

THE NEWS ROOM

FOR RELEASE:

June 29, 2011

THE BUREAU OF OCEAN ENERGY
MANAGEMENT,
REGULATION AND ENFORCEMENT

Office of Public Affairs

BOEMRE Increases Maximum Civil Penalty Amounts

Administration Continues to Seek Congressional Action to Provide Tools to Further Increase Penalties

WASHINGTON – The Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE) announced today that the maximum civil penalty rate for Outer Continental Shelf Lands Act (OCSLA) violations will increase from \$35,000 to \$40,000 per day; and from \$25,000 to \$30,000 per day for Oil Pollution Act (OPA) financial responsibility violations. The increases coincide with adjustments in inflation, as required by OCSLA and OPA. The Obama administration has requested that Congress pass legislation to further raise the maximum civil penalty rates beyond the rate of inflation.

“Even with the inflation adjustment, which is the limit of our current regulatory authority, our civil fine authority is inadequate. That view is shared by energy companies operating on the OCS. The inadequacy of our civil authority hampers our ability to effectively regulate offshore activities, and renders such fines a trivial nuisance rather than an effective deterrent” said BOEMRE Director Michael R. Bromwich. “Our hope is that new legislation will raise this amount significantly, which would enable us to use the threat and reality of civil fines as viable methods to encourage compliance with offshore oil and gas rules and regulations and meaningfully deter violations.”

BOEMRE can impose civil penalties when an operator fails to correct a recorded violation or commits a violation that constitutes a threat of serious, irreparable, or immediate harm or damage to life, property, any mineral deposit, or the marine, coastal, or human environment. BOEMRE also imposes fines if there is evidence that operators do not have adequate financial responsibility to meet maximum liability amounts contained in OPA. Fines are assessed on a maximum per day rate, but can be compounded if there are multiple infractions.

OCSLA directs the Secretary of the Interior to adjust the maximum civil penalty amount at least once every three years to reflect any increase in the Consumer Price Index prepared by the U.S. Department of Labor. BOEMRE is also authorized to impose civil penalties for failure to comply with financial responsibility regulations that implement OPA and those amounts are to be reviewed and adjusted on a 4-year cycle.

The notice is available today for review in Federal Register: <http://www.archives.gov/federal-register/public-inspection/index.html>. BOEMRE will issue a notice to offshore oil and gas operators tomorrow, to coincide with publication in the Federal Register, informing them of the changes and provide a list of infractions with the corresponding fine amount. That notice will be available at: <http://www.boemre.gov/ntls/index.htm>.

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