



EXPORT-IMPORT BANK

Adoption of Categorical Exclusions from the Tennessee Valley Authority under the National Environmental Policy Act

AGENCY: Export Import Bank of the United States.

ACTION: Notice of adoption of multiple Categorical Exclusions from the Tennessee Valley Authority.

SUMMARY: The Export-Import Bank of the United States (EXIM) is adopting multiple categorical exclusions (CEs) from the agencies as listed: Tennessee Valley Authority CEs 49 and 50. This notice identifies the categories of proposed actions and describes the consultation between the agencies.

DATES: The CEs identified below are available for EXIM to use for its proposed actions effective [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Scott Condren (VP Policy Analysis), Scott.Condren@exim.gov, (202) 565-3777; Tiffin Caverly (VP Engineering & Environment), Tiffin.Caverly@exim.gov.

SUPPLEMENTARY INFORMATION:

I. Background

NEPA and CEs

The National Environmental Policy Act, 42 U.S.C. 4321–4347, (NEPA) requires Federal agencies to interpret and administer Federal policies, regulations, and laws in accordance with NEPA's policies and to consider environmental values in their decision making.

Section 102(2) of NEPA requires Federal agencies to provide a detailed statement on proposals for major Federal actions significantly affecting the quality of the human environment.¹ NEPA

¹ 42 U.S.C. 4332

also created the Council of Environmental Quality (CEQ) as the body responsible for implementing NEPA.

Categorical exclusions (CEs) can be used when there is a determination the proposed type of action would not have a significant effect on the human environment; this option eliminates the need for an environmental assessment (EA) or more detailed environmental impact statement (EIS).

Section 109 of NEPA, enacted as part of the Fiscal Responsibility Act of 2023, allows a Federal agency to “adopt” or use another agency’s CEs for a category of proposed agency actions.² To use another agency’s CEs under section 109, an agency must identify the relevant CEs listed in another agency’s (“establishing agency”) NEPA procedures that cover its category of proposed actions or related actions; consult with the establishing agency to ensure that the proposed adoption of the CE to a category of actions is appropriate; identify to the public the CE that the agency plans to use for its proposed actions; and document adoption of the CE. EXIM has prepared this notice to meet these statutory requirements.

Program background

As the official export credit agency of the United States, “the mission of the Export-Import Bank of the United States is to support the creation of American jobs by facilitating the export of U.S. goods and services.” The Export - Import Bank of the United States (EXIM) steps in when the private sector does not provide financing for American businesses. The Bank’s actions have historically helped support these firms in competing with foreign businesses overseas. The Make More in America (MMIA) initiative applies EXIM’s authorities for medium and long-term (MLT) loans, loan guarantees, and insurance to export-oriented domestic projects. In doing so, MMIA allows EXIM to support American business during the whole export lifecycle. The purpose of such loans remains unchanged: to support U.S. employment.

² 42 U.S.C. 4336c

As EXIM usually lends to projects outside the United States, NEPA has not often been applicable as there is no impact to the human environment in the United States. In the MMIA initiative, which focuses on domestic lending, adopting CEs from another agency will speed up the processing time of deals and conserve staff resources with no need for an EA or EIS. Faster processing times in this initiative will greatly facilitate EXIM's support of American businesses and workers.

II. Identification of the Categorical Exclusions

Tennessee Valley Authority CEs

49. Financial assistance including, but not limited to, approving and administering grants, loans and rebates for the renovation or minor upgrading of existing facilities, established or developing industrial parks, or existing infrastructure; the extension of infrastructure; geotechnical boring; and construction of commercial and light industrial buildings. Generally, such assistance supports actions that physically disturb no more than 10 acres of land not previously disturbed by human activity or no more than 25 acres of land so disturbed.

50. Financial assistance for the following actions: Approving and administering grants, loans and rebates for continued operations or purchase of existing facilities and infrastructure for uses substantially the same as the current use; purchasing, installing, and replacing equipment or machinery at existing facilities; and completing engineering designs, architectural drawings, surveys, and site assessments (except when tree clearing, geotechnical boring, or other land disturbance would occur).

The Tennessee Valley Authority CEs also include extraordinary circumstances that should require special factors to review the application of CEs under 18 CFR 1318.201. These extraordinary circumstances include if the action is or may be highly controversial or has the potential to significantly impact environmental resources, including the following resources:

(i) Species listed or proposed to be listed under the Endangered Species Act, or the proposed or designated Critical Habitat for these species,

- (ii) Wetlands or floodplains,
- (iii) Cultural or historical resources,
- (iv) Areas having special designation or recognition such as wild and scenic rivers, parklands, or wilderness areas, and
- (v) Important farmland.

III. Proposed EXIM Category of Actions

EXIM intends to apply these categorical exclusions to loans, loan guarantees, and insurance transactions. The scope of projects would be akin to projects to which the Tennessee Valley Authority has applied these categorical exclusions. These include limited construction, full disposal of buildings, desk work for feasibility studies, soil testing, etc. In principle, such transactions would be similar and comparable to those EXIM's export finance transactions deemed a category C under its environmental and social procedures and guidelines.³

IV. Consideration of Extraordinary Circumstances (if applicable)

In assessing whether a categorical exclusion applies, EXIM would review whether there were extraordinary circumstances that would indicate a categorical exclusion is not appropriate due to the potential for a significant environmental effect. EXIM would review that proposed actions do not breach the extraordinary circumstances listed by TVA. When applying these CEs, EXIM will consider whether the proposed action has the potential to result in significant effects as described in TVA's definition of extraordinary circumstances, as written above.

EXIM's Engineering and Environment Division will have responsibility for determining if a categorical exclusion applies. These determinations will be posted at

³ EXIM's Environmental and Social Due Diligence Procedures and Guidelines state that "applications greater than \$10 Million will be classified as Category C if they are not related to a physical project or if they relate to projects which do not require further environmental review because they are likely to have minimal or no adverse environmental or social risks or impacts. This category includes transactions related to new, expansion or existing projects of the type that have little or no potential to cause environmental effects and do not impact sensitive locations." <https://www.exim.gov/policies/exim-bank-and-environment/procedures-and-guidelines>.

<https://www.exim.gov/policies/exim-bank-and-environment/make-more-america-initiative-approved-transactions>.

Consultation and determination of appropriateness

Consultations

1. Tennessee Valley Authority Consultation

In May 2025, EXIM conducted consultation with the Tennessee Valley Authority on adoption of two CE categories. EXIM and TVA's consultation included a review of TVA's experience developing and applying the CEs, as well as the types of actions for which EXIM plans to utilize the CEs. These EXIM actions are similar to the type of projects that TVA funds and therefore the impacts of EXIM projects will be similar to the impacts of TVA projects, which are not significant, absent the existence of extraordinary circumstances that could involve potentially significant impacts. Therefore, EXIM has determined that its proposed use of the CEs as described in this notice would be appropriate.

Notice to the Public and Documentation of the Adoption

This notice serves to identify to the public and document EXIM's adoption of two CEs from the Tennessee Valley Authority. The notice identifies the types of actions to which EXIM will apply the CE, as well as the considerations that EXIM will use in determining whether an action is within the scope of the CE.

Scott Condren,

Vice President, Policy Analysis.

[FR Doc. 2025-09062 Filed: 5/20/2025 8:45 am; Publication Date: 5/21/2025]