

118TH CONGRESS  
1ST SESSION

**S.** \_\_\_\_\_

To amend the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 to clarify the scope of a major Federal action under the National Environmental Policy Act of 1969 with respect to certain projects relating to the production of semiconductors, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

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Mr. KELLY (for himself, Mr. HAGERTY, Mr. BROWN, and Mr. YOUNG) introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

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**A BILL**

To amend the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 to clarify the scope of a major Federal action under the National Environmental Policy Act of 1969 with respect to certain projects relating to the production of semiconductors, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Building Chips in  
5 America Act of 2023”.

1 **SEC. 2. SEMICONDUCTOR PROGRAM.**

2 Section 9909 of the William M. (Mac) Thornberry  
3 National Defense Authorization Act for Fiscal Year 2021  
4 (15 U.S.C. 4659) is amended by adding at the end the  
5 following:

6 “(c) AUTHORITY RELATING TO ENVIRONMENTAL  
7 REVIEW.—

8 “(1) IN GENERAL.—Notwithstanding any other  
9 provision of law, none of the following shall be con-  
10 sidered to be a major Federal action under NEPA  
11 or an undertaking for the purposes of division A of  
12 subtitle III of title 54, United States Code:

13 “(A) The provision by the Secretary of any  
14 Federal financial assistance for a project de-  
15 scribed in section 9902, if—

16 “(i) the covered activity described in  
17 the application for that project has com-  
18 menced before the date on which the Sec-  
19 retary provides that assistance;

20 “(ii) the facility that is the subject of  
21 the project is on or adjacent to a site—

22 “(I) that is owned or leased by  
23 the covered entity to which Federal fi-  
24 nancial assistance is provided for that  
25 project; and



1                   scribed in the second sentence of section  
2                   9903(a)(1); or

3                   “(ii) carrying out section 9903(b).

4                   “(C) Any activity relating to carrying out  
5                   section 9906.

6                   “(2) SAVINGS CLAUSE.—Nothing in this sub-  
7                   section may be construed as altering whether an ac-  
8                   tivity described in subparagraph (A), (B), or (C) of  
9                   paragraph (1) is considered to be a major Federal  
10                  action under NEPA, or an undertaking under divi-  
11                  sion A of subtitle III of title 54, United States Code,  
12                  for a reason other than that the activity is eligible  
13                  for funding provided under this title.

14                  “(d) LEAD FEDERAL AGENCY AND COOPERATING  
15                  AGENCIES.—

16                  “(1) DEFINITION.—In this subsection, the term  
17                  ‘lead agency’ has the meaning given the term in sec-  
18                  tion 111 of NEPA.

19                  “(2) OPTION TO SERVE AS LEAD AGENCY.—  
20                  With respect to a covered activity that is a major  
21                  Federal action under NEPA, the Department of  
22                  Commerce shall have the first right to serve as the  
23                  lead agency with respect to that covered activity  
24                  under NEPA.

1           “(3) COOPERATING AGENCY.—The Secretary  
2           may designate any Federal, State, Tribal, or local  
3           agency as a cooperating agency with respect to a  
4           covered activity for which the Department of Com-  
5           merce serves as the lead agency under paragraph  
6           (1), if the applicable agency has—

7                   “(A) the jurisdiction to issue an authoriza-  
8                   tion or take action for or relating to that cov-  
9                   ered activity; or

10                   “(B) special expertise with respect to that  
11                   covered activity.

12           “(4) ENVIRONMENTAL DOCUMENTS.—

13                   “(A) SINGLE DOCUMENT.—All authoriza-  
14                   tions relating to a covered activity shall rely on  
15                   a single environmental document and joint  
16                   record of decision prepared by the lead agency  
17                   with respect to that covered activity for the pur-  
18                   poses of NEPA.

19                   “(B) INCLUSION.—An environmental docu-  
20                   ment and joint record of decision described in  
21                   subparagraph (A) shall—

22                           “(i) rely on any comments, analysis,  
23                           proposals, or documentation developed by  
24                           cooperating agencies designated under  
25                           paragraph (3); and

1                   “(ii) provide all authorizations nec-  
2                   essary for the applicable covered activity as  
3                   if any cooperating agency designated under  
4                   paragraph (3) had issued an environmental  
5                   document and joint record of decision.

6                   “(e) ADOPTION OF CATEGORICAL EXCLUSIONS.—

7                   “(1) ESTABLISHMENT OF CATEGORICAL EXCLU-  
8                   SIONS.—Each of the following categorical exclusions  
9                   is established for the National Institute of Standards  
10                  and Technology and, beginning on the date of enact-  
11                  ment of this subsection, is available for use by the  
12                  Secretary:

13                  “(A) Categorical exclusion 17.04.d (relat-  
14                  ing to the acquisition of machinery and equip-  
15                  ment) in the document entitled ‘EDA Program  
16                  to Implement the National Environmental Pol-  
17                  icy Act of 1969 and Other Federal Environ-  
18                  mental Mandates As Required’ (Directive No.  
19                  17.02-2; effective date October 14, 1992).

20                  “(B) Categorical exclusion A9 in Appendix  
21                  A to subpart D of part 1021 of title 10, Code  
22                  of Federal Regulations, or any successor regula-  
23                  tion.

24                  “(C) Categorical exclusions B1.24, B1.31,  
25                  B2.5, and B5.1 in Appendix B to subpart D of

1 part 1021 of title 10, Code of Federal Regula-  
2 tions, or any successor regulation.

3 “(D) The categorical exclusions described  
4 in paragraphs (4) and (13) of section 50.19(b)  
5 of title 24, Code of Federal Regulations, or any  
6 successor regulation.

7 “(E) Categorical exclusion (c)(1) in Appen-  
8 dix B to part 651 of title 32, Code of Federal  
9 Regulations, or any successor regulation.

10 “(F) Categorical exclusions A2.3.8 and  
11 A2.3.14 in Appendix B to part 989 of title 32,  
12 Code of Federal Regulations, or any successor  
13 regulation.

14 “(G) Any other categorical exclusion  
15 adopted by another Federal agency that the  
16 Secretary determines would accelerate the com-  
17 pletion of a covered activity if the categorical  
18 exclusion were available to the Secretary.

19 “(2) SUBSEQUENT CHANGES.—In any NEPA  
20 process that is ongoing (as of the date of enactment  
21 of this subsection), or that occurs on or after the  
22 date of enactment of this subsection, the Secretary  
23 may update, amend, revise, or remove any categor-  
24 ical exclusion established under paragraph (1).

1           “(3) SCOPE OF REVIEW.—The application of  
2           any categorical exclusion established under para-  
3           graph (1), as the categorical exclusion may be up-  
4           dated, amended, or revised under paragraph (2),  
5           shall not be subject to evaluation for extraordinary  
6           circumstances under section 1501.4(b) of title 40,  
7           Code of Federal Regulations, or any successor regu-  
8           lation.

9           “(f) INCORPORATION OF PRIOR PLANNING DECI-  
10          SIONS.—

11           “(1) DEFINITION.—In this subsection, the term  
12           ‘prior studies and decisions’ means baseline data,  
13           planning documents, studies, analyses, decisions,  
14           and documentation that a Federal agency has com-  
15           pleted for a project (or that have been completed  
16           under the laws and procedures of a State or Indian  
17           Tribe), including for determining the reasonable  
18           range of alternatives for that project.

19           “(2) RELIANCE ON PRIOR STUDIES AND DECI-  
20           SIONS.—In completing an environmental review  
21           under NEPA for a covered activity, the Secretary  
22           may consider and, as appropriate, rely on or adopt  
23           prior studies and decisions, if the Secretary deter-  
24           mines that—





1           retary may assign, and the State may as-  
2           sume, the responsibilities of the Secretary  
3           with respect to 1 or more covered activities  
4           within the State under NEPA.

5           “(ii) REQUIREMENTS.—A written  
6           agreement between the Secretary and a  
7           State under clause (i) shall—

8                     “(I) be executed by the governor  
9                     of the State;

10                    “(II) provide that the State—

11                             “(aa) agrees to assume all  
12                             or part of the responsibilities of  
13                             the Secretary described in that  
14                             clause;

15                             “(bb) expressly consents, on  
16                             behalf of the State, to accept the  
17                             jurisdiction of the courts of the  
18                             United States with respect to  
19                             compliance with, the discharge  
20                             of, and the enforcement of any  
21                             responsibility of the Secretary as-  
22                             sumed by the State;

23                             “(cc) certifies that there are  
24                             laws of the State, including regu-  
25                             lations, in effect that—

1                   “(AA) authorize the  
2                   State to take the actions  
3                   necessary to carry out the  
4                   responsibilities being as-  
5                   sumed by the State; and

6                   “(BB) are comparable  
7                   to section 552 of title 5,  
8                   United States Code, includ-  
9                   ing by providing that any  
10                  decision regarding the public  
11                  availability of a document  
12                  under those laws of the  
13                  State may be reviewed by a  
14                  court of competent jurisdic-  
15                  tion; and

16                  “(dd) agrees to make avail-  
17                  able the financial resources nec-  
18                  essary to carry out the respon-  
19                  sibilities being assumed by the  
20                  State;

21                  “(III) require the State to pro-  
22                  vide to the Secretary any information  
23                  that the Secretary reasonably con-  
24                  siders necessary to ensure that the  
25                  State is adequately carrying out the

1 responsibilities being assumed by the  
2 State; and

3 “(IV) be renewable.

4 “(B) ADDITIONAL RESPONSIBILITY.—If a  
5 State assumes responsibility under subpara-  
6 graph (A), the Secretary may assign to the  
7 State, and the State may assume, all or part of  
8 the responsibilities of the Secretary for environ-  
9 mental review, consultation, or other action re-  
10 quired under any Federal environmental law  
11 pertaining to the review or approval of a cov-  
12 ered activity.

13 “(C) PROCEDURAL AND SUBSTANTIVE RE-  
14 QUIREMENTS.—A State shall assume responsi-  
15 bility under this subsection subject to the same  
16 procedural and substantive requirements as  
17 would apply if that responsibility were carried  
18 out by the Secretary.

19 “(D) FEDERAL RESPONSIBILITY.—Any re-  
20 sponsibility of the Secretary not explicitly as-  
21 sumed by a State by written agreement under  
22 this subsection shall remain the responsibility of  
23 the Secretary.

24 “(E) NO EFFECT ON AUTHORITY.—Noth-  
25 ing in this subsection preempts or interferes

1 with any power, jurisdiction, responsibility, or  
2 authority of an agency, other than the Depart-  
3 ment of Commerce, under applicable law (in-  
4 cluding regulations) with respect to a project.

5 “(2) STATE PARTICIPATION.—The Secretary  
6 may develop an application for a State to assume re-  
7 sponsibility under paragraph (1), at such a time and  
8 containing such information as the Secretary deter-  
9 mines appropriate.

10 “(3) SELECTION CRITERIA.—The Secretary  
11 may approve the application of a State to assume re-  
12 sponsibility under this subsection only if—

13 “(A) the Secretary determines that the  
14 State has the capability, including financial and  
15 with respect to personnel, to assume the respon-  
16 sibility; and

17 “(B) the governor of the State has entered  
18 into the written agreement with the Secretary  
19 required under paragraph (1)(A).

20 “(4) LIMITATIONS ON AGREEMENTS.—Nothing  
21 in this subsection permits a State to assume any  
22 rulemaking authority of the Secretary under any  
23 Federal law.

24 “(5) AUDITS.—To ensure compliance by a  
25 State (including compliance by the State with all

1 Federal laws for which responsibility is assumed  
2 under paragraph (1)(B)), for each State partici-  
3 pating in the program under this subsection, the  
4 Secretary shall—

5 “(A) conduct annual audits for each year  
6 of State participation;

7 “(B) not later than 180 days after the  
8 date on which the agreement between the Sec-  
9 retary and the State is executed, meet with the  
10 State to review implementation of the agree-  
11 ment and discuss plans for the first annual  
12 audit required under subparagraph (A); and

13 “(C) ensure that the time period for com-  
14 pleting an audit under subparagraph (A), from  
15 initiation to completion, does not exceed 180  
16 days.

17 “(6) TERMINATION.—

18 “(A) TERMINATION BY SECRETARY.—The  
19 Secretary may terminate the participation of  
20 any State in the program under this subsection,  
21 if—

22 “(i) the Secretary determines that the  
23 State is not adequately carrying out the re-  
24 sponsibilities assigned to the State;

1                   “(ii) the Secretary provides the State  
2                   with—

3                   “(I) a notification of the deter-  
4                   mination of noncompliance under  
5                   clause (i);

6                   “(II) a period of not less than  
7                   120 days to take corrective action as  
8                   the Secretary determines to be nec-  
9                   essary to comply with the applicable  
10                  agreement; and

11                  “(III) on request of the Governor  
12                  of the State, a detailed description of  
13                  each responsibility in need of correc-  
14                  tive action regarding an inadequacy  
15                  identified under clause (i); and

16                  “(iii) the State, after the period pro-  
17                  vided under clause (ii), fails to take satis-  
18                  factory corrective action, as determined by  
19                  the Secretary.

20                  “(B) TERMINATION BY THE STATE.—A  
21                  State, at any time, may terminate the participa-  
22                  tion of the State in the program under this sub-  
23                  section by providing to the Secretary notice not  
24                  later than 90 days before the date on which  
25                  that termination will take effect, subject to such

1 terms and conditions as the Secretary may pro-  
2 vide.

3 “(h) JUDICIAL REVIEW.—

4 “(1) IN GENERAL.—Subject to paragraph (2),  
5 nothing in this section shall affect whether any final  
6 Federal agency action may be reviewed in a court of  
7 the United States or of any State.

8 “(2) EFFICIENCY OF CLAIMS.—

9 “(A) STATUTE OF LIMITATIONS.—Not-  
10 withstanding any other provision of law, and ex-  
11 cept as provided in subparagraph (B), a claim  
12 arising under Federal law seeking judicial re-  
13 view of Federal financial assistance provided  
14 under this title, or with respect to any author-  
15 ization issued or denied under NEPA by the  
16 Secretary for a covered activity, shall be barred  
17 unless the claim is filed not later than 150 days  
18 after the date on which the Secretary an-  
19 nounces that, as applicable—

20 “(i) the Secretary has approved the  
21 application for such Federal financial as-  
22 sistance;

23 “(ii) the Secretary has issued that au-  
24 thorization; or



1                   “(iii) the Secretary has denied that  
2                   authorization.

3                   “(B) EXCEPTION.—Subparagraph (A)  
4                   shall not apply if a shorter deadline than the  
5                   applicable deadline under that subparagraph is  
6                   specified in the Federal law under which judi-  
7                   cial review is allowed.

8                   “(i) USE OF APPROPRIATED FUNDS.—To carry out  
9                   the activities under subsections (e) through (g), the Sec-  
10                  retary may use amounts made available to the Secretary  
11                  under section 102(a)(2)(B)(ii) of the CHIPS Act of 2022  
12                  (15 U.S.C. 4651 note).

13                  “(j) DEFINITIONS.—In this section:

14                  “(1) COVERED ACTIVITY.—The term ‘covered  
15                  activity’ means any activity relating to the construc-  
16                  tion, expansion, or modernization of a facility, the  
17                  investment in which is eligible for Federal financial  
18                  assistance under section 9902 or 9906.

19                  “(2) NEPA.—The term ‘NEPA’ means the Na-  
20                  tional Environmental Policy Act of 1969 (42 U.S.C.  
21                  4321 et seq.).”.