



October 20, 2016



M-17-01

**MEMORANDUM FOR EXECUTIVE DEPARTMENTS AND AGENCIES**

**FROM:** Shaun Donovan, Director  
Office of Management and Budget

Christina Goldfuss, Managing Director  
Council on Environmental Quality

**SUBJECT:** Federal Coordination, Permitting and Review of Gulf Coast Ecosystem Restoration Projects

**Purpose:** The memorandum provides guidance to agencies to facilitate the timely review and permitting—where appropriate—of Gulf coast environmental restoration projects. Additionally, the Gulf Coast Interagency Environmental Restoration Working Group is formalized as the coordinating body for Federal agencies with regard to environmental review and permitting of projects in the region.

**Background:** The 2010 Deepwater Horizon oil spill was the largest oil spill in U.S. history. Penalties and fines on the companies responsible for the spill have resulted in a large increase in funds available for restoration efforts that will benefit the natural resources, fisheries, habitats, and ecosystems of the Gulf Coast region and the Nation. In addition to impacts related to the oil spill, the ecosystems of the Gulf Coast region have experienced significant degradation from a combination of natural and human-caused factors, including hurricanes such as Katrina, subsidence, development, infrastructure, sea level rise, and altered riverine processes. As a result, the region has experienced severe impacts including the erosion of wetlands and barrier islands, declines and shifts in fisheries and other marine resources, and negative effects on water quality and quantity. The degradation of coastal ecosystems and the services they provide has direct and indirect impacts on the economy, communities, and environment of the region and Nation. Impacts associated with future storms, ongoing oil and gas activities, subsidence, and sea level rise will only amplify the region's vulnerability, creating additional urgency and need for restoration efforts that will increase resilience in the Gulf Coast region.

The Federal Government has a long-standing commitment to working with Gulf States to restore coastal ecosystems. Prior to the Deepwater Horizon oil spill, the Administration worked to

address environmental needs through the March 2010 *"Roadmap for Restoring Ecosystem Resiliency and Sustainability."* This work was greatly expanded in the aftermath of the oil spill and priority strategies and activities are described in the September 2010 report titled *"America's Gulf Coast: A Long Term Recovery Plan after the Deepwater Horizon Oil Spill,"* the December 2011 *"Gulf of Mexico Regional Ecosystem Restoration Strategy,"* the August 2013 Gulf Coast Ecosystem Restoration Council's *"Initial Comprehensive Plan: Restoring the Gulf Coast's Ecosystem and Economy,"* and the February 2016 Deepwater Horizon Trustee Council's Programmatic Damage Assessment and Restoration Plan.

As a result of plea agreements and settlements with BP and other responsible parties resolving criminal and civil penalties under the Clean Water Act, natural resource damages under the Oil Pollution Act, and other impacts, settlement funds are administered through three primary restoration streams: the National Fish and Wildlife Foundation's Gulf Environmental Benefit Fund (NFWF), the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act (RESTORE), and the Deepwater Horizon Natural Resource Damage Assessment (NRDA). As funds are released, Federal agency staff and partners may experience increased workload regarding permitting and environmental reviews related to Gulf Coast restoration. As appropriate within budgetary targets, OMB encourages agencies to clearly identify any budgetary and staffing needs related to permitting and environmental review of restoration projects associated with Gulf restoration in the regular budget formulation process.

To date, the Federal agencies responsible for permitting and environmental review of Gulf Coast restoration projects have coordinated through the Gulf Coast Interagency Environmental Restoration Working Group. The Federal government is committed to a whole-of-government effort in allocating resources to ecosystem restoration projects. By building on the work of the Interagency Working Group, the Federal government can provide efficient and coordinated project review, environmental review, permitting, and project authorization while achieving the best possible outcomes for the people and ecosystems throughout the region. Responding to this continued need, this memorandum directs executive departments and agencies to take specific actions to continue and improve upon coordination early in the process of developing and permitting restoration projects, to collaborate in managing workloads so that high priority projects that will deliver significant ecosystem restoration benefits receive the right levels of attention, and to share information across the Federal government and with Gulf Coast states and National Fish and Wildlife Foundation to achieve shared goals. Nothing in this memo shall be construed to impair or otherwise affect the authority granted by law to an executive department, agency, or the head thereof.

## **ACTIONS**

**Coordination.** This memorandum formalizes and expands upon the Gulf Coast Interagency Environmental Restoration Working Group<sup>1</sup> originally initiated by the U.S. Army Corps of Engineers. The purpose of this Working Group is to achieve more effective and efficient

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<sup>1</sup> The Working Group is comprised of representation from the U.S. Department of Agriculture, U.S. Department of the Army, U.S. Department of Commerce, including the National Oceanic and Atmospheric Administration, U.S. Environmental Protection Agency, and U.S. Department of the Interior.

interagency coordination, particularly with regards to the environmental review and permitting of projects in the region. Federal departments and agencies are directed to continue participation in the Working Group and increase coordination as appropriate. Agencies should use the Working Group to facilitate early, consistent, and effective interagency coordination for the review of projects; timely and efficient environmental compliance reviews; sharing of scientific and other information critical to project review and permitting; and early and timely identification and elevation of issues and barriers to efficient implementation of restoration projects across Gulf ecosystem restoration funding streams (including National Fish and Wildlife Foundation, RESTORE, NRDA, and other sources). The agency representatives on the interagency team, acting together, are to provide an annual briefing to CEQ and OMB on agency efforts to resolve issues and barriers to efficient implementation of ecosystem restoration projects. More broadly, as Federal agency staff anticipate increased workload related to Gulf Coast restoration activities, increased coordination can yield efficiency gains to help offset staffing and budgetary constraints.

***Prioritization of Gulf ecosystem restoration.*** Agencies should consider ecosystem restoration projects a priority. Where allowable under an agency's policy and existing authority, agency leadership should incorporate appropriate project permitting and environmental review costs into project costs to allow them to direct adequate resources to staff and ensure that field and regional offices can review and complete permitting and project authorizations in a timely manner. In particular, potentially complex restoration projects, including sediment diversions, have the potential to deliver significant ecosystem benefits but will likely require additional effort in order to coordinate cross-agency permitting timelines and the engagement of leadership to resolve policy decisions that need to be addressed to allow restoration funds to be used to their fullest benefit for the ecosystems and communities of the Gulf. As necessary, agencies should ensure that their respective national leaderships are aware of progress and engage with that leadership where necessary to resolve major project review issues that cannot be resolved in the field. Resolution of policy differences will help ensure that restoration projects are implemented in a timely manner and can begin to provide benefits to Gulf Coast ecosystems and communities. Additionally, CEQ guidance encourages agencies to conduct straightforward and concise NEPA reviews with supporting documentation that is proportionate to potential impacts and effectively conveys the relevant considerations to the public and decision-makers in a timely manner while rigorously addressing the issues presented.

***Collaboration across restoration efforts.*** To the extent practicable and permitted by law, federal agencies should look to leverage other Gulf restoration programs, including the Deepwater Horizon Natural Resources Damage Assessment, when working with the RESTORE Council to determine their priorities for the allocation of RESTORE funding. Recognizing that programs are designed with slightly different priorities, legal requirements, administrative structure, and flexibility, agencies should also collaborate closely with states and the National Fish and Wildlife Foundation to maximize investment in and support for large scale ecosystem restoration. By coordinating during the planning stage of project development, agencies will have more options to effectively manage environmental review and permitting for projects that are funded.