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United States General Accounting Office
Washington, DC 20548

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April 23, 2001

The Honorable Richard G. Lugar
Chairman
The Honorable Tom Harkin
Ranking 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, Commodity Credit Corporation: Dairy and Cranberry Market Loss Assistance Programs, Honey Marketing Assistance Loan and LDP Program, Sugar Nonrecourse Loan Program, and Payment Limitations for Marketing Loan Gains and Loan Deficiency Payments

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 "Dairy and Cranberry Market Loss Assistance Programs, Honey Marketing Assistance Loan and LDP Program, Sugar Nonrecourse Loan Program, and Payment Limitations for Marketing Loan Gains and Loan Deficiency Payments" (RIN: 0560-AG34). We received the rule on April 10, 2001. It was published in the Federal Register as a final rule on March 15, 2001. 66 Fed. Reg. 15172.

The final rule implements provisions of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 related to the Dairy and Cranberry Market Assistance programs, the Honey Marketing Assistance Loan and LDP Program, the Sugar Program, and payment limitations for marketing loan gains and loan deficiency payments.

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 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 Robert Robinson, Managing Director, Natural Resources and Environment. Mr. Robinson can be reached at (202) 512-3841.

signed

Kathleen E. Wannisky
Managing Associate General Counsel

Enclosure

cc: Mr. James R. Little
Acting 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,
COMMODITY CREDIT CORPORATION
ENTITLED
"DAIRY AND CRANBERRY MARKET LOSS ASSISTANCE PROGRAMS,
HONEY MARKETING ASSISTANCE LOAN AND LDP PROGRAM, SUGAR
NONRECOURSE LOAN PROGRAM, AND PAYMENT LIMITATIONS FOR
MARKETING LOAN GAINS AND LOAN DEFICIENCY PAYMENTS"
(RIN: 0560-AG35)

(i) Cost-benefit analysis

The CCC performed a cost-benefit analysis of the final rule. The total outlays based on the provisions of the final rule are \$718 million--composed of \$5 million for Payment Limitations and Eligibility; \$667 million for Dairy Market Loss Assistance; \$26 million for the Honey Program; and \$20 million for the Cranberry Market Loss Assistance Program.

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

The requirements of the Regulatory Flexibility Act do not apply to this rule because a notice of proposed rulemaking was not utilized in issuing the final rule.

(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 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 840 of the authorizing legislation, Pub. L. 106-387, permitted the final rule to be issued without regard to the notice and comment procedures contained at 5 U.S.C. 553.

Likewise, section 840 permits the Secretary to use the provisions of 5 U.S.C. 808, which provide for an exception to the requirement that a major rule have a 60-day delay in its effective date for congressional review.

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

Section 840 of the authorizing legislation permits the final rule to be promulgated without regard to the provisions of the Paperwork Reduction Act. However, the 60-day public comment period and Office of Management and Budget (OMB) approval are still required after the rule is published.

Statutory authorization for the rule

The final rule is promulgated under the authority contained in Public Law 106-387, including sections 812 and 816.

Executive Order No. 12866

The final rule was reviewed by OMB and found to be an “economically significant” regulatory action.