B-292595

July 22, 2003

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: 2003 Agricultural Assistance Act--Crop Disaster Program and Livestock Assistance 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), entitled "2003 Agricultural Assistance Act--Crop Disaster Program and Livestock Assistance Program" (RIN: 0560-AG95). We received the rule on July 14, 2003. It was published in the Federal Register as a final rule on June 26, 2003. 68 Fed. Reg. 37936.

The final rule implements portions of the Agricultural Assistance Act of 2003 (the 2003 Act). It provides crop-loss disaster assistance for producers who suffered 2001 or 2002 crop losses and establishes a Livestock Assistance Program.

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: Tom Witzig
    Director, 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
"2003 AGRICULTURAL ASSISTANCE ACT--CROP DISASTER PROGRAM
AND LIVESTOCK ASSISTANCE PROGRAM"
(RIN: 0560-AG95)

(i) <u>Cost-benefit analysis</u>

The CCC estimates that the Crop Disaster Program outlay will be $2 billion. The 2002 Livestock Assistance Program costs will be $250 million. The addition of crambe and sesame seed to the list of other oilseeds and the treatment of popcorn are projected to have a 5-year cost of $1.4 million and $69 million, respectively. Finally, the loan rate changes mandated by the 2003 Act will result in costs of $210 million.

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

Because a Notice of Proposed Rulemaking did not precede it, the Regulatory Flexibility Act does not apply to the final rule.

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

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) <u>Other relevant information or requirements under acts and executive orders</u>

Administrative Procedure Act, 5 U.S.C. §§ 551 <u>et</u> <u>seq</u>.

Section 217(b) of the 2003 Act requires that the final rule be promulgated without regard to the notice and comment requirements found at 5 U.S.C. 553.

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

Section 765(c) of the 2003 Act and section 1601 of the Farm Security and Rural Investment Act of 2002 require that the final rule 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 Agricultural Assistance Act of 2003 and 7 U.S.C. 7911-7918, 7951-7956 and 15 U.S.C. 714b and 714c.

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.