

Finding of No Significant Impact

Farm Service Agency, United States Department of Agriculture Regulatory Streamlining of the Farm Service Agency's Direct Farm Loan Programs; Proposed Rule

Introduction:

The Farm Service Agency (FSA) proposes to streamline regulations governing the direct Farm Loan Programs. FSA's regulations which implement these programs are found in Title 7 of the Code of Federal Regulations (CFR). Streamlining of the regulations would be accomplished by moving the majority of FSA's direct loan making and loan servicing rules for Farm Loan Programs from 7 CFR Chapter XVIII to Chapter VII. Concurrently, FSA proposes to remove internal procedures, administrative procedures, and obsolete parts from the CFR text, and to streamline certain program requirements.

Preferred Alternative

The preferred alternative is the proposed action of implementing the proposed regulations which would include consolidating existing regulations into Chapter VII, and streamlining the body of regulations governing direct loan programs to remove administrative/internal procedures and obsolete parts, and to simplify program requirements.

Reasons for Finding of No Significant Impact (FONSI)

In consideration of the analysis documented in the programmatic environmental assessment (PEA) and the reasons outlined in this FONSI, the preferred alternative would not constitute a major Federal action that would significantly affect the human environment. Therefore, an EIS will not be prepared. The determination is based on the following:

Context (40 CFR 1508.27(a))

The preferred alternative would allow FSA to continue operating its Direct Farm Loan Programs, but in a more streamlined manner. It is impossible from a programmatic level to adequately determine which specific areas of the Nation would be most affected under the preferred alternative. The potential effects of implementation of the preferred alternative will be providing credit to farmers and ranchers that will be used for the operation of crop and livestock operations. Since each loan that would be approved by implementing the preferred alternative would be considered a site-specific action, FSA would complete a site-specific environmental review for each to determine impacts at the local level.

Intensity (40 CFR 1508.27(b))

1. Both beneficial and adverse impacts (40 CFR 1508.27(b)(1)) of implementing the preferred alternative have been fully considered within the PEA. Cumulative impacts are expected to be minor as implementation of the preferred alternative will mainly result in FSA providing operating loans and loan servicing actions to farmers and ranchers. The majority of these operating loans will be used to finance normal farming operations and practices.

2. The preferred alternative would not significantly affect public health or safety (40 CFR 1508.27(b)(2)). Implementation of the preferred alternative would provide positive benefits by assisting farmers and ranchers in maintaining, expanding, or starting a farming or ranching operation.
3. The preferred alternative would not significantly affect any unique characteristics (40 CFR 1508.27(b)(3)) which includes historic and cultural resources, parklands, prime farmlands, wetlands, wild and scenic rivers, or ecologically critical areas. Loans made to farmers under the preferred action would not be used to adversely affect any areas or resources considered to have unique characteristics. The preferred alternative would mainly occur within existing farming operations. All potential impacts within a local geographical area will be analyzed by completion of a site-specific environmental review prior to approval of a loan or loan servicing action.
4. The preferred alternative does not involve effects to the quality of the human environment that are likely to be highly controversial (40 CFR 1508.27(b)(4)). Most loans or loan servicing actions that would be approved under the preferred would be used to maintain, expand, or start a farming or ranching operation. Any controversy with a loan or loan servicing request at the local level will be addressed by public involvement in the completion of a site-specific environmental review.
5. The preferred alternative would not impose highly uncertain or involve unique or unknown risks (40 CFR 1508.27(b)(5)). Major changes or unknown risks would not occur as a result of loans or loan servicing actions being approved for farming and ranching operations which would be reviewed on a case-by-case basis to determine potential impacts to the human environment.
6. The preferred alternative would not establish a precedent for future actions with significant effects and does not represent a decision in principle about a future consideration (40 CFR 1508.27(b)(6)). The intended outcome of the preferred alternative is to provide financial assistance in the form of loans or loan servicing actions to farmers and ranchers. All requests for loans or loan servicing that would be approved under the preferred alternative will be reviewed on a case-by-case basis to determine their individual potential for impacts on the human environment.
7. The preferred alternative is not related to other actions with individually insignificant but cumulative significant impacts (40 CFR 1508.27(b)(7)). The Environmental Consequences section of the PEA discusses potential cumulative impacts of implementing the preferred alternative. Cumulative impacts of implementing the preferred alternative were determined to not be significant. In addition, the site-specific environmental review completed for each loan or loan servicing request will consider cumulative impacts.
8. The preferred alternative would not adversely affect districts, sites, highways, structures, or objects listed in or eligible for listing in the National Register of Historic Places or cause loss or destruction of significant scientific, cultural, or historical resources (40 CFR 1508.27(b)(8)). Generally, normal agricultural practices do not have adverse effects on historic and cultural resources. However, occasional practices involving construction or earthmoving have the potential for adverse impacts. For each loan request or loan servicing action approved under the preferred alternative, FSA will complete a site-specific environmental review that considers historic and cultural resources. Consultation with the appropriate State Historic Preservation Officer, Tribal Historic Preservation Officer, or Indian Tribe will be completed as necessary.

9. The preferred alternative would not have adverse effects on threatened or endangered species or designated critical habitat (40 CFR 1508.27(b)(9)). In accordance with section 7 of the Endangered Species Act, FSA considered the effects of implementing the preferred alternative on threatened and endangered species and designated critical habitat. In order to ensure proper compliance with section 7, FSA will complete analysis of the potential effects on a site-specific basis for each loan or loan servicing action. Consultation with the U.S. Fish Wildlife Service and/or the National Marine Fisheries Service will be conducted as necessary for each loan request.
10. The preferred alternative does not threaten a violation of Federal, State, or local law or requirements imposed for the protection of the environment (40 CFR 1508.27(b)(10)). Specific analysis of effects of implementing the preferred alternative on local laws will be completed on a site-specific level for each loan request.

Determination

On the basis of the analysis and information contained in the PEA and this document, it is my determination that adoption of the preferred alternative, Alternative B, does not constitute a major Federal action significantly affecting the quality of the human environment. Therefore, an EIS is not necessary. The preferred alternative will be fully implemented upon publication of a Final Rule in the Federal Register.



James P. Fortner
Environmental Compliance Manager
Farm Service Agency

March 18, 2004

Date

This determination is not subject to appeal rights. A copy of the PEA is available at USDA, Farm Service Agency, Conservation and Environmental Programs Division, Stop Code 0513, 14th and Independence Ave. S.W., Washington, DC 20250