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B-294109

May 27, 2004

The Honorable Thad Cochran  
Chairman  
The Honorable Tom Harkin  
Ranking Minority Member  
Committee on Agriculture, Nutrition, and Forestry  
United States Senate

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

Subject: *Department of Agriculture, Commodity Credit Corporation: 2002 Farm Bill--Conservation Reserve Program--Long-Term Policy*

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, Commodity Credit Corporation (CCC), entitled "2002 Farm Bill--Conservation Reserve Program--Long-Term Policy" (RIN: 5060-AG74). We received the rule on May 17, 2004. It was published in the Federal Register as a final rule on May 14, 2004. 69 Fed. Reg. 26755.

The rule finalizes an interim rule published by CCC on May 8, 2003. The rule amends the Conservation Reserve Program (CRP) and sets forth the terms and conditions of enrolling acreage in the CRP, updates program eligibility requirements, eliminates unnecessary regulations, and improves the remaining regulations. The rule implements changes made to the CRP by the Farm Security and Rural Investment Act of 2002 (2002 Act).

Enclosed is our assessment of 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 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 Lawrence J. Dyckman,

Director, Food Safety/Agriculture Issues. Mr. Dyckman can be reached at (202) 512-9692.

signed

Kathleen E. Wannisky  
Managing Associate General Counsel

Enclosure

cc: Thomas J. Witzig  
Director, Economic and Policy  
Analysis Staff  
Regulatory Review Group  
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,  
COMMODITY CREDIT CORPORATION  
ENTITLED  
"2002 FARM BILL--CONSERVATION RESERVE PROGRAM--  
LONG-TERM POLICY"  
(RIN: 5060-AG74)

(i) Cost-benefit analysis

The CCC performed a cost-benefit analysis of the final rule. Total CRP outlays are estimated to increase \$1.5 billion, while commodity program outlays are estimated to decline about \$1.7 billion during FY 2003-2012, primarily due to a \$1.5 billion counter-cyclical payment decline. The additional 2.8 million-acre enrollment is estimated to decrease combined CRP and commodity program outlays by \$186 million annually during the 10-year period.

CCC estimates average annual economic benefits of \$11 million per year, not including the value of environmental benefits, which are expected to be substantial.

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

As a notice of proposed rulemaking did not precede the final rule, the requirements of the Regulatory Flexibility Act do not apply.

(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 either an intergovernmental or private sector mandate, as defined in title II, of more than \$100 million in any one year.

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

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

Section 2702 of the 2002 Act states that the rule may be issued without regard to the requirements for notice and comment and effective upon publication. Moreover, section 2702(c) of the 2002 Act states that the Secretary may use the authority found at 5 U.S.C. 808(2), which provides for an exemption to the 60-day delay in the effective date of a major rule under the Congressional Review Act.

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

Section 2702 of the 2002 Act states that the rule may be promulgated without regard to the requirements of the Paperwork Reduction Act.

Statutory authorization for the rule

The final rule is promulgated under the authority contained in the Farm Security and Rural Investment Act of 2002 (Pub. L. 107-171) and 15 U.S.C. 714b and 714c and 16 U.S.C. 3801-3847.

Executive Order No. 12866

The final rule was reviewed by the Office of Management and Budget and found to be an “economically significant” regulatory action under the order.