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October 15, 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 Security and Rural Investment Act of 2002 Sugar Programs and Farm Facility Storage Loan 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 “2002 Farm Security and Rural Investment Act of 2002 Sugar Programs and Farm Facility Storage Loan Program” (RIN: 0560-AG73). We received the rule on October 9, 2002. It was published in the Federal Register as a final rule on August 26, 2002. 67 Fed. Reg. 54926.

The final rule implements the provisions of Title I of the Farm Security and Rural Investment Act of 2002 (Pub. L. 107-171) relating to the various activities affecting sugar beet and sugar cane producers and processors and the marketing of sugar.

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: James R. Little
Administrator
Farm Service Agency
Department of Transportation

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 SECURITY AND RURAL INVESTMENT ACT OF 2002 SUGAR
PROGRAMS AND FARM FACILITY STORAGE LOAN PROGRAM"
(RIN: 0560-AG73)

(i) Cost-benefit analysis

The cost-benefit analysis finds that the final rule will result in a slight decrease in domestic sugar production. The changes are expected to decrease the annual average available stocks-to-use ratio by 26 percent; increase sugar prices by about 9 percent; increase sugar loan collateral forfeitures by 15 percent; decrease the Commodity Credit Corporation's average inventory by 67 percent; and slightly reduce, by \$13 million per year, CCC's expenditures on the sugar program.

(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) and 7 U.S.C. 1359aa-1359jj and 7272 et seq. 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.