



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

November 2, 2020

M-21-01

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Russell T. Vought
Director

SUBJECT: Budget and Management Guidance on Updates to the Regulations Implementing the Procedural Provisions of the National Environmental Policy Act

The Office of Management and Budget (OMB) is issuing this budgetary guidance to assist agencies as they work with the Council on Environmental Quality (CEQ) to plan and carry out their responsibilities under the National Environmental Policy Act (NEPA).¹ On July 16, 2020, CEQ issued a final rule² that modernizes and clarifies its NEPA regulations, which apply to all Federal agencies, to facilitate more efficient, effective, and timely environmental reviews in connection with proposals for agency action. All agencies must develop new or revised agency NEPA procedures, as necessary, including eliminating any inconsistencies with the CEQ regulations. Under section 1507.3 of the revised regulations, agencies must propose their new or revised procedures no later than September 14, 2021. OMB is issuing this guidance to follow-up on the attached CEQ memorandum issued on July 16, 2020.

The President has emphasized that the Federal environmental review and permitting process should be coordinated, predictable, and transparent.³ To ensure that new or updated agency NEPA procedures are proposed by September 14, 2021, agencies need to prioritize this effort. As such, agencies should act promptly to begin updating their NEPA procedures to mitigate delays, promote collaboration consistent with the One Federal Decision policy,⁴ and support the President's Management Agenda.⁵

¹ National Environmental Policy Act (NEPA), 42 U.S.C. 4321 et seq.

² *Update to the Regulations Implementing the Procedural Provisions of the National Environmental Policy Act*, 85 FR 43304. (July 16, 2020).

³ Executive Order (E.O.) 13807, *Establishing Discipline and Accountability in the Environmental Review and Permitting Process for Infrastructure Projects*, 82 FR 40463. (August 24, 2017).

⁴ *Id.*

⁵ The President's Management Agenda Cross-Agency Priority (CAP) Goal #12 calls for improving the Federal environmental review and authorization process to facilitate permitting for infrastructure projects. <https://www.whitehouse.gov/wp-content/uploads/2018/04/ThePresidentsManagementAgenda.pdf>

To further ensure that agencies take appropriate and timely action, OMB requests that each Federal agency, as appropriate, take the following actions:

1. Within 30 days of issuance of this memorandum, submit to OMB a plan outlining the agency's schedule for initiating, proposing, and finalizing new or updated agency NEPA procedures and related materials. This plan should identify, within current or planned resources, actual or estimated costs to develop, propose, and finalize agency NEPA procedures in FY 2020, FY 2021, and FY 2022. If agencies have not planned for these needs, they should coordinate with the agency's respective OMB Resource Management Office (RMO). Agencies should also identify any funding needs in their FY 2023 Budget submissions to OMB.
2. By March 15, 2021, submit a status report to OMB on the agency's progress in developing and proposing new or revised agency NEPA procedures.
3. By August 1, 2021, submit a second status report to OMB on the agency's progress towards proposing and finalizing their agency NEPA procedures. Agencies should also identify any funding needs in their FY 2023 Budget submissions to OMB.

Agencies are encouraged to use all tools available, including contracts and memorandums of understanding with other agencies, to ensure their NEPA procedures are updated expeditiously, as necessary. Agencies must consult with CEQ in the development of their new or revised agency NEPA procedures consistent with 40 CFR 1507.3.