

Attachment 2G(1)

Explanatory Note for Rural Development (RD) Report November 5, 2010

On behalf of USDA Rural Development, I am submitting to the Council on Environmental Quality (CEQ) our Section 1609(c) report for the American Recovery and Reinvestment Act (ARRA), which has an end date of September 30, 2010. Rural Development is comprised of three federal agencies: Rural Housing Service, Rural Business and Cooperative Service, and the Rural Utilities Service. This report covers the status and progress of National Environmental Policy Act (NEPA) compliance on all ARRA funded projects and activities for these three agencies.

The enclosed report lists the five Rural Development program areas that received funding under the ARRA. Each of these areas has a unique Treasury Appropriation Fund Symbol. In this report we are providing the total obligations that resulted in outlays, and the actual amount appropriated in ARRA for each program (adjusted to reflect up to a three percent reduction for administrative expenses, as allowed by ARRA). This data correlates with the data on recovery.gov and is in alignment with ARRA.

For the Rural Housing Program, we grouped all Single Family Housing direct and guaranteed loans and reported them on the same line because these loans are for similar activities that are categorically excluded under NEPA. We listed the NEPA review date as the last date on which any reviews were made for that group.

Likewise, for the Rural Community Facilities Program, Rural Business Program and the Rural Water & Waste Disposal Program, we grouped similar activities which comply with NEPA in the same way. Under each of these programs, we reported two groups: categorical exclusions and environmental assessments. We listed the NEPA review date as the last date on which obligations were made for the respective group. An environmental impact statement was not required in any of these programs receiving ARRA funding.

Rural Development obligated \$2,423,535,858 in ARRA funds in the Distance Learning, Telemedicine, Broadband Program, as of September 30, 2010, an additional \$2,167,883,155 since the last reporting period.

1 - There was a change in Budget Authority for Business Programs due to a transfer of funds from the administrative account to the obligating account.

2 - The WEP Obligations include the 14,280,000 Circuit Rider contract as well as the WEP TAT Grant. This comprises 3 obligations, one for WEP TAT Grant in 2010, and 1 Circuit Rider obligation for each fiscal year.

Examples of USDA-Rural Development ARRA Financial Assistance:

- 1) Rural Water & Waste Disposal Program: Washington County Service Authority - WTP Expansion Project, Washington County, VA – (EA)

Rural Development funded this water distribution project that will install a 12 million gallon per day water intake and pump station, along with a transmission line to the Middle Holstein South Fork Water Treatment Plant. In addition, the Water Treatment Plant will be upgraded to handle the additional flow. Through implementation of the NEPA process in the planning stages, this project identified mitigation actions to protect the archaeological remains of 2 prehistoric Native American camps and minimize floodplain impacts. In addition, mitigation was included to protect the scenic beauty and visual aesthetics of the Virginia Creeper Trail, a “rails-to-trails” project in the National Recreation Trail inventory.

The NEPA analysis identified the need for a Phase I archaeological study, which was scoped in consultation with the State Historic Preservation Office (SHPO), and identified all existing resources within or in proximity to the site. The proposal was designed to ensure that it would not have an impact on identified resources, resulting in a SHPO determination of no affect. In addition, implementation of the NEPA process resulted in a plans designed to avoid any alterations to the floodplain. Finally, in order to protect the scenic beauty of the Virginia Creeper Trail, adopted mitigation measures stipulated that screening would be incorporated around the limited above-ground facilities (most are subsurface) to prevent visual impact to the trail corridor, and that above ground facilities would be constructed with inconspicuous color and materials.

- 2) Rural Community Facilities Program: Bridgewater College, Bridgewater, Virginia – (EA)

This proposal included the renovation of dorms and construction of apartments for student housing at Bridgewater College. The college is located next to the Town of Bridgewater’s historic district. The college, founded in 1880, has a number of historic buildings on campus, many dating to the late 1800s. The college’s architect, in close consultation with the Virginia Department of Historic Resources, provided a design that would appropriately blend the new construction and renovations with the existing historic character of the area. The new apartment buildings are Victorian in appearance and are consistent with the adjoining historic district. The renovations of the dorms blend in with the existing buildings on the campus. As a result of the application of NEPA and the related Section 106 consultation process, the college was able to provide modern student housing with a historic character that is an asset to the college and the historic flavor of the Town of Bridgewater.

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