



B-284747

February 29, 2000

The Honorable Richard G. Lugar
Chairman
The Honorable Tom Harkin
Ranking Minority Member
Committee on Agriculture, Nutrition, and Forestry
United States Senate

The Honorable Larry Combest
Chairman
The Honorable Charles W. Stenholm
Ranking Minority Member
Committee on Agriculture
House of Representatives

Subject: Department of Agriculture, Farm Service Agency and Commodity Credit Corporation: 1999 Crop and Market Loss Assistance

Pursuant to section 801(a)(2)(A) of title 5, United States Code, this is our report on a major rule promulgated by the Department of Agriculture, Farm Service Agency (FSA) and Commodity Credit Corporation (CCC), entitled "1999 Crop and Market Loss Assistance" (RIN: 0560-AG13). We received the rule on February 11, 2000. It was published in the Federal Register as a final rule on February 16, 2000. 65 Fed. Reg. 7942.

The final rule implements crop and market loss provisions of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2000, and the Omnibus Consolidated Appropriations Act, 2000.

Enclosed is our assessment of the FSA's and the CCC's compliance with the procedural steps required by section 801(a)(1)(B)(i) through (iv) of title 5 with respect to the rule. Our review indicates that the FSA and the CCC complied with the applicable requirements.

If you have any questions about this report, please contact James W. Vickers, Assistant General Counsel, at (202) 512-8210. The official responsible for GAO

evaluation work relating to the subject matter of the rule is Larry Dyckman, Director, Food and Agriculture Issues. Mr. Dyckman can be reached at (202) 512-5138.

Sincerely yours,

Robert P. Murphy
General Counsel

Enclosure

cc: Mr. Keith Kelly
Administrator, Farm Service Agency
Department of Agriculture

ANALYSIS UNDER 5 U.S.C. § 801(a)(1)(B)(i)-(iv) OF A MAJOR RULE
ISSUED BY THE
DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY AND
COMMODITY CREDIT CORPORATION
ENTITLED
"1999 CROP AND MARKET LOSS ASSISTANCE"
(RIN: 0560-AG13)

(i) Cost-benefit analysis

FSA and CCC performed a cost-benefit assessment of the final rule. For FY 2000, outlays total approximately \$2.742 billion, including the elimination of sugar marketing assessments, which actually represent reduced revenues.

Incomes of producers, processors, and shippers will increase approximately \$2.998-\$3.197 billion. The differences between outlays, which are virtually all direct transfers to program participants, and income are made up of increased dairy prices and the product of increased cotton prices and production.

(ii) Agency actions relevant to the Regulatory Flexibility Act, 5 U.S.C. §§ 603-605, 607, and 609

Since the final rule was not published as a proposed rule, it is not subject to the requirements of the Act.

(iii) Agency actions relevant to sections 202-205 of the Unfunded Mandates Reform Act of 1995, 2 U.S.C. §§ 1532-1535

The final rule does not contain an intergovernmental or private sector mandate as defined in title II of the Unfunded Mandates Reform Act of 1995.

(iv) Other relevant information or requirements under acts and executive orders

Administrative Procedure Act, 5 U.S.C. §§ 551 *et seq.*

Section 824 of the authorizing legislation, Public L. 106-78, permitted the final rule to be issued without regard to the notice and comment procedures contained in 5 U.S.C. 553.

Likewise, section 824 permitted the FSA and the CCC to utilize the authority in 5 U.S.C. 808 to make the final rule effective when the FSA and the CCC determined, thereby negating the 60-day delay in the effective date of a major rule requirement of 5 U.S.C. 801 to permit congressional review of the rulemaking.

Paperwork Reduction Act, 44 U.S.C. §§ 3501-3520

The authorizing legislation for the final rule, Pub. L. 106-78 at section 824, provides that the rule should be issued as soon as practicable and without regard to the Paperwork Reduction Act. However, the information collections contained in the final rule will be submitted for approval to the Office of Management and Budget.

Statutory authorization for the rule

The final rule was issued pursuant to the authority of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2000, Public Law 106-78, and the Omnibus Consolidated Appropriations Act, 2000, Public Law 106-113, and 15 U.S.C. 714b and 714c.

Executive Order No. 12866

The final rule was determined to be an “economically significant” regulatory action under Executive Order No. 12866 by the Office of Management and Budget. It was reviewed and found to comply with the Order.