Attachment 16A

Explanatory Note for Department of Veterans Affairs
November 5, 2010

Section 1609(c) of the American Recovery and Reinvestment Act (ARRA) requires Agencies to report on the National Environmental Policy Act (NEPA) status and progress of all ARRA funded projects and activities. Guidance issued by the Chair of the Council on Environmental Quality on November 20, 2009 further delineated the data which must be contained in the report including explanatory notes for those projects whose status has been pending for more than one reporting period and at least one example of the benefits provided as a result of following NEPA.

As of September 30, 2010, the Department of Veterans Affairs (VA) has completed 1,502 NEPA actions for 1,526 projects originally planned to be funded under ARRA. Twenty-three projects were withdrawn last reporting period. Two actions were completed during the reporting period and one action will be completed next reporting period.

Pending

As of September 30, 2010, only one NEPA action remains pending. The following is an explanation of the only project pending for more than one reporting period.

- "Construct Renewably Fueled Cogeneration Systems at Canandaigua" (row 11) – The EA is listed as "pending." VA anticipated that the FONSI would be signed during this reporting period. However, it was not signed until October 3, 2010, three days after the end of the reporting period.

NEPA Status

The following is a list of VA projects and their NEPA status.

Veterans Health Administration (VHA) – Medical Facilities Non-Recurring Maintenance (NRM) and Energy Projects (rows 1-11)

The VA Office of General Counsel (OGC) reviewed these projects and determined that the majority of them should be categorically excluded based on the VA regulatory definition of categorical exclusion contained in 38 CFR Part 26. OGC requested that VHA review the remaining projects to determine if the breadth and scope of these projects indicated that they should be categorically excluded. VHA staff having expertise in environmental program management, including NEPA, evaluated the remaining projects to determine if the projects met the letter and/or intent of VHA's definition of what constitutes a categorically excluded project and would not be expected to have a significant impact on the environment. 1,094 projects were categorically excluded. One

project – constructing a parking lot and road upgrades at the VA Medical Center (VAMC) in Minneapolis (row 5) required an environmental assessment. The FONSI for that project was signed on August 28, 2009.

For the energy projects under the VHA NRM funding, the Office of Asset Enterprise Management (OAEM) Green Management Program Office follows 38 CFR 26 requirements in order to ensure that the appropriate determination is made regarding NEPA action for those projects for which it is responsible. The requirements list categories and regulations for Categorical Exclusion (CE), Environmental Assessment (EA), and Environmental Impact Statements (EIS). The Green Management Office reviewed detailed project descriptions for those ARRA-funded projects for which it is responsible, and additionally sought guidance from the VA Office of General Counsel on particular types of projects, to make the determination on the status of these projects with respect to the need for a NEPA analysis. NEPA is not applicable to 51 of the projects, which are extremely generalized feasibility studies to determine if alternative energy generation is viable. While one project – installing ground source heat pumps at St. Cloud VA Medical Center (VAMC) (row 6) – was categorically excluded, the column on the spreadsheet titled "All federal environmental reviews and documents are completed" is still listed as "no" for this site because the National Historic Preservation Act consultation is still ongoing. The remaining eight projects require environmental assessments (rows 2-4 and 7-11). The status of those projects is as follows:

- Construct a Renewably Fueled Cogeneration System at the Togus VAMC (row 2) – A FONSI was signed on 1/21/10. However, the column on the spreadsheet titled "All federal environmental reviews and documents are completed" is still listed as "no" for this site because the National Historic Preservation Act consultation is still ongoing.
- Construct a Renewably Fueled Cogeneration System at White River Junction VAMC (row 3) – A FONSI was signed on 1/13/10. However, the column on the spreadsheet titled "All federal environmental reviews and documents are completed" is still listed as "no" for this site because the National Historic Preservation Act consultation is still ongoing.
- Implement Solar Photovoltaic System at the Dublin VAMC (row 4) – A FONSI was signed on 1/5/10. However, the column on the spreadsheet titled "All federal environmental reviews and documents are completed" is still listed as "no" for this site because the National Historic Preservation Act consultation is still ongoing.
- "Construct a Solar Photovoltaic System" at Tucson and Albuquerque VAMCs (rows 7 and 8) – The EAs for the Tucson and Albuquerque projects have been completed.
- "Construct Renewably Cogeneration Systems" at Loma Linda, Chillicothe, and Canandaigua" (rows 9, 10 and 11) – The EAs for the Loma Linda and Chillicothe projects have been completed, as noted above. The EA for the Canandaigua project was not completed within the reporting period.

Veterans Health Administration – Grants for State Extended Care

The VA Office of General Counsel determined that NEPA is not applicable to this project. Therefore, page 2 of the spreadsheet does not list any actions for this program.

National Cemetery Administration (NCA) Monument and Memorial Repairs (rows 14-17)

NCA follows 38 CFR 26 requirements in order to ensure that the appropriate determination is made regarding NEPA action. The requirements list categories and regulations for Categorical Exclusion (CE), Environmental Assessment (EA), and Environmental Impact Statements (EIS). The NCA Office of Construction Management reviews the projects and makes the determination on the status of these projects and their relation/need for a NEPA analysis. This is done by reviewing the project description and evaluating it as to the proper category of NEPA compliance. Three hundred ninety two of the NCA projects were routine operation and maintenance and so were categorically excluded (row 14). Three projects were renewable energy projects. EAs were completed for each of these projects.

- Rooftop solar photovoltaic power – Calverton, NY (row 15): The Finding of No Significant Impact (FONSI) was signed on 8/24/09.
- Wind turbine – Bourne, MA (row 16): The FONSI was signed on 8/19/09.
- Ground mounted solar photovoltaic power – San Joaquin, CA (row 17): the FONSI was signed on 8/19/09.

Veterans Benefits Administration (VBA) – Hiring Temporary Claims Processors (row 12)

The VA Office of General Counsel reviewed this project and determined it to be categorically excluded under VA NEPA implementing regulations 38 CFR 26.6b(1)(xi), which states that "VA policies, actions and studies which do not significantly affect the quality of the human environment," may be categorically excluded. The project meets the requirements of 38 CFR 26.6b(2), which lists specific criteria for typical classes of action that normally do not require either an Environmental Impact Statement or an Environmental Assessment. Further, extraordinary circumstances as outlined in 38 CFR 26.6b(3) do not apply.

VBA – Veterans Stimulus Payments (row 18)

The VA Office of General Counsel reviewed this project and determined it to be categorically excluded under VA NEPA implementing regulations 38 CFR 26.6b(1)(xi) which states that "VA policies, actions and studies which do not significantly affect the quality of the human environment," may be categorically excluded. The project meets the requirements of 38 CFR 26.6b(2) which lists specific criteria for typical classes of action which normally do not require either an Environmental Impact Statement or an

Environmental Assessment. Further, extraordinary circumstances as outlined in 38 CFR 26.6b(3) do not apply.

Office of Information and Technology (OIT) (row 13 and 19)

The VA Office of General Counsel reviewed this project and determined it to be categorically excluded under VA NEPA implementing regulations 38 CFR 26.6b(1)(xi), which states that "VA policies, actions and studies which do not significantly affect the quality of the human environment" may be categorically excluded. The project meets the requirements of 38 CFR 26.6b(2), which lists specific criteria for typical classes of action that normally do not require either an Environmental Impact Statement or an Environmental Assessment. Further, extraordinary circumstances as outlined in 38 CFR 26.6b(3) do not apply.

The following explanation of the benefits provided as a result of NEPA actions was originally reported in VA's fourth report to Congress.

The NEPA review process provides a framework for VA to evaluate proposed energy projects and compare them to other alternatives. For example, the EA for the Wind Turbine at Bourne Massachusetts (row 16) allowed VA to evaluate a range of potential wind turbine capacities and conclude the optimal turbine capacity for the Massachusetts Military Reservation based on considerations such as potential noise and visual impacts. In another example, the EA for the ground mounted solar photovoltaic system at San Joaquin Valley National Cemetery (row 17) considered and eliminated other locations due to proximity to burial sites, proximity to existing electrical systems, and roof composition. The EA for a biomass boiler project at White River Junction Medical Center (row 3) allowed VA to evaluate the installation of additional equipment in combination with the biomass boiler, and to consider different potential storage areas for wood chips. For the photovoltaic array project at the Dublin VA Medical Center (row 4), the EA process was helpful in studying issues of aesthetics, hydrology and noise, among others. The EA for the renewable fueled cogeneration at the Togus VA Medical Center (row 2) helped evaluate potential impacts from construction and installation, proper operation and maintenance of equipment, new control technologies, adequate training of the staff, and installation of a wood storage bin, among other potential impacts.

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