



# Rural Development

Consolidated Environmental Regulation – 7 CFR 1970  
Benefits of the New Regulation

*USDA Rural Development is committed to the future of rural communities.*



USDA Rural Development published a new, consolidated Environmental Regulation in April 2016 that streamlines environmental reviews for many of our loan and grant applicants, and makes it easier for customers to comply with environmental requirements. Major benefits of the regulation are outlined below.

Benefit	Description	Who Benefits?
<p><b>1.</b> Everyone “plays by the same set of rules.”</p>	<p>All Rural Development (RD) programs follow the new 1970 regulation. Previously, RD had two different environmental regulations that applied to certain programs. Neither had been updated in some time.</p>	<p><b>The Agency</b> – RD field staff will only have to administer one, updated environmental regulation across all programs. This will save time and improve consistency in reviews and documentation across the board.</p> <p><b>Borrowers and Consultants</b> – Customers will save time, and having one, consolidated RD regulation instead of two means that they need less regulatory knowledge to comply with the National Environmental Policy Act (NEPA).</p>
<p><b>2.</b> Clear levels of NEPA review: Categorical exclusions (CE), Environmental Assessment, and Environmental Impact Statement.</p>	<p>The new regulation is structured to make the process and NEPA categories clear.</p>	<p><b>The Agency</b> – Staff will better understand NEPA and more easily comply with requirements.</p> <p><b>Borrowers and Consultants</b> – Customers will have improved understanding of what NEPA compliance entails and the level of effort required. They will spend less time and effort to determine where a projects fits in the process.</p>
<p><b>3.</b> Environmental documentation is focused where it is needed.</p>	<p>The new regulation requires less documentation, or none, where there is little or no potential environmental impact. This allows more time and money to go toward improving infrastructure. RD is focusing its efforts on projects that will have a significant environmental impact.</p>	<p><b>The Agency</b> – Reduced processing time and a more focused and efficient process.</p> <p><b>Borrowers and Consultants</b> – Less burden when filing; more certainty; and shorter processing times.</p> <p><b>Communities</b> – Better protection under NEPA, by focusing efforts on reviews of projects where environmental impacts are likely.</p>
<p><b>4.</b> Updated Categorical Exclusions (CEs).</p>	<p>RD has increased the number of CEs to include projects with no history of significant environmental impact. RD has also updated the CEs to include new projects such as broadband, residential solar, etc.</p>	<p><b>The Agency</b> – Less staff time devoted to actions on projects where Findings of No Significant Impact (FONSI) have been issued. Flexibility and consideration of modern projects to ensure that Environmental Assessments are only conducted when needed.</p> <p><b>Borrowers and Consultants</b> – Less burden to repeatedly document and issue public notices on projects with no significant impacts. The regulation represents modern technologies and projects and anticipates future changes.</p> <p><b>Communities</b> – More meaningful RD public notices focus the public on projects where the environment and community may be affected. The regulation also encourages new and beneficial projects, such as broadband, solar, etc.</p>
<p><b>5.</b> Shorter public comment times (14 to 30 days).</p>	<p>Where risk of impacts is small or the geographic scope is limited, public comment periods of less than 30 days can be used. This will better focus public notices to the community members most impacted and enable quicker responses to comments received.</p>	<p><b>The Agency</b> – Reduce processing times for environmental reviews.</p> <p><b>Borrowers and Consultants</b> – Reduce expense and time for public notices, and better focus outreach efforts.</p> <p><b>Communities</b> – Reduce public notice ‘overload.’ Additionally, public notices can be incorporated into a larger communication plan specific to affected community members.</p>
<p><b>6.</b> Third-party contracting for Environmental Impact Statements.</p>	<p>Applicants may hire a contractor to meet the locally applicable contracting requirements and expedite handling.</p>	<p><b>The Agency</b> – The applicant is responsible for securing contractors and managing the contract for their projects. This will allow RD staff to focus on environmental compliance.</p> <p><b>Borrowers and Consultants</b> – Following the Federal procurement process for non-Federal contracts is no longer required. This will expedite projects and the review process.</p>
<p><b>7.</b> Multi-tier NEPA process for post-obligation relenders.</p>	<p>The regulation includes a more efficient NEPA process for relending and other multi-tier actions in all RD programs. Entities that borrow from RD, but then relend to others can proceed if they commit to following a specific NEPA process. They review the projects they fund, determine if there are CEs, and document it in their files. No additional approval is needed to move forward. If there is no CE, they notify RD, and Agency staff make the final determination. RD will conduct periodic audits of multi-tier borrower NEPA compliance.</p>	<p><b>The Agency</b> – Staff can focus time and effort on those projects that will actually have an environmental impact.</p> <p><b>Borrowers and Consultants</b> – Participants in programs such as the Energy Efficiency Conservation Loan Program (EECLP), Rural Energy Savings Program (RESP), Intermediary Relending Program (IRP), and Water and Environmental Program Revolving Loan Fund, will be able to move more quickly to obligation. The multi-tier process will be much more efficient for non-traditional RD business models in areas like solar energy.</p>
<p><b>8.</b> Detailed staff and applicant instructions.</p>	<p>New, updated staff and applicant instructions are available with the new regulation. These are written for a general audience, and guide participants through the requirements of NEPA, the Endangered Species Act, Section 106 of the National Historic Preservation Act, Flood Plains standards, and other applicable laws.</p>	<p><b>The Agency</b> – One clear set of instructions across RD will improve incoming applicant data and enable faster, more effective determinations.</p> <p><b>Borrowers and Consultants</b> – The instructions eliminate guesswork related to what RD needs on file regarding the project. This will save time and money, and increase compliance.</p>
<p><b>9.</b> Template letters and forms for staff and borrowers.</p>	<p>Standard, fillable templates are now available for the NEPA compliance process. They will save time and effort for program participants.</p>	<p><b>The Agency</b> – Access to better quality, more consistent documentation will save time when reviewing applicant files.</p> <p><b>Borrowers and Consultants</b> – Standard documents eliminate guesswork, save time, and increase compliance.</p>
<p><b>10.</b> Online Public Notices.</p>	<p>The regulation explicitly allows for online publication of environmental notices.</p>	<p><b>Borrowers and Consultants</b> – Can save time and money through online posting.</p> <p><b>Communities</b> – Online postings will increase the availability and timeliness of important information for members of the community and stakeholders.</p>