



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

B-331468

October 17, 2019

The Honorable Pat Roberts
Chairman
The Honorable Debbie Stabenow
Ranking Member
Committee on Agriculture, Nutrition, and Forestry
United States Senate

The Honorable Collin C. Peterson
Chairman
The Honorable K. Michael Conaway
Ranking Member
Committee on Agriculture
House of Representatives

Subject: *Department of Agriculture, Rural Housing Service, Rural Utilities Service:
Community Facilities Guaranteed Loan Program Guarantee Fee Rate, Annual
Renewal Fee, Rural Area Definition, and Funding Priority for Fiscal Year 2020;
and Water and Waste Disposal Programs Guaranteed Rural Area Definition
and Funding Reservation for Fiscal Year 2020*

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, Rural Housing Service (RHS) and Rural Utilities Service (RUS) (collectively, the agencies) entitled "Community Facilities Guaranteed Loan Program Guarantee Fee Rate, Annual Renewal Fee, Rural Area Definition, and Funding Priority for Fiscal Year 2020; and Water and Waste Disposal Programs Guaranteed Rural Area Definition and Funding Reservation for Fiscal Year 2020." We received the rule on October 3, 2019. It was published in the *Federal Register* as a notice on October 3, 2019. 84 Fed. Reg. 52869. The effective date of the notice is December 2, 2019.

The notice announces implementation of several provisions of the Agriculture Improvement Act of 2018 (2018 Farm Bill) related to the RHS and the RUS agencies of the rural development mission area of the Department of Agriculture. Specifically, it provides notice of the population change in the rural area definition for the Community Facilities (CF) Guaranteed Loan Program and the Water and Waste Disposal Guaranteed Loan Program and priorities for each program. It also provides established fee levels for Fiscal Year 2020 for the CF Guaranteed Loan Program.

Enclosed is our assessment of the agencies' compliance with the procedural steps required by section 801(a)(1)(B)(i) through (iv) of title 5 with respect to the rule. 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 Janet Temko-Blinder, Assistant General Counsel, at (202) 512-7104.

signed

Shirley A. Jones
Managing Associate General Counsel

Enclosure

cc: Robin M. Jones
Management Analyst
Regulations Management Team
Department of Agriculture

REPORT UNDER 5 U.S.C. § 801(a)(2)(A) ON A MAJOR RULE
ISSUED BY THE
DEPARTMENT OF AGRICULTURE,
RURAL HOUSING SERVICE,
RURAL UTILITIES SERVICE
ENTITLED
“COMMUNITY FACILITIES GUARANTEED LOAN PROGRAM
GUARANTEE FEE RATE, ANNUAL RENEWAL FEE, RURAL AREA DEFINITION,
AND FUNDING PRIORITY FOR FISCAL YEAR 2020;
AND WATER AND WASTE DISPOSAL PROGRAMS GUARANTEED RURAL AREA
DEFINITION AND FUNDING RESERVATION FOR FISCAL YEAR 2020”

(i) Cost-benefit analysis

In their submission to us, the Department of Agriculture, Rural Housing Service and Rural Utilities Service (the agencies) indicated that they considered preparation of an analysis of the costs and benefits of this final rule to be not applicable. The agencies stated in their submission that they are issuing a notice, and not a rule.

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

In their submission to us, the agencies indicated that they considered preparation of a final Regulatory Flexibility analysis to be not applicable.

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

In their submission to us, the agencies indicated that they considered preparation of a written statement under section 202 of UMRA to be not applicable.

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

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

In their submission to us, the agencies indicated that they considered the solicitation of public comments to be not applicable. The agencies state that section 6402 of the Agriculture Improvement Act of 2018 (2018 Farm Bill) amended section 343(a)(13) of the Consolidated Farm and Rural Development Act by changing the eligible population threshold in the definition of “rural” and “rural area” that applies to Community Facilities and Water and Waste guaranteed loans, but the agencies determined that this portion of the definition is not self-executing and, therefore, they will implement it through the rulemaking process consistent with APA requirements.

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

In their submission to us, the agencies indicated that they considered the PRA's requirement that the Office of Management and Budget approve collections of information to be not applicable.

Statutory authorization for the rule

The agencies state that the 2018 Farm Bill included several provisions affecting the Community Facilities and Water and Waste Disposal programs. The agencies cite to sections 6402 and 6418 of the 2018 Farm Bill. Pub. L. No. 115-334, §§ 6402, 6418, 132 Stat. 4490, 4757-4758, 4764 (2018).

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

In their submission to us, the agencies indicated that they considered the Order to be not applicable.

Executive Order No. 13,132 (Federalism)

In their submission to us, the agencies indicated that they considered the Order to be not applicable.