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United States General Accounting Office
Washington, DC 20548

B-291575

December 4, 2002

The Honorable Tom Harkin
Chairman

The Honorable Richard G. Lugar
Ranking Minority 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: 2002 Farm Bill Regulations--Marketing Assistance Loans and Loan Deficiency Payments for Peanuts, Pulse Crops, Wheat, Feed Grains, Soybeans and Other Oilseeds*

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 Regulations--Marketing Assistance Loans and Loan Deficiency Payments for Peanuts, Pulse Crops, Wheat, Feed Grains, Soybeans and Other Oilseeds" (RIN: 0560-AG72). We received the rule on November 29, 2002. It was published in the Federal Register as a final rule on October 11, 2002. 67 Fed. Reg. 63506.

The final rule implements a portion of Title I of the Farm Security and Rural Investment Act of 2002 (the 2002 Act)(Pub. L. 107-171) relating to the farm commodity price support programs of the Farm Service Agency and the CCC. The 2002 Act authorizes Marketing Assistance Loans and Loan Deficiency Payments for peanuts, wool, mohair, pulse crops (lentils, small chickpeas, dry peas), wheat, feed grains, soybeans, and other oilseeds. Peanuts, wool, mohair, and pulse crops have not been eligible for these programs prior to the enactment of this law and the final rule adds these new commodities.

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: Thomas J. Witzig
Chief, 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 REGULATIONS--MARKETING ASSISTANCE LOANS
AND LOAN DEFICIENCY PAYMENTS FOR PEANUTS, PULSE CROPS,
WHEAT, FEED GRAINS, SOYBEANS AND OTHER OILSEEDS"
(RIN: 0560-AG72)

(i) Cost-benefit analysis

The Commodity Credit Corporation estimates the average annual change in government outlays for fiscal years 2002-2007 as follows:

<u>Program</u>	<u>Average</u> (in millions)
Loan Rates for Covered Commodities	\$859
Loan Deficiency-like Payments For Grazed--Wheat, Barley, Oats	12
Triticale	26
Pulse Crops	18
Wool and Mohair	2
Honey	80
Peanuts	<u>997</u>
Total	\$1,994

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

Since the final rule was not issued following a notice of proposed rulemaking, 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 1601(c) of the Farm Security and Rural Investment Act of 2002 states that the final rule shall be issued without regard to the requirements of 5 U.S.C. 553.

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

Section 1601(c) of the Farm Security and Rural Investment Act of 2002 states that the final rule shall be issued 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 Title I of the Farm Security and Rural Investment Act of 2002 (Pub. L. 107-171).

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.