Representatives
Washington, DC 20515

The Honorable Elijah Cummings
Ranking Member
Committee on Oversight
and Government Reform
House of Representatives
Washington, DC 20515

The Honorable Shaun Donovan
Director
Office of Management and Budget
Old Executive Office Building
Washington, DC 20503

The Honorable Peter DeFazio
House of Representatives
Washington, DC 20515



United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

SEP 12 2016

Mr. Frank Rusco
Director, Natural Resources and Environment
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Mr. Rusco:

Thank you for providing the Department of the Interior (Department) the opportunity to review and comment on the draft Government Accountability Office (GAO) report entitled *Oil and Gas Oversight: Interior Has Taken Steps to Address Staff Hiring, Retention, and Training but Needs a More Evaluative and Collaborative Approach* (GAO-16-742). We appreciate GAO's review of the Department's human capital challenges for key oil and gas staff.

The Department appreciates the opportunity to respond to GAO's findings and provide clarification to address some of the concerns outlined within the report. As currently written, the draft report does not accurately convey the role of the Assistant Secretary for Policy, Management and Budget (PMB) or acknowledge the differences that exist between executing onshore and offshore mission responsibilities. The Department's points of clarification include: (1) activities that transpired to receive approval and implement the special salary table requests for occupations in the oil and gas industry; (2) timing on the establishment of a performance measurement framework; (3) fragmentation in human resources coordination activities among bureaus; and, (4) training needs for oil and gas oversight employees.

Clarification on Activities Required to Establish Special Pay Rates

GAO indicated that PMB missed opportunities to collaborate across bureaus to address the recruitment and retention challenges experienced by the Bureau of Safety and Environmental Enforcement (BSEE), Bureau of Ocean Energy Management (BOEM), and the Bureau of Land Management (BLM). The Department disagrees with this characterization. From the beginning, PMB was an integral partner, collaborator, and coordinator among the Departmental stakeholders and the bureaus' leadership, human capital and budget teams. The Department worked with Congress to provide legislative relief of 25 percent above the base salary for oil and gas staff. BSEE, BOEM and BLM leadership, however, determined that more financial support was required and conveyed this request to PMB. The Department, therefore, initiated the special salary table request. The Department's Office of Human Resources (OHR) worked diligently with Departmental and bureau budget representatives and bureaus human capital leadership to: (1) ensure bureaus had the capacity to fund special pay rates through the budget process; (2)

develop an integrated special pay rate request to the Office of Personnel Management (OPM); and, (3) issue Departmental guidance that would provide instruction to human resources officials and hiring managers on its use.

The GAO indicated that the Department began to submit applications to the OPM in 2013, to implement requests of special salary rates. On September 5, 2013, the Department met with OPM, the U.S. Department of Agriculture (USDA), the Department of Defense (DoD), and the U.S. Army Corp of Engineers (USACE) to discuss the impacts occurring to recruitment and retention efforts as a result of the expansion of oil and gas extraction activities, particularly in the Bakken region. At that meeting, OPM and the Department agreed that:

- (1) The Department would submit a special salary rate request;
- (2) The request would be a Department-wide submission; and,
- (3) OPM staff members would work closely with the Department to initiate the request.

The PMB's Deputy Assistant Secretary – Human Capital and Diversity/Chief Human Capital Officer (CHCO) requested that the Department's Budget Office and OHR meet with each of the bureaus' human capital leadership to discuss their individual challenges in the various locations and how these challenges affected their use of the 3Rs (retention, recruitment, and relocation). PMB worked with the BLM, BSEE and BOEM headquarters leadership to develop a comprehensive special rate request. Each bureau representative presented their impacted occupations and locations in order to ensure coordination of information for the request.

We disagree with GAO's draft comments regarding BOEM's exclusion from the DOI special salary request collaborative process. The GAO stated, "*BOEM regional managers said that they were not aware that BLM was requesting the special salary rate for its natural resources specialists and did not know that they could request the special salary rate for these staff.*" As mentioned, the CHCO collaborated and coordinated between Departmental stakeholders and bureaus' human capital and budget leadership within their headquarters offices. The bureaus' leadership worked diligently with their managers to collect and assess the needs within each region as it related to their own mission success. The request submitted to OPM represented what BOEM concluded was needed to support its mission.

It is worth noting that BLM's inclusion of General Schedule (GS)-0401, Natural Resources Specialist, does not have a negative impact on BOEM mission delivery. The data demonstrated the greatest need for BLM to acquire GS-0401s was within the North Dakota region. BOEM does not maintain offices in the North Dakota region.

The Department submitted its special pay rate request to OPM on November 14, 2014. OPM analyzed and processed the request in three phases in connection with each of the impacted regions. OPM performed an interagency coordination process with various Federal agencies, to include DoD, USDA, and other small agencies, that may have been impacted by the implementation of this submission. OPM provided final approval of the third phase of the package on March 15, 2016.

Clarifications on timing of the establishment of a performance measurement framework

As discussed with GAO staff during their review, evaluation of the effectiveness of special pay rates and recruiting, relocation, and retention incentives was contingent upon putting the special pay rate request in place. The special pay rate request is an administrative solution, not dependent on legislative action. It is the foundation of the financial package provided to new and existing employees. Recruiting, relocation, and retention incentives are more variable and will be driven by market conditions. With the full approval of the special salary rates table, the Department and bureaus are now in a reasonable position to evaluate the effectiveness of the complete set of financial packages. To that end, the Department gathered data through the first three quarters of FY 2016 and will hereafter review the data on a quarterly basis.

Clarification on fragmentation on human resources coordination activities between bureaus

The GAO report indicates that GAO believes the Department was fragmented in its execution of human resources and there are redundancies to recruit for positions with similar skill sets. The Department disagrees with this assertion as there are significant differences between execution of oil and gas oversight in onshore environments versus offshore environments as well as from region to region. The BLM, BSEE, and BOEM have human resources offices with BSEE and BOEM sharing one HR office. The bureaus' human resources practitioners address these matters routinely with their hiring officials to ensure this is properly communicated in a way which will attract the right people, with the right skill sets who are committed to staying with their organizations for a period of time.

Clarification on training needs and capacity within oil and gas oversight bureaus

The GAO report assumes that BOEM and BSEE should be acquiring technical training from the BLM. However, this does not accurately reflect the analysis conducted to determine the training needs for offshore development or recognize the training coordination that does occur. As the report points out, BLM has 59 staff operating at a training center in Phoenix, of whom 10 are assigned to coursework associated with Minerals and Realty Management. The BLM Training Center provides oil and gas management courses as needed, but not necessarily each year. These management courses include two petroleum engineering modules, the six PET inspection modules, and occasional vendor provided training on specific topics such as well-bore integrity, as the budget allows.

Using approximately six staff, supported by senior management oversight, the training model developed by BSEE allows BSEE inspectors and engineers access to a substantial number of additional training opportunities specific to their responsibilities. In 2016, the BSEE will provide 30 different courses 39 times for inspectors and 32 different courses 63 times for engineers. In addition, the courses *Petroleum Engineering for Non Engineers* and *Project Risk Analysis* will be taught six times for other critical BSEE technical staffs who are neither engineers nor inspectors.

At the beginning of development for the BSEE training program, BSEE staff talked with and conducted site visits with their counterpart staff at the BLM Training Center and performed

reviews of the BLM Certification Handbook and training programs to seek collaboration opportunities and determine which material may be part of BSEE's training framework. BSEE and BLM developed an agreement to attend classes whose curriculum would meet the other agency's training needs. Subsequently, BSEE sent staff that work on Petroleum Measurement to the BLM's Measurement modules. In addition, BSEE and BLM cooperated on creating the [BSEET 3D Drilling Rig Tour](#), which is an online simulation course.

BSEE also discussed with BLM the possibility of developing an official MOU to coordinate technical training with BLM. However, BSEE and BLM both determined that an agreement was not necessary at that time because staff were already coordinating as much as possible considering the significant differences in training needs between onshore and offshore inspectors and engineers. BLM offered to share their production studios with BSEE to make short training videos, as needed, and BSEE will develop opportunities to take advantage of this collaboration.

In addition, the GAO report does not acknowledge the vastly different skill sets needed to inspect or permit the equipment needed for onshore versus offshore facilities and the rapid increase in oil and gas technology for drilling and production operations in deep water and extreme environments. Onshore and offshore exploration uses very different equipment and technology. The risks, particularly in drilling and production in deep water, are different. The surface spacing and subsurface challenges are different. It would be a difficult—and expensive—task to continuously update standard certification modules and tests to keep pace with the technology changes in the offshore oil and gas industry. For this reason, BSEE chose to rely on vendors, rather than in-house expertise, to provide up-to-date training for inspectors and engineers and then to allow inspection and engineering supervisors to manage how to apply that knowledge to permit approvals or offshore inspections. The training courses are continuously vetted by the training staff to assure that the most up-to-date information is available to BSEE inspectors and engineers.

The report also does not recognize the fact that, although BSEE Level II inspectors do not receive a formal certificate, they receive a hands-on personal evaluation and approval from a Supervisory Inspector. This supervisory approval confirms that the Level II inspector attained all of the knowledge necessary through course work and supervised on-the-job training—and, more importantly, that they sufficiently demonstrated these skills in the field—to become a Level III Inspector. The official supervisory approval allows them be put on the inspection schedule by the District Manager as a credentialed Inspector performing inspections without direct supervision. The first independent inspection means more than a certificate; it means that BSEE determined that the individual Inspector attained skills and knowledge to represent their organization in the field.

The evaluation and approval by a supervisor to move to Level III confirms that the course work has been completed and applied; that the regulations and standards for offshore oil and gas are understood; and that they know how to detect potential Incidents of Non-Compliance. The supervisor also verifies that the Level II inspector has the right interpersonal skills to interact in a professional manner with offshore operators as a federal regulator, that they understand how to identify safety issues and, now that Safety and Environmental Management Systems (SEMS) has

been implemented, increasingly how to evaluate the safety culture on offshore facilities. These are skills best developed through on-the-job training and direct supervision.

GAO Recommendations

The Department agrees with GAO's first recommendation to conduct regular evaluations of the effectiveness of the special rates tables, student loan programs, and other incentives used to hire and retain oil and gas personnel that are critical to the mission of the Department. With the full approval of the special salary rates table, the Department and bureaus are gathering data to evaluate the effectiveness of the special rates tables, and will hereafter review the data with BLM, BOEM, and BSEE bureaus and human capital leadership on a quarterly basis.

We partially agree with recommendation two and three for PMB to annually evaluate the bureaus' training programs including staff training needs, training effectiveness and potential opportunities for the bureaus to share training resources and develop technical competencies for all key oil and gas staff. Oil and gas oversight occupations are highly technical positions. As such, BOEM, BSEE, and BLM are in the best position to identify the technical competencies required and appropriate training. As part of the quarterly review of performance data, PMB will ensure that the three bureaus are coordinating their training needs. The Department's Office of Strategic Employee and Organizational Development can validate the bureaus' active engagement in this activity and provide support in the fulfillment of those recommendations where needed.

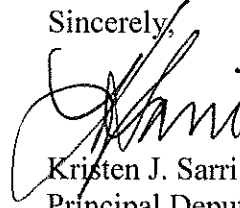
The Department disagrees with GAO's fourth recommendation that PMB evaluate the need for and viability of a certification program for BSEE inspectors. Oil and gas inspection is highly technical. The Department believes that BSEE is best positioned to evaluate the technical training needed to carry out its authorities and responsibilities and accepts the approach used today.

We partially agree with the fifth recommendation regarding coordination between PMB and the Assistant Secretary for Land and Minerals Management on oil and gas human capital challenges. Coordination already exists among the Land and Minerals Management bureaus. Existing department-wide coordination mechanisms include all bureaus – oil and gas oversight staff represents a small number of employees across the Department. As part of the quarterly review of performance data, PMB will ensure that the bureaus continue to coordinate on hiring, retention, and training.

Enclosed are some general and technical comments for your consideration while finalizing the report.

If you have any questions, or need additional information, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'KSarri', written over the printed name.

Kristen J. Sarri
Principal Deputy Assistant Secretary
Policy, Management and Budget

Enclosure

Enclosure

GAO-16-742 Draft Report Department of the Interior Comments	
Page	Comment
General Comment	<p>Some information about the collaboration regarding the special salary rates is incorrect. For example, BSEE had many meetings with the Department and talked about which series were going to be included in the request. Also, BOEM was made aware of this information on numerous occasions.</p>
General Comment	<p>The report does not acknowledge that although the three bureaus' oil and gas programs may be comparable in size, there is a significant difference in overall size between the larger BLM and the much smaller BSEE. BLM has additional resources for training due to a larger overall resource pool in a training center used by the multiple programs that are needed to manage onshore federal lands, including Contract Officer Representative training, leadership and management training, IT training and pest and pesticide training. In addition, the BLM Training Center has been operating for over 20 years and the BSEE training program is in the third year of operation.</p> <p>As the report points out, BLM has 59 staff operating the 72,454 square foot training center in Phoenix, of whom 10 are assigned to coursework associated with Minerals and Realty Management. The Training Center provides oil and gas management courses as needed, but not necessarily each year, including two petroleum engineering modules, the six PET inspection modules and occasional vendor provided training on specific topics such as well-bore integrity, as the budget allows. However, using approximately 6 staff, supported by senior management oversight, the training model developed by BSEE has allowed BSEE inspectors and engineers access to a substantial number of additional training opportunities specific to their responsibilities. In 2016, The BSEE will provide for 30 different courses 39 times for Inspectors and 32 different courses 63 times for engineers. In addition, the courses <i>Petroleum Engineering for Non Engineers</i> and <i>Project Risk Analysis</i> will be taught six times for other critical BSEE technical staff who are not engineers or inspectors.</p> <p>At the beginning of development for the BSEE training program, BSEE staff talked with and conducted site visits with their counterpart staff at the BLM Training Center and performed reviews of the BLM Certification Handbook and training programs to seek collaboration opportunities and determine which material may be part of BSEE's training framework. BSEE and BLM developed an agreement to attend classes whose curriculum would meet the other agency's training needs. Subsequently, BSEE has sent staff that work on Petroleum Measurement to the BLM's Measurement modules. In addition, BSEE and BLM cooperated on creating the BSEET 3D Drilling Rig Tour, which is an online simulation course.</p>

	<p>BSEE also discussed with BLM the possibility of developing an official MOU to coordinate technical training with BLM. However, it was determined by both training staff that an agreement was not necessary at that time because they were coordinating as much as they could already, considering the significant differences in training needs between onshore and offshore inspectors and engineers. But, BLM offered to share their production studios with BSEE to make short training videos, as needed, and BSEE will develop opportunities to take advantage of this collaboration.</p> <p>In addition, the report fails to acknowledge the vastly different skill sets needed to inspect or permit the equipment needed for onshore versus offshore facilities and the rapid increase in oil and gas technology for drilling and production operations in deep water and extreme environments. Onshore and offshore exploration uses very different equipment and technology. The risks, particularly in drilling and production in deep water, are different. The surface spacing and subsurface challenges are also very different. It would be a difficult—and expensive—task to continuously update canned certification modules and tests to keep pace with the technology changes in the offshore oil and gas industry. For this reason BSEE chose to rely on vendors, rather than in-house expertise, to provide up-to-date training for inspectors and engineers and then to allow inspection and engineering supervisors to manage how to apply that knowledge to permit approvals or offshore inspections. The training courses are continuously vetted by the training staff to assure that the most up-to-date information is available to BSEE inspectors and engineers.</p> <p>The report also does not recognize the fact that, although in BSEE the Level II inspector does not receive a formal certificate, they receive hands-on personal evaluation and approval from a Supervisory Inspector. This supervisory approval is taken very seriously and confirms that the Level II inspector has attained all of the knowledge necessary through course work and supervised on-the-job training—and, more importantly, that they have sufficiently demonstrated these skills in the field—to become a Level III Inspector. The official supervisory approval allows them be put on the inspection schedule by the District Manager as a credentialed Inspector performing inspections without direct supervision. The first independent inspection means more than a certificate; it means that BSEE has determined that the individual inspector attained skills and knowledge to represent their organization in the field.</p> <p>The evaluation and approval by a supervisor to move to Level III is more than confirmation that course work has been taken and applied; that the regulations and standards for offshore oil and gas are understood; or that they know how to look for Potential Incidents of Non-Compliance. The supervisor also verifies that the Level II inspector has the right interpersonal skills to interact in a professional manner with offshore operators as a federal regulator, that they understand how to identify safety issues and, now that SEMS has been implemented, increasingly how to evaluate the safety culture on offshore facilities. These are skills best developed through on-the-job training and direct supervision.</p> <p>BSEE believes the training model it has developed is the correct one to carry out its</p>
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	authorities and responsibilities. Although it is a new program and still in the development and improvement phase, it is the best model for BSEE to train its inspectors and engineers to fulfill its responsibilities to continuously improve safety and environmental protection in the offshore oil and gas industry.
General Comment	<p>Suggest:</p> <ul style="list-style-type: none"> - Adding a discussion regarding skill set differences of offshore vs. onshore training. - Adding definitions of types of employees and their key responsibilities or position descriptions based on series. - Removing BLM from the offshore retention discussion. - Adding language for BSEE joint training with the United States Coast Guard (USCG) for joint inspections on rigs and joint incident investigations. - Adding a discussion on the distinction between inspectors and investigators.
General Comment	<p>Data Model.</p> <p>Suggest:</p> <ul style="list-style-type: none"> - Removal of non-Interior employees - Adding data on use of available hiring programs. i.e. veteran's wives, veterans, diversity factors etc. - Adding performance evaluation factors as a category, did certain employees who received lower evaluations use that as a motivating factor for resignation?
14	Footnote 35 indicates the Standard and Poor's 500 Energy Index was used as a proxy for the Oil and Gas Market. This probably does hold some truth, in general, for all facets of the overall energy market, but is probably not a valid index to use to make assumptions about hiring in the oil and gas industry. As has been demonstrated in the past, after a downturn, hiring does not rebound as quickly as the market. Companies are usually cautious; waiting to make sure the market has actually turned around. In addition, many companies turn to technology during the downturn, have learned to be more efficient and have gotten rid of some "dead weight" in programs or positions that they were able to afford before the downturn. Therefore, these positions will not be filled or, at least, not filled for several years. Also, even in a downturn, many companies hold onto key positions, such as senior engineers, as long as possible. A downturn in the market does not necessarily mean layoffs for these positions and, therefore, result in subsequent hiring in the upturn. For many companies, it takes a long time for engineers and others in key positions to be laid off. It is more likely that other non-key positions will be laid off first and not necessarily hired back in lock-step with the S&P Index.
14-15	GAO should consider re-running its model using more recent data to capture the effects of current oil and gas market conditions on hiring, incentives, and recruiting.
17	The discussion of BOEM's consideration of a special salary rate for natural resource specialists does not track with what occurred. BOEM managers were aware that a special salary rate could be requested for these positions, with sufficient justification. BOEM managers, including managers from all of BOEM's regions, discussed whether BOEM should make such a request. The consensus among BOEM's managers, including those in its Gulf of Mexico Region, was that recruitment and

	retention for these positions were not a problem, and this consensus was consistent with what BOEM's personnel data showed. Further, the statement that BOEM would be at a disadvantage in competing with BLM for natural resource specialists is generally not true. The only location where BOEM and BLM are in direct competition is in Anchorage, where BOEM's Alaska Region remains competitive in filling its environmental positions.
21	The bullet on BOEM, while accurate, does not fully reflect the level of effort in providing training opportunities for geologists, geophysicists and petroleum engineers in the Gulf of Mexico Region, where most of BOEM's employees in these job series are located. For example, in the Gulf's Office of Resource Evaluation (RE), managers, supervisors and employees coordinate the development of training curricula. BOEM RE has identified "core" training courses that address the core competencies needed by its employees and offers more training opportunities to geologists, geophysicists and engineers than have been offered in the past.
23	<p>BSEE acknowledges that complete independent evaluations of the training program have not been implemented. The BSEE training program has been in existence for less than three years and is only now getting to a maturity that warrants outside review. In addition, the BSEE training program has undergone extensive internal review at the most senior levels of BSEE including the Deputy Director and Director, and has had continuous oversight by a Governing Board comprising every Regional Director and the Chief of the Offshore Regulatory Program. Because the BSEE training program has progressed exceptionally well in 3 years, it has become ready for additional external review and BSEE is initiating two reviews in 2016.</p> <p>BSEE also believes that its training program, in conjunction with the personal evaluation provided by a supervisory inspector, does provide a certification for its inspectors that are codified by allowing them to perform independent inspections once they are designated as a Level III Inspector. The training program is a 4-Tier training program outlined in the IPD 2013-04 <i>Training Performance Levels for Inspectors</i>. This policy document requires each inspector to complete each level of training, including On the Job (OJT) requirements, prior to being moved to the next Inspector level. Upon completion of each level, the Inspector's supervisor is required to verify the inspector has successfully completed the applicable level and is authorized to move to the next level. BSEE believes that this is the best model for the agency to perform its responsibilities regulating offshore oil and gas activities.</p>
25	The statement concerning "BOEM utilizing BSEE's training program" does not recognize the substantial differences in the job responsibilities, and thus the training needs, for oil and gas professionals in the two bureaus. For example, BOEM's petroleum engineers are mainly focused on identification, interpretation, and quantification of oil and gas volumes that have been discovered and are yet to be discovered, while BSEE's focus on drilling and safety.
25	BSEE Alaska Outer Continental Shelf Region (AKOCS) routinely invites BOEM AK employees to technical training when seats are available, which is most of the time. BOEM has taken advantage of those opportunities.

25 para 1	BSEE reviewed BLM's certification program and found that in 2012 the attrition rate for their program was at approximately 30 percent. Therefore, BSEE recognized that because of its small numbers they would need to develop a framework that would support its smaller numbers, and in 2012 BSEE drafted the framework for a comprehensive certification program. However after the roles and responsibilities of the new BSEE organization became better understood, in 2013, the Director determined that the existing training model was best aligned with the BSEE's organizational goals to sustain a well-trained, high-performing, and diverse workforce.
25 para 2	Currently, BSEE sends Inspectors and Engineers to the Module 4, 5, and 6 gas and oil measurement courses.
25 para 3	In 2012 BSEE initiated communication with the BLM National Training Center which agreed the use of their video rooms and other technology to assist in in-house course development. Also, see comment for Page 25 para 2.