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Washington, DC 20548

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April 16, 2007

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

The Honorable Collin Peterson
Chairman
The Honorable Robert Goodlatte
Ranking Minority Member
Committee on Agriculture
House of Representatives

Subject: *Department of Agriculture, Commodity Credit Corporation: 2006
Emergency Agricultural Disaster Assistance 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, Commodity Credit Corporation (CCC), entitled “2006 Emergency Agricultural Disaster Assistance Programs” (RIN: 0560-AH62). We received the rule on March 30, 2007. It was published in the *Federal Register* as a final rule on February 12, 2007. 72 Fed. Reg. 6435.

The final rule implements Title III of the Emergency Agricultural Disaster Assistance Act of 2006 (Act). The final rule establishes seven disaster programs to provide funds to eligible producers in counties affected by the 2005 hurricanes Katrina, Ophelia, Rita, Wilma, or a related condition. To be eligible, counties must have been designated or declared a major disaster or emergency area by the President or the Secretary of Agriculture, or be contiguous counties. The Act provides that the Secretary of Agriculture shall use funds of the CCC to assist producers of agricultural commodities through programs administered by the Farm Service Agency (FSA).

Section 3034 of the Act requires that the regulations necessary to implement Title III shall be made without regard to the notice and comment provisions of the

Administrative Procedures Act. The rule was, therefore, issued as a final rule and has an announced effective date of February 9, 2007.

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 CCC complied with the applicable requirements.

If you have any questions about this report, please contact Michael R. Volpe, Assistant General Counsel, at (202) 512-8236. 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

Robert J. Cramer
Associate General Counsel

Enclosure

cc: Tom Witzig
Director, Regulatory Review Group
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
"2006 EMERGENCY AGRICULTURAL
DISASTER ASSISTANCE PROGRAMS"
(RIN: 0560-AH62)

(i) Cost-benefit analysis

The named hurricanes severely limited the purchasing power of farmers engaged in the production of agricultural commodities. The final rule provides for the establishment of seven hurricane disaster programs to be administered by FSA in order to provide funds to eligible producers who suffered eligible losses, thus reestablishing these producers' purchasing power. FSA performed a cost-benefit analysis of this final rule for each of the seven disaster programs under which funds are available.

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

Since the 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 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 programs to the people who suffered losses.

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

Section 3034(b)(3) of the Act exempts this final rule from the requirements of the Paperwork Reduction Act.

Statutory authorization for the rule

The final rule is promulgated under the authority found in the Emergency Agricultural Disaster Assistance Act of 2006, Title III of Pub. L. No. 109-234, 120 Stat. 418 (June 15, 2006).

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.

Executive Order No. 13132 (Federalism)

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