The Secretary of Energy
Washington, D.C. 20585

June 12, 2012

MEMORANDUM FOR HEADS OF DEPARTMENTAL ELEMENTS

FROM: STEVEN CHU Steven Chu

SUBJECT: Improved Decision Making through the Integration of Program and Project Management with National Environmental Policy Act Compliance

Compliance with the National Environmental Policy Act (NEPA) is a pre-requisite to successful implementation of DOE programs and projects. Moreover, the NEPA process is a valuable planning tool and provides an opportunity to improve the quality of DOE's decisions and build public trust. Hence, timely attention to NEPA compliance is critical to accomplishing our missions.

Earlier this year, the DOE Field Management Council (FMC) established a NEPA Improvement Team (the Team), with membership drawn from experienced DOE NEPA compliance and program and project management staff. The Team found that DOE already has many tools available to help improve the efficiency of its NEPA compliance efforts, many of which are encompassed in the DOE NEPA regulations (10 CFR Part 1021) and the DOE NEPA Order (DOE O 451.1B). In addition, DOE and the Council on Environmental Quality (CEQ) have developed a considerable body of information, guidance and experience on ways to improve the efficiency of the NEPA process. This guidance includes, for example, advice on document preparation, public participation, and interagency and intergovernmental consultation (available on the DOE NEPA Website at *www.energy.gov/nepa*).

In particular, the Team noted recent CEQ guidance entitled "Improving the Process for Preparing Efficient and Timely Environmental Reviews under the National Environmental Policy Act" (77 FR 14473; March 12, 2012), which highlights several principles directly relevant to the management of DOE's NEPA process, including:

- NEPA encourages straightforward and concise reviews and documentation that are proportionate to potential impacts and effectively convey the relevant considerations to the public and decision makers in a timely manner while rigorously addressing the issues presented;
- NEPA shall be integrated into project planning to ensure planning and decisions reflect environmental considerations, avoid delays later in the process, and anticipate and attempt to resolve potential issues rather than be an after-the-fact process that justifies a decision already made; and

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- Agencies are encouraged to develop meaningful and expeditious timelines for environmental reviews.

CEQ's latest guidance serves as a reminder that we must strive continuously to strengthen our NEPA compliance efforts. To this end, the Team has identified several specific principles that managers and staff must observe.

Mutual Competence: NEPA Compliance Officers (NCOs) and Document Managers (NDMs) should acquire a basic understanding of good project management practice. Similarly, program and project managers should be knowledgeable about CEQ and DOE NEPA compliance requirements.

Headquarters and Field Organization Teaming: Field and Headquarters program and project managers, Field and Headquarters NCOs, and the Office of NEPA Policy and Compliance should team up to provide strong support to NDMs, starting early in NEPA document development. Consultation and coordination between the Field and Headquarters elements are particularly important during review of draft and final environmental impact statements, and, in certain important cases, environmental assessments.

Schedule Integration and Information Requirements: Program and project managers must work with NCOs and NDMs to identify NEPA compliance requirements as soon as practical after an action or project is proposed and must also incorporate appropriate NEPA activities with realistic durations into project schedules. This should include opportunities for early public involvement, which is essential to identifying issues that need to be addressed in the NEPA process. Managers must also ensure that data meeting acceptable quality assurance requirements are available for use in NEPA document preparation, consistent with project schedules.

Accountability: Program and project managers are to define individual roles on a project team, including NEPA compliance staff, holding members accountable and, where appropriate, reflect these roles in individual performance standards. Project Peer Review teams should assess the NEPA plan, schedule, and progress to ensure that project milestones will be supported and communicate their findings to appropriate managers.

DOE Order 413.3B: For projects subject to DOE Order 413.3B, *Program and Project Management for the Acquisition of Capital Assets* (November 29, 2010), the Federal Project Director (FPD) (or the Program Manager or Head of Field Organization prior to appointment of an FPD) is responsible for all phases of project planning and execution, including compliance with NEPA. (See Tables 2.1 and 2.2 of DOE Order 413.3B.) For each project, development of a sound NEPA strategy should commence at Critical Decision-0 (CD-0) for incorporation into the Tailoring Strategy. At CD-1, the preliminary range of reasonable alternatives should be identified, along with provision for critical scheduling, risk management, and Independent Project Review.

I cannot overstate the importance of integrating the NEPA compliance process with program and project management and of applying best management practices to NEPA compliance in DOE. My expectation is that these principles will be embraced by all levels of DOE management, as well as by program, project management, and NEPA compliance staff, working together to advance the Department's missions.