



441 G St. N.W.
Washington, DC 20548

B-329809

February 20, 2018

The Honorable Bob Corker
Chairman
The Honorable Bob Menendez
Ranking Member
Committee on Foreign Relations
United States Senate

The Honorable Ed Royce
Chairman
The Honorable Eliot Engel
Ranking Member
Committee on Foreign Affairs
House of Representatives

Subject: *Department of State: Schedule of Fees for Consular Services, Department of State and Overseas Embassies and Consulates—Passport Services Fee Changes*

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 State (Department) entitled “Schedule of Fees for Consular Services, Department of State and Overseas Embassies and Consulates—Passport Services Fee Changes” (RIN: 1400-AD81). We received the rule on February 6, 2018. It was published in the *Federal Register* as a final rule on January 31, 2018. 83 Fed. Reg. 4425.

The final rule implements an adjustment to the Schedule of Fees for Consular Services of the Department’s Bureau of Consular Affairs to raise the execution fee for passport books and cards from \$25 to \$35. To better align the fees for consular services with the costs of providing those services, the Department is adjusting this fee based on the findings of the most recently approved update to the Cost of Service Model.

The Congressional Review Act (CRA) requires a 60-day delay in the effective date of a major rule from the date of publication in the *Federal Register* or receipt of the rule by Congress, whichever is later. 5 U.S.C. § 801(a)(3)(A). This notice was published in the *Federal Register* on January 31, 2018. 83 Fed. Reg. 4425. It was received on February 6, 2018, and has an effective date of April 2, 2018. Therefore the notice does not have the required 60-day delay in its effective date.

Enclosed is our assessment of the Department’s compliance with the procedural steps required by section 801(a)(1)(B)(i) through (iv) of title 5 with respect to the rule. With the exception of the 60-day delay in effective date requirement, our review of the procedural steps taken indicates that the Department complied with the applicable requirements.

If you have any questions about this report or wish to contact GAO officials responsible for the evaluation work relating to the subject matter of the rule, please contact Shirley A. Jones, Assistant General Counsel, at (202) 512-8156.

signed

Robert J. Cramer
Managing Associate General Counsel

Enclosure

cc: Robert R. Schlicht
Management Analyst
Department of State

REPORT UNDER 5 U.S.C. § 801(a)(2)(A) ON A MAJOR RULE
ISSUED BY THE
DEPARTMENT OF STATE
ENTITLED
“SCHEDULE OF FEES FOR CONSULAR SERVICES,
DEPARTMENT OF STATE AND OVERSEAS EMBASSIES
AND CONSULATES—PASSPORT SERVICES FEE CHANGES”
(RIN: 1400-AD81)

(i) Cost-benefit analysis

The Department of State (Department) estimates that the \$10 fee increase will lead to an increase in the annual fees collected by \$115,000,000. The Department states the fee increase is in response to increased costs to run the service and that it implemented activity based costing models to set the fees. The Department states it implemented activity based costing to follow Office of Management and Budget (OMB) guidance that service fees should be sufficient to recover the full cost to the government of providing the service.

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

The Department certifies that the rule will not have a significant economic impact on a substantial number of small entities.

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

The Department states that the rule will not result in the expenditure by state, local, or tribal governments, in the aggregate, or by the private sector, of \$100 million or more in any year, and it will not significantly or uniquely affect small governments.

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

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

The Department published the rule as a proposed rule on September 19, 2016, with a 60-day provision for public comments. 81 Fed. Reg. 64,088. The Department states it received 34 comments, of which 26 are addressed in the final rule. It further states the other eight comments were duplicates submitted to regulations.gov and fees@state.gov. The final rule was published on January 31, 2018. 83 Fed. Reg. 4425.

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

The Department states information collection 1405-0004 for this rule has been approved by OMB, and the information collection has been renewed until August 31, 2019.

Statutory authorization for the rule

The Department promulgated the rule under 8 U.S.C. §§ 1101 note, 1153 note, 1183a note, 1351, 1351 note, 1714 note; 10 U.S.C. § 2602(c); 22 U.S.C. §§ 214, 214 note, 1475e, 2504(a), 2651a, 4201, 4206, 4215, 4219, 6651; 31 U.S.C. § 9701.

Executive Order No. 12,866 (Regulatory Planning and Review)

The Department states it has submitted the rule to OMB which has determined the rule is economically significant under the Order.

Executive Order No. 13,132 (Federalism)

The Department states the rule will not have substantial direct effects on the states, on the relationship between the national government and the states, or on the distribution of power and responsibilities among the various levels of government.