

Attachment 2D(1)

**Explanatory Note for Foreign Agricultural Service (FAS) Report
August 2, 2010**

The FAS has reviewed the projects/activities under the Trade Adjustment Assistance (TAA) for Farmers program that are funded under Division A of the American Recovery and Reinvestment Act of 2009, and determined that they are categorically excluded under the National Environmental Policy Act. Actions of FAS are categorically excluded from the preparation of an Environmental Assessment or Environmental Impact Statement unless the agency determines that an action may have a significant environmental effect.

During the period ending on June 30, 2010, no additional obligations were made against the TAA for Farmers program. Note that we are not reporting an additional \$3,052,157 for administrative overhead, including \$689,929 recorded during this reporting period. These costs are not being reported because CEQ reporting guidance states that salaries and expenses that are used to administer the American Recovery and Reinvestment Act of 2009 (ARRA) should not be included in these reports (which are limited to only projects and activities receiving ARRA funds). This accounts for the difference between the appropriation and obligation amounts reported in the CEQ report (attached spreadsheet) versus amounts reported on recovery.gov.

Note, the overhead costs of \$689,929 incurred during this reporting period account for the respective reduction in the total ARRA appropriation amount found in the FAS Spreadsheet when compared to the spreadsheet in the last report.

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