



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

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March 24, 2016

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

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

Subject: *Department of Agriculture, Commodity Credit Corporation: Conservation Stewardship Program*

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) and the Natural Resources Conservation Service (NRCS) (collectively, the agencies) entitled "Conservation Stewardship Program" (RIN: 0578-AA63). We received the rule on March 10, 2016. It was published in the *Federal Register* as a final rule on March 10, 2016. 81 Fed. Reg. 12,573.

The final rule makes permanent changes to the Conservation Stewardship Program that the agencies either deemed necessary because of the enactment of the Agricultural Act of 2014 or required to implement administrative streamlining improvements and clarifications. This final rule finalizes an earlier interim final rule, responds to comments received on the interim final rule, and, in some instances, makes further adjustments to the rule based on comments received.

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 final rule has a stated effective date of March 10, 2016. The rule was also published in the *Federal Register* and received by Congress on March 10, 2016. 162 Cong. Rec. H1343 (Mar. 14, 2016); 162 Cong. Rec. S1541 (Mar. 16, 2016). Therefore, the final rule does not have the full required 60-day delay in its effective date.

Enclosed is our assessment of agencies' 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 of the procedural steps taken indicates that, other than the 60-day delay, the agencies 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: Callie Eideberg
Acting Director, Legislative Affairs Division
Natural Resources Conservation Service
Department of Agriculture

REPORT UNDER 5 U.S.C. § 801(a)(2)(A) ON A MAJOR RULE
ISSUED BY THE
DEPARTMENT OF AGRICULTURE
COMMODITY CREDIT CORPORATION
ENTITLED
“CONSERVATION STEWARDSHIP PROGRAM”
(RIN: 0578-AA63)

(i) Cost-benefit analysis

The Commodity Credit Corporation (CCC) and the Natural Resources Conservation Service (NRCS) (collectively, the agencies) summarized in this final rule an economic analysis of the rule. This summary explains that, nationally, program costs cannot exceed an annual average rate of \$18 per acre. For each of the five fiscal year signups (2014 to 2018) including a one-time contract renewal option for an additional 5 years, Congress authorized a maximum of \$1.8 billion. Total authorized funding equals \$9 billion for the five signups. The agencies project that, given a 3 percent discount rate, cumulative program obligations equal \$6.405 billion in constant 2014 dollars, and at a 7 percent discount rate, maximum program obligations equal \$4.942 billion in constant 2014 dollars. Average annualized obligations at the 3 percent and 7 percent discount rates equal \$567 million and \$565 million, respectively.

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

The agencies stated that they did not prepare a regulatory flexibility analysis for this rule because they were not required to publish a notice of proposed rulemaking with respect to the subject matter of this rule. However, NRCS also determined that this rule, while mostly affecting small entities, will not have a significant economic impact on a substantial number of those 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 agencies determined that this final rule contains no federal mandates for the private sector, or state, local, and tribal governments.

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

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

On November 5, 2014, the agencies published an interim rule with request for comment. 79 Fed. Reg. 65,836. The agencies received 483 comments from 227 respondents to the interim rule. The agencies responded to the comments in the final rule.

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

The agencies are not reporting recordkeeping or estimated paperwork burden associated with this final rule because section 1246 of Food Security Act of 1985 provides that implementation

of programs authorized by title XII of that Act be made without regard to PRA. 16 U.S.C. § 3846.

Statutory authorization for the rule

The agencies promulgated this final rule under the authority of sections 3838d to 3838g of title 16, United States Code.

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

The agencies state that the Office of Management and Budget (OMB) designated this final rule as a significant regulatory action.

Executive Order No. 13,132 (Federalism)

The agencies determined that this final rule conforms to the federalism principles set out in the Order, would not impose any compliance costs on the states, and would not have substantial direct effects on the states, on the relationship between the federal government and the states, nor on the distribution of power and responsibilities among the various levels of government.