

Attachment 3D(1)

Explanatory Note for Foreign Agricultural Service (FAS) Report February 1, 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.

In this report, FAS identified and corrected an accounting error made in our Third Quarter Report to the CEQ for total obligations for projects and activities incurred under the TAA for Farmers program. In the previous report, FAS double counted obligations made to the National Training Center and for Information Technology. This resulted in an overstated sum of \$47,827,058 being reported. The correct obligation total for the previous report should have been \$22,818,596. No additional obligations were made against the TAA for Farmers program for the period ending December 31, 2009. Note that we are not reporting an additional \$2,189,568 for administrative overhead, based on CEQ reporting guidance to not include salaries and expenses that are used to administer the ARRA – the reports are limited to projects and activities receiving ARRA funds. This accounts for the difference between the appropriation and obligation amounts in the CEQ report (FAS Spreadsheet, page 1) and the FAS appropriation and obligation (as reported at www.recovery.gov).

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