

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT
HARRISBURG, PENNSYLVANIA

TO: All Employees	STATE PROCEDURE NOTICE	ISSUE NO. 327 DATE: January 17, 2012
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RURAL DEVELOPMENT MANUAL CHANGE

RD Instruction 1901-F, para. 1901.252 (b), RD Instruction 1940-G, para. 1940.303 (b) and 7 CFR 1794, para. 1794.11

GENERAL: The purpose of this Procedure Notice (PN) is to provide a standardized letter to be issued to potential applicants or lenders by Rural Development Pennsylvania employees when considering or accepting a pre-application or application to inform said applicant or lender of the agency's compliance requirements for completing the environmental review process, which includes Section 106 and 110 (k) of the National Historic Preservation Act and the National Environmental Policy Act, prior to initiating any activity to which federal assistance would relate.

INSERT:

PA PN 327 (1901-F, 1940-G, and 1794), "Use of Federally Approved Financial Assistance in Accordance with the National Historic Preservation Act, the National Environmental Policy Act and RD Instructions 1901-F, 1940-G and 1794"

RD Instruction 1901-F, para. 1901.252 (b)

§1901.252 Policy.

(b) The Rural Development will consult with appropriate Federal, State, and local agencies; other organizations; the State Historic Preservation Officer (SHPO) and individuals to assess the impact of any proposed Rural Development undertaking on properties having historical or archaeological significance in order to avoid or mitigate any adverse effects on the properties.

(1) Rural Development will issue the standardized letter found in Attachment A of this PN to all potential applicants or lenders when considering or accepting a pre-application or application to inform said applicant or lender of the agency's compliance requirements for completing the environmental review process, which includes Section 106 and 110 (k) of the National Historic Preservation Act and the National Environmental Policy Act, prior to initiating any activity to which federal assistance would relate.

RD Instruction 1940-G, para. 1940.303 (b)

§1940.303 General Policy.

(b) In assessing the potential environmental impacts of its actions, Rural Development will consult early with appropriate Federal, State, and local agencies and other organizations to provide decision-makers with both the technical and human aspects of environmental planning.

(1) Rural Development will issue the standardized letter found in Attachment A of this PN to all potential applicants or lenders when considering or accepting a pre-application or application to inform said applicant or lender of the agency's compliance requirements for completing the environmental review process, which includes Section 106 and 110 (k) of the National Historic Preservation Act and the National Environmental Policy Act, prior to initiating any activity to which federal assistance would relate.

7 CFR 1794, para. 1794.11

§1794.11 Apply NEPA early in the planning process

The environmental review process requires early coordination with and involvement of RUS. Applicants should consult with RUS at the earliest stages of planning for any proposal that may require RUS action. For proposed actions that normally require an EIS, applicants shall consult with RUS prior to obtaining the services of an environmental consultant.

(a) Rural Development will issue the standardized letter found in Attachment A of this PN to all potential applicants or lenders when considering or accepting a pre-application or application to inform said applicant or lender of the agency's compliance requirements for completing the environmental review process, which includes Section 106 and 110 (k) of the National Historic Preservation Act and the National Environmental Policy Act, prior to initiating any activity to which federal assistance would relate.



United States Department of Agriculture
Rural Development
Pennsylvania State Office

SUBJECT: Use of Federally Approved Financial Assistance in Accordance with the National Historic Preservation Act (NHPA), the National Environmental Policy Act (NEPA) and RD Instructions 1901-F, 1940-G, and 1794

TO: Applicants, Lenders

FROM: Pennsylvania State Director

Federal regulations require the U.S. Department of Agriculture Rural Development (Agency) to conduct an environmental review for any proposal that may require Agency action. These regulations are 7 CFR 1794 for Rural Utility Service and RD Instruction 1940-G for Housing, Community Facilities and Business and Cooperative Programs.

Additionally, in accordance with Section 106 of the National Historic Preservation Act (NHPA), Federal agencies are required to take into account the effects of their undertakings on historic/archaeological properties. Further, Section 110(k) of NHPA prohibits Federal agencies from approving financial assistance to an applicant who, with the intent to avoid the requirements of Section 106 of NHPA, has intentionally significantly adversely affected a historic property to which assistance would relate, also known as anticipatory demolition.

Agency regulations require an environmental review to be completed prior to the issuance of a conditional commitment for guaranteed loans or prior to loan approval or obligation of funds for direct loans and grants. Therefore, the applicant and/or lender, during the period of pre-application or application, must **NOT** take any actions, **such as initiation of construction, renovation or earth-disturbing activities**, that may have an adverse impact on the environment or limit the range of alternatives to be considered by the Agency, prior to the conclusion of the Agency's environmental review process.

If construction is in progress during the time of application for financial assistance, the Agency must fulfill its environmental compliance responsibilities; and, if environmental compliance cannot be achieved, the approval for financial assistance may be jeopardized. In those instances, it is recommended that the applicant and/or lender halt or delay construction until the Agency has completed the environmental review process.

Please contact the Rural Development Specialist for further guidance and information concerning the Agency's environmental requirements and responsibilities of the applicant and/or lender.

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Committed to the future of rural communities.

"USDA is an equal opportunity provider, employer and lender."
To file a complaint of discrimination write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, DC 20250-9410 or call (800)795-3272 (voice) or (202) 720-6382 (TDD).