

OFFSHORE ACCOUNTABILITY ACT OF 2021

NOVEMBER 16, 2022.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. GRIJALVA, from the Committee on Natural Resources,
submitted the following

R E P O R T

together with

DISSENTING VIEWS

[To accompany H.R. 570]

[Including cost estimate of the Congressional Budget Office]

The Committee on Natural Resources, to whom was referred the bill (H.R. 570) to require operators of offshore oil and gas facilities to report failures of critical systems to the Secretary of the Interior, and for other purposes, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE OF THE BILL

The purpose of H.R. 570 is to require operators of offshore oil and gas facilities to report failures of critical systems to the Secretary of the Interior.

BACKGROUND AND NEED FOR LEGISLATION

In response to the 2010 *Deepwater Horizon* oil spill and multiple internal and external investigations, the U.S. Department of the Interior (DOI) implemented several safety, environmental, and organizational reforms to the federal offshore oil and gas program. These reforms included two major new regulations implemented in 2016 based on recommendations from the National Academy of Sciences and extensive discussions with industry and environ-

mental advocates: the Blowout Preventers and Well Control Rule¹ (Well Control Rule) and the Production Safety Systems Rule.²

Under these two rules, all oil and gas operators on the Outer Continental Shelf (OCS) were required by the Bureau of Safety and Environmental Enforcement (BSEE) within DOI to report failures of well control equipment and of safety and pollution prevention equipment directly to the agency. This requirement ensured that BSEE was aware of operators and equipment that experienced frequent failures, allowing the agency to take informed preventive action measures.

Despite the thorough research and collaboration that went into the two 2016 rules, the Trump administration rescinded aspects of both regulations in 2019.³ Among other modifications, the 2019 revisions made changes to both rules that reduced transparency and allowed companies to report certain equipment failures and ‘near misses’ anonymously. Without transparent data, BSEE lost the ability to enforce regulations as well as information helpful for identifying low-performing companies and potentially widespread equipment failure. Environmental groups are currently challenging the Trump revisions to the rules in court.

In September 2022, under the Biden administration, BSEE announced a new proposed rule that would revise some of the items that were amended or rescinded in 2019.⁴

H.R. 570 would legislatively restore mandatory public disclosure requirements for offshore oil and gas equipment failures that were eliminated by the Trump Administration in 2019. The legislation requires offshore drilling operators to report failures of critical safety systems directly to the Secretary of the Interior, who then publicly discloses these incident reports.

COMMITTEE ACTION

H.R. 570 was introduced on January 28, 2021, by Representative A. Donald McEachin (D–VA). The bill was referred solely to the Committee on Natural Resources, and within the Committee to the Subcommittee on Energy and Mineral Resources and the Subcommittee on National Parks, Forests, and Public Lands. On May 13, 2021, the Subcommittee on Energy and Mineral Resources held a hearing on the bill. On October 13, 2021, the Natural Resources Committee met to consider the bill. The Subcommittees were discharged by unanimous consent. Rep. Matt Rosendale (R–MT) of-

¹ Oil and Gas and Sulfur Operations in the Outer Continental Shelf-Blowout Preventer Systems and Well Control, 81 Fed. Reg. 25,887 (Apr. 29, 2016) (to be codified at 30 C.F.R. pt. 250), <https://www.govinfo.gov/content/pkg/FR-2016-04-29/pdf/2016-08921.pdf>.

² Oil and Gas and Sulfur Operations on the Outer Continental Shelf-Oil and Gas Production Safety Systems, 81 Fed. Reg. 61,833 (Sept. 7, 2016) (to be codified at 30 C.F.R. pt. 250), <https://www.govinfo.gov/content/pkg/FR-2016-09-07/pdf/2016-20967.pdf>; *see also* 83 Fed. Reg. 49,216 (Sept. 28, 2018) (to be codified at 30 C.F.R. pt. 250), <https://www.govinfo.gov/content/pkg/FR-2018-09-28/pdf/2018-21197.pdf> (revising and revoking portions of the 2016 rule).

³ Oil and Gas and Sulfur Operations in the Outer Continental Shelf-Blowout Preventer Systems and Well Control Revisions, 84 Fed. Reg. 21,908 (May 15, 2019) (to be codified at 30 C.F.R. pt. 250), <https://www.govinfo.gov/content/pkg/FR-2019-05-15/pdf/2019-09362.pdf>; *see also* Press Release, U.S. DOI, BSEE Finalizes Improved Blowout Preventer and Well Control Regulations (May 2, 2019), <https://www.doi.gov/pressreleases/bsee-finalizes-improved-blowout-preventer-and-well-control-regulations>.

⁴ Oil and Gas and Sulfur Operations in the Outer Continental Shelf-Blowout Preventer Systems and Well Control Revisions, 87 Fed. Reg. 56,354 (Sept. 14, 2022) (proposed Sept. 12, 2022) (to be codified at 30 C.F.R. pt. 250), <https://www.govinfo.gov/content/pkg/FR-2022-09-14/pdf/2022-19462.pdf>; *see also* Press Release, BSEE, Interior Department Takes Steps to Strengthen Offshore Safety Standards (Sept. 12, 2022), <https://www.bsee.gov/newsroom/latest-news/statements-and-releases/press-releases/interior-department-takes-steps-to>.

ferred an amendment designated Rosendale #1. The amendment was not agreed to by a roll call vote of 19 yeas and 24 nays, as follows:

Date: October 13, 2021

**COMMITTEE ON NATURAL RESOURCES
117TH CONGRESS — ROLL CALL**

Bill / Motion: H.R. 570

Amendment: Rep. Rosendale #1 amendment

Disposition: Not agreed to by a roll call vote of 19 yeas and 24 nays.

	DEM. MEMBERS (26)	YEAS	NAYS	PRESENT
1	Ms. Brownley, CA		X	
2	Mr. Case, HI		X	
3	Mr. Cohen, TN		X	
4	Mr. Costa, CA		X	
5	Ms. DeGette, CO		X	
6	Mrs. Dingell, MI		X	
7	Mr. Gallego, AZ		X	
8	Mr. Garcia, IL		X	
9	Mr. Grijalva, AZ (Chair)		X	
10	Mr. Huffman, CA		X	
11	Ms. Leger Fernández, NM		X	
12	Mr. Levin, CA		X	
13	Mr. Lowenthal, CA		X	
14	Ms. McCollum, MN			
15	Mr. McEachin, VA		X	
16	Mrs. Napolitano, CA		X	
17	Mr. Neguse, CO		X	
18	Ms. Porter, CA		X	
19	Mr. Sablan, MP		X	
20	Mr. San Nicolas, GU			
21	Mr. Soto, FL		X	
22	Ms. Stansbury, NM		X	
23	Ms. Tlaib, MI		X	
24	Mr. Tonko, NY		X	
25	Ms. Trahan, MA		X	
26	Ms. Velázquez, NY		X	
	REP. MEMBERS (22)			
1	Mr. Bentz, OR	X		
2	Mrs. Boebert, CO	X		
3	Mr. Carl, AL	X		
4	Mr. Fulcher, ID	X		
5	Mr. Gohmert, TX	X		
6	Miss González-Colón, PR	X		
7	Mr. Gosar, AZ			
8	Mr. Graves, LA	X		
9	Ms. Herrell, NM	X		
10	Mr. Hice, GA	X		
11	Mr. Lamborn, CO	X		
12	Mr. McClintock, CA			
13	Mr. Moore, UT	X		
14	Mr. Obermole, CA	X		
15	Mrs. Radewagen, AS	X		
16	Mr. Rosendale, MT	X		
17	Mr. Stauber, MN	X		
18	Mr. Tiffany, WI	X		
19	Mr. Webster, FL	X		
20	Mr. Westerman, AR (RM)	X		
21	Mr. Wittman, VA			
22	Mr. Young, AK	X		
	Total: 48 / Quorum: 16 / Report: 25	19	24	
	TOTALS	YEAS	NAYS	PRESENT

Rep. Garret Graves (R-LA) offered an amendment designated Graves #1. The amendment was not agreed to by a roll call vote of 19 yeas and 25 nays, as follows:

Date: October 13, 2021

**COMMITTEE ON NATURAL RESOURCES
117TH CONGRESS — ROLL CALL**

Bill / Motion: H.R. 570

Amendment: Rep. Graves #1 amendment

Disposition: Not agreed to by a roll call vote of 19 yeas and 25 nays.

	DEM. MEMBERS (26)	YEAS	NAYS	PRESENT
1	Ms. Brownley, CA		X	
2	Mr. Case, HI		X	
3	Mr. Cohen, TN		X	
4	Mr. Costa, CA		X	
5	Ms. DeGette, CO		X	
6	Mrs. Dingell, MI		X	
7	Mr. Gallego, AZ		X	
8	Mr. Garcia, IL		X	
9	Mr. Grijalva, AZ (Chair)		X	
10	Mr. Huffman, CA		X	
11	Ms. Leger Fernández, NM		X	
12	Mr. Levin, CA		X	
13	Mr. Lowenthal, CA		X	
14	Ms. McCollum, MN		X	
15	Mr. McEachin, VA		X	
16	Mrs. Napolitano, CA		X	
17	Mr. Neguse, CO		X	
18	Ms. Porter, CA		X	
19	Mr. Sabian, MP		X	
20	Mr. San Nicolas, GU			
21	Mr. Soto, FL		X	
22	Ms. Stansbury, NM		X	
23	Ms. Tlaib, MI		X	
24	Mr. Tonko, NY		X	
25	Ms. Trahan, MA		X	
26	Ms. Velázquez, NY		X	
	REP. MEMBERS (22)			
1	Mr. Bentz, OR	X		
2	Mrs. Boebert, CO	X		
3	Mr. Carl, AL	X		
4	Mr. Fulcher, ID	X		
5	Mr. Gohmert, TX	X		
6	Miss González-Colón, PR	X		
7	Mr. Gosar, AZ			
8	Mr. Graves, LA	X		
9	Ms. Herrell, NM	X		
10	Mr. Hice, GA	X		
11	Mr. Lamborn, CO	X		
12	Mr. McClintock, CA			
13	Mr. Moore, UT	X		
14	Mr. Obermole, CA	X		
15	Mrs. Radewagen, AS	X		
16	Mr. Rosendale, MT	X		
17	Mr. Stauber, MN	X		
18	Mr. Tiffany, WI	X		
19	Mr. Webster, FL	X		
20	Mr. Westerman, AR (RM)	X		
21	Mr. Wittman, VA			
22	Mr. Young, AK	X		
	Total: 48 / Quorum: 16 / Report: 25	19	25	
	TOTALS	YEAS	NAYS	PRESENT

The bill was adopted and ordered favorably reported to the House of Representatives by a roll call vote of 25 yeas and 19 nays, as follows:

Date: October 13, 2021

**COMMITTEE ON NATURAL RESOURCES
117TH CONGRESS — ROLL CALL**

Bill / Motion: H.R. 570

Amendment:

Disposition: Final Passage: H.R. 570 was ordered favorably reported to the House of Representatives by a roll call vote of 25 yeas and 19 nays.

	DEM. MEMBERS (26)	YEAS	NAYS	PRESENT
1	Ms. Brownley, CA	X		
2	Mr. Case, HI	X		
3	Mr. Cohen, TN	X		
4	Mr. Costa, CA	X		
5	Ms. DeGette, CO	X		
6	Mrs. Dingell, MI	X		
7	Mr. Gallego, AZ	X		
8	Mr. Garcia, IL	X		
9	Mr. Grijalva, AZ (Chair)	X		
10	Mr. Huffman, CA	X		
11	Ms. Leger Fernández, NM	X		
12	Mr. Levin, CA	X		
13	Mr. Lowenthal, CA	X		
14	Ms. McCollum, MN	X		
15	Mr. McEachin, VA	X		
16	Mrs. Napolitano, CA	X		
17	Mr. Neguse, CO	X		
18	Ms. Porter, CA	X		
19	Mr. Sablan, MP	X		
20	Mr. San Nicolas, GU			
21	Mr. Soto, FL	X		
22	Ms. Stansbury, NM	X		
23	Ms. Tlaib, MI	X		
24	Mr. Tonko, NY	X		
25	Ms. Trahan, MA	X		
26	Ms. Velázquez, NY	X		
	REP. MEMBERS (22)			
1	Mr. Bentz, OR		X	
2	Mrs. Boebert, CO		X	
3	Mr. Carl, AL		X	
4	Mr. Fulcher, ID		X	
5	Mr. Gohmert, TX		X	
6	Miss González-Colón, PR		X	
7	Mr. Gosar, AZ			
8	Mr. Graves, LA		X	
9	Ms. Herrell, NM		X	
10	Mr. Hice, GA		X	
11	Mr. Lamborn, CO		X	
12	Mr. McClintock, CA			
13	Mr. Moore, UT		X	
14	Mr. Obermole, CA		X	
15	Mrs. Radewagen, AS		X	
16	Mr. Rosendale, MT		X	
17	Mr. Stauber, MN		X	
18	Mr. Tiffany, WI		X	
19	Mr. Webster, FL		X	
20	Mr. Westerman, AR (RM)		X	
21	Mr. Wittman, VA			
22	Mr. Young, AK		x	
	Total: 48 / Quorum: 16 / Report: 25	25	19	
	TOTALS	YEAS	NAYS	PRESENT

HEARINGS

For the purposes of clause 3(c)(6) of House rule XIII, the following hearing was used to develop or consider this measure: hearing by the Subcommittee on Energy and Mineral Resources held on May 13, 2021.

SECTION-BY-SECTION ANALYSIS

Section 1. Short title

States that the bill may be referred to as the “Offshore Accountability Act of 2021.”

Section 2. Reporting requirement

This section requires operators of offshore oil and gas facilities to file written notice within 30 days of the discovery of a critical system equipment failure to the Secretary of the Interior and the equipment manufacturer.

After filing written notice of the equipment failure, operators are required to complete an investigation and equipment failure analysis within 120 days of the failure to determine the cause and submit that analysis to the Secretary. The Secretary is required to publish the analysis report on the Department’s website within 30 days of receiving the report.

Operators may request an extension on their analysis report of up to 60 days. That extension request is a written request that details how the operator will complete the investigation and analysis. The Secretary will review and respond to any extension requests within 30 days and may not grant more than one extension for a single investigation.

If an operator who experiences an equipment failure receives any instructions from a manufacturer to change the design of a critical system, they must report it to the Secretary in writing within 30 days. Operators must also report any changes to operating or repair procedures as a result of a reported failure within 30 days.

This section also defines key terms.

COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

Regarding clause 2(b)(1) of rule X and clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee on Natural Resources’ oversight findings and recommendations are reflected in the body of this report.

COMPLIANCE WITH HOUSE RULE XIII AND CONGRESSIONAL BUDGET ACT

1. *Cost of Legislation and the Congressional Budget Act.* With respect to the requirements of clause 3(c)(2) and (3) of rule XIII of the Rules of the House of Representatives and sections 308(a) and 402 of the Congressional Budget Act of 1974, as well as clause 3(d) of rule XIII of the Rules of the House of Representatives, the Committee has received the following estimate for the bill from the Director of the Congressional Budget Office:

H.R. 570, Offshore Accountability Act of 2021			
As ordered reported by the House Committee on Natural Resources on October 13, 2021			
By Fiscal Year, Millions of Dollars	2022	2022-2026	2022-2031
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	*	*	not estimated
Statutory pay-as-you-go procedures apply?	No	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2032?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No
* = between zero and \$500,000.			

H.R. 570 would codify certain reporting requirements for firms that operate oil and gas facilities in the Outer Continental Shelf. The bill would set deadlines for reporting any failures of safety or pollution control equipment and would require operators to provide written analyses to the Secretary of the Interior on the causes of the failure and corrective actions taken. Those documents would be made available to the public on the Department of the Interior's (DOI's) website. The bill also would require operators to notify the Secretary of any changes made by equipment manufactures in response to such failures.

CBO expects that the reporting requirements in H.R. 570 would not significantly increase administrative costs because the Bureau of Safety and Environmental Enforcement, an agency within DOI, collects similar information under current law. CBO estimates that the administrative expenses associated with implementing H.R. 570 would be less than \$500,000; such spending would be subject to the availability of appropriated funds.

The CBO staff contact for this estimate is Kathleen Gramp. The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.

2. *General Performance Goals and Objectives.* As required by clause 3(c)(4) of rule XIII, the general performance goals and objectives of this bill are to require operators of offshore oil and gas facilities to report failures of critical systems to the Secretary of the Interior.

EARMARK STATEMENT

This bill does not contain any Congressional earmarks, limited tax benefits, or limited tariff benefits as defined under clause 9(e), 9(f), and 9(g) of rule XXI of the Rules of the House of Representatives.

UNFUNDED MANDATES REFORM ACT STATEMENT

According to CBO, this bill contains no unfunded mandates as defined by the Unfunded Mandates Reform Act.

EXISTING PROGRAMS

This bill does not establish or reauthorize a program of the federal government known to be duplicative of another program.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

PREEMPTION OF STATE, LOCAL, OR TRIBAL LAW

Any preemptive effect of this bill over state, local, or tribal law is intended to be consistent with the bill's purposes and text and the Supremacy Clause of Article VI of the U.S. Constitution.

CHANGES IN EXISTING LAW

If enacted, this bill would make no changes to existing law.

DISSENTING VIEWS

Offshore oil and gas development on the Outer Continental Shelf is critical to American energy independence, providing approximately 15 percent of domestic oil production and 5 percent of domestic dry natural gas production.¹ Maintaining a safe and healthy offshore environment and workplace is of the highest importance, and remains a bipartisan priority. While well intentioned, H.R. 570 would not further this goal.

H.R. 570 would require offshore oil and gas operators to report so-called “critical system” failures to the Secretary of the Interior within 30 days and conduct investigations of equipment failures within 120 days. While the intent of this bill may be to catch potentially dangerous incidents before they occur, the bill ignores the new practices developed to avoid such incidents and is duplicative of regulations already in place at the Bureau of Safety and Environmental Enforcement (BSEE).

In response to the Deepwater Horizon incident, the Obama Administration issued the “Oil and Gas and Sulfur Operations in the Outer Continental Shelf-Blowout Preventer Systems and Well Control” rule, or “Well Control Rule,” in 2016.² This rule was intended to help protect against blowouts during active oil and gas production. The Trump Administration finalized a revised version of the Well Control Rule in 2019³ and the Biden Administration issued a further revised version of the Well Control Rule in 2022.⁴ In 2021, the Government Accountability Office (GAO) removed oversight of the offshore oil and gas program from its “high-risk list,” acknowledging the significant changes in recent years to continue to improve safety in the sector.⁵

H.R. 570 would overlay additional reporting requirements on those currently enforced by BSEE. The burdensome level of reporting required under this bill could actually make operations less safe, as a flood of reports could result in serious incidents being overlooked.

For these reasons, I oppose H.R. 570.

BRUCE WESTERMAN.



¹ U.S. Energy Information Administration. Gulf of Mexico Fact Sheet. https://www.eia.gov/special/gulf_of_mexico/.

² FR 22128, <https://www.govinfo.gov/content/pkg/FR-2018-05-11/pdf/2018-305.pdf>.

³ <https://www.doi.gov/pressreleases/bsee-finalizes-improved-blowout-preventer-and-well-control-regulations>.

⁴ <https://www.doi.gov/pressreleases/interior-department-takes-steps-strengthen-offshore-safety-standards>.

⁵ <https://www.gao.gov/products/gao-21-293>.