

AGRICULTURAL LICENSING RENEWAL BEGINNING WITH THE 2004 CROP YEARS – EASTERN/MIDDLE TENNESSEE VALLEY – BOONE, NORRIS, CHEROKEE, DOUGLAS, SOUTH HOLSTON, FONTANA, FORT LOUDOUN, MELTON HILL, TELLICO, AND WATTS BAR RESERVOIRS AND CLINCHPORT RIVER ACCESS SITE IN ANDERSON, CAMPBELL, CLAIBORNE, GRAINGER, HAMBLLEN, HAWKINS, JEFFERSON, SEVIER, SULLIVAN, UNION, WASHINGTON, BLOUNT, LOUDON, MONROE, RHEA, ROANE, TROUSDALE AND WILSON COUNTIES, TENNESSEE; SCOTT AND WASHINGTON COUNTIES, VIRGINIA; AND SWAIN COUNTY, NORTH CAROLINA – REEVALUATION OF THE 1999 TVA ENVIRONMENTAL ASSESSMENTS (EA) AND FINDINGS OF NO SIGNIFICANT IMPACT (FONSI)

Purpose and Need

TVA proposes to renew agricultural use licenses for all or a portion of previously licensed tracts on Norris, Cherokee, Douglas, Boone, South Holston, Fontana, Fort Loudoun, Melton Hill, Tellico, and Watts Bar Reservoirs, and the Clinchport River Access Site. These tracts, including Power property now included in the program, occur across 16 eastern and two middle Tennessee counties, two southwest Virginia counties and one western North Carolina County. This continued agricultural use would be consistent with environmental protection safeguards and other special provisions included, as applicable, in each license. Licenses for these tracts would be renewed beginning with the 2004 crop year. A total of 2622 acres of land is included in this evaluation; however, this includes tracts evaluated in 1999 but now included in TVA integrated resource management plans as well as those that have since been dropped from the program.

Because of affects of changing demographics and the economy on licensees, TVA has dropped 24 tracts totaling 245.5 acres from the program. TVA proposed to renew licenses for all or a portion of 118 tracts (1921.5 acres) for agricultural use beginning in 2004. This includes the addition of 13 new tracts totaling 245 acres, as described in the attached SEA.

Alternatives

The Action (preferred) Alternative is to license all tracts. As described in the original EAs and the SEA, TVA has concluded that potential impacts to surface water, wetlands, cultural resources, aquatic ecology, and state and federally listed species would be insignificant from a continuation of its agricultural licensing program.

Under the No Action Alternative, TVA would not renew licenses for any of the tracts currently in its agricultural licensing program. Environmental impacts of this change would also be minimal.

Public and Intergovernmental Review

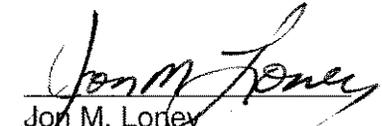
On December 9, 2003, TVA circulated the draft SEA to 11 local, state and federal governmental agencies requesting review and comments. Three responses were received (see letters in Attachment 2 of the attached final SEA). In a letter dated December 16, 2003, the East Tennessee Development District indicated that this proposal would not conflict with the plans or programs of the District or other agencies in the region. By letter of December 19, 2003, the Tennessee SHPO indicated that no NRHP listed or eligible properties would be affected by the undertaking. In its letter of January 22, 2004, the U.S. Fish and Wildlife Service concurred that licensing these tracts, including the new ones, would have no effect any federally listed aquatic or terrestrial threatened or endangered species.

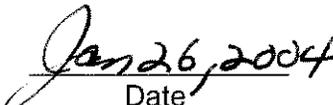
Mitigation

Mitigation, in the form of avoidance and compliance measures, would be as described in the attached final SEA.

Conclusion and Findings

Based on analysis in the SEA and TVA's review and monitoring of its agricultural licensing program as assessed in the previous EAs, TVA concludes that continued agricultural licensing, including the addition of 13 more tracts, would not be a major federal action significantly affecting the quality of the environment. Accordingly, an environmental impact statement is not required.


Jon M. Lorey
Manager, NEPA Administration
Environmental Policy and Planning
Tennessee Valley Authority


Date