

Attachment 3D(1)

Explanatory Note for Foreign Agricultural Service (FAS) Report May 3, 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 March 31, 2010, no additional obligations were made against the TAA for Farmers program. Note that we are not reporting an additional \$2,362,221 for administrative overhead (which includes \$172,653 such costs recorded in this reporting period). These costs are not being reported because CEQ reporting guidance states that salaries and expenses that are used to administer the 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 in the CEQ report (FAS Spreadsheet, page 1) and the FAS appropriation and obligation (as reported at www.recovery.gov).

Note, the \$172,653 of overhead costs incurred during this reporting period accounts for the respective reduction in the total ARRA appropriation amount when compared to the last report.

As shown in the February 2010 report, FAS corrected an accounting error made in the Third Quarter Report to the CEQ for total obligations for projects and activities incurred under the TAA for Farmers program.

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