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United States Government Accountability Office  
Washington, DC 20548

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B-298320

June 22, 2006

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

The Honorable Bob Goodlatte  
Chairman  
The Honorable Collin C. Peterson  
Ranking Minority Member  
Committee on Agriculture  
House of Representatives

Subject: *Department of Agriculture, Farm Service Agency: 2005 Section 32 Hurricane Disaster Programs*

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, Farm Service Agency (FSA), entitled “2005 Section 32 Hurricane Disaster Programs” (RIN: 0560-AH45). We received the rule on June 13, 2006. It was published in the Federal Register as an “interim final rule with request for comment” on May 10, 2006. 71 Fed. Reg. 27188.

The interim final rule provides for the establishment of four hurricane disaster programs and one grant program to provide funds to eligible producers who suffered eligible losses in certain counties in Alabama, Florida, Louisiana, Mississippi, North Carolina, and Texas resulting from the five major 2005 hurricanes.

Enclosed is our assessment of the FSA’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 FSA 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,  
FARM SERVICE AGENCY  
ENTITLED  
"2005 SECTION 32 HURRICANE DISASTER PROGRAMS"  
(RIN: 0560-AH45)

(i) Cost-benefit analysis

FSA performed a cost-benefit analysis of the interim final rule. The Hurricane Indemnity Program payments are estimated to be \$60 million. The Feed Indemnity Program payments are estimated to be \$30 million. Likewise, the Livestock Indemnity and the Tree Indemnity Program payments are expected to be \$16.9 million and \$37.7 million, respectively. Funding of \$25 million is provided for aquaculture grants.

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

Since the interim final rule was not preceded by a Notice of Proposed Rulemaking, the requirements of the 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 interim 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.

The Administrator of FSA has found "good cause" under 5 U.S.C. 553 to forego the normal notice and comment procedures in order to not delay assistance under these section 32 programs to the people who suffered losses.

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

The information collection requirements contained in the interim final rule have been reviewed by the Office of Management and Budget (OMB) and assigned OMB Control number 0560-0257.

Statutory authorization for the rule

The interim final rule is promulgated under the authority found in 7 U.S.C. 612c; Public Law 106-387, 114 Stat. 1549 and Public Law 107-76, 115 Stat. 704.

Executive Order No. 12866

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

Executive Order No. 13132 (Federalism)

FSA states that the interim final rule does not have sufficient federalism implications to warrant the preparation of a federalism assessment.