Attachment 18A

Explanatory Note for Environmental Protection Agency (EPA) Report
November 5, 2010

In accordance with the reporting requirements of the American Recovery and Reinvestment Act of 2009 (ARRA), the Environmental Protection Agency (EPA) presents this report on the status of NEPA compliance for ARRA projects and activities. This includes all ARRA funded projects and activities through September 30, 2010 that are reported to OMB.
Since the last report, the number of ARRA funded projects for EPA activities have decreased from 652 to 651 projects. NEPA Actions for 250 projects have been completed. The remaining 401 projects are NEPA not applicable.

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The information in columns B (Treasury Appropriations Fund Symbol); D (Total ARRA Appropriations) and L (Total Obligations) were obtained from the Office of the Chief Financial Officer (OCFO) and approved by the associated program offices.

The total ARRA Appropriations column (D) does not include funds held for associated administrative costs. It is the funding that will be used for ARRA associated projects and activities only (mostly in the form of grants).

EPA and Department of Energy (DOE) have entered into an inter-agency agreement that will provide EPA with $35 million in DOE Recovery Act money to conduct Superfund cleanup activities on DOE's Santa Susana Field Laboratory. While this is not an EPA NEPA action and therefore not included on the attached report, it is included on EPA's weekly financial and activity report submitted to OMB.

NEPA not Applicable

There are a total of 401 ARRA projects where NEPA is not applicable these include:

- 97 Brownfield projects
- 115 projects under the Clean Water State Revolving Funds
- 63 projects under the Drinking Water State Revolving Funds
- 59 projects under the Leaking Underground Storage Tank Trust Fund Program and
- 67 projects under the Superfund Remedial program

Most of EPA's Recovery Act actions are either exempt from, or are considered functionally equivalent with, NEPA and are reported as NEPA not applicable for this report.
The number of ARRA funded projects and activities entered in column E are a cumulative total of projects awarded under the corresponding program associated with that line. This method was used do to the inability to estimate the number of future projects and activities associated with ARRA funding in each individual program. The number of ARRA funded projects and activities for the Diesel Emissions Reduction Act (DERA) Grant Program were reduced from the last report submitted due to the termination of a grant; however, the Total Obligations of DERA and

the Leaking Underground Storage Take Trust Fund increased due to adjustments in selected previously awarded grants.

In some instances, the number of NEPA actions (columns G-J) and the number of ARRA funded projects and activities (column E) for a program are not the same because one NEPA action may cover multiple associated projects and activities under that program. For example, the environmental assessment completed for the DERA Grants Program covers 158 state and national grants issued under that program.

Column E and F for the Clean Water and Drinking Water State Revolving Fund Program rows each include inter-agency agreements with the Indian Health Service. These inter-agency agreements represent one EPA action under NEPA; however, they will fund 95 wastewater and 64 drinking water priority projects, respectively.

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The finding of no significant impact/environmental assessment (FONSI/EA) on the DERA Grants Program is now reported as “done” because EPA received no comments during the 30-day comment period, which closed on 4/22/09. Accordingly, per the language in the preliminary FONSI, and 40 CFR 6.203(b), the FONSI is now final and the NEPA process for the DERA Grants Program is complete. Additionally, all federal environmental reviews and documents for the DERA Grants Program are completed as well; a "yes" has been entered in column J.

Categorical exclusions for Brownfields Assessment grants are grouped together and reported on one line when grants with a similar type of NEPA action are awarded on the same date. The number of grants and their associated grant numbers awarded on the same date are reported in columns D and C. The NEPA status is reported “done” and the date NEPA is done is reported as the date the grants were awarded in column I.

While Clean Water State Revolving Fund grants awarded under Section 601 of the Clean Water Act (CWA) are exempt from NEPA, grants awarded under Section 201 of the CWA to specific localized areas are designated on the report as categorical exclusions. “Section 201 Construction Grants” are grouped together and reported on one line when grants with a similar type of NEPA action are awarded on the same date.

NEPA Benefits:

Regarding benefits of NEPA actions to Recovery Act-funded activities, most of EPA's Recovery Act actions are either exempt from, or are considered functionally equivalent with, NEPA. The vast majority of our Recovery Act actions qualify for categorical exclusions. Consequently, because so few of our Recovery Act actions go through a detailed NEPA, it is difficult to identify actions whose environmental impacts are substantively reduced as a result being subject to the process.

Nevertheless, we can point to our decision to address the Diesel Emission Retrofit (DERA) Program (Page 2, Row 1 of the spreadsheet) through a programmatic (rather than individual) NEPA review process. As a result of that decision, and the expeditious completion of a

comprehensive Environmental Assessment (which was circulated for a 30-day national review), we were able to issue a Finding of No Significant Impact for the entire DERA Program. This allowed EPA to expedite the award of over $290 million in Recovery Act funds.

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