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United States Government Accountability Office  
Washington, DC 20548

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B-310938

January 8, 2008

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

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

Subject: *Department of Agriculture, Farm Service Agency: 2005-2007 Livestock Compensation and Catfish Grant 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 “2005-2007 Livestock Compensation and Catfish Grant Programs” (RIN: 0560-AH72). We received the rule on December 28, 2007. It was published in the *Federal Register* as a final rule on December 21, 2007. 72 Fed. Reg. 72,878.

The final rule implements legislation that provides for the continuation of the Livestock Compensation Program and the Catfish Grant Program. The programs will provide financial assistance to eligible livestock and catfish producers in counties designated as a major disaster or emergency by the President or those declared a natural disaster by the Secretary of Agriculture between January 1, 2005, and February 28, 2007.

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.

The Congressional Review Act requires a 60-day delay before a major rule can become effective. 5 U.S.C. § 801(a)(3). The final rule became effective on

December 19, 2007, less than 60 days after publication in the *Federal Register* or receipt by Congress. The statute authorizing this final rule instructs the Secretary of Agriculture to use the authority provided under 5 U.S.C. § 808(2) to waive the 60-day delay in effective date. Public Law 110-28, § 9005(c), 121 Stat. 217 (2007).

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: Amy Mitchell  
Production, Emergencies, and  
Compliance Division  
Department of Agriculture

REPORT UNDER 5 U.S.C. § 801(a)(2)(A) ON A MAJOR RULE  
ISSUED BY THE  
DEPARTMENT OF AGRICULTURE,  
FARM SERVICE AGENCY  
ENTITLED  
"2005-2007 LIVESTOCK COMPENSATION AND  
CATFISH GRANT PROGRAMS"  
(RIN: 0560-AH72)

(i) Cost-benefit analysis

The Farm Service Agency (FSA) prepared a cost-benefit analysis and published a summary of the analysis with this final rule. FSA estimates that claims under the 2005-2007 Livestock Compensation Program (LIP) will be \$684 million. FSA does not expect the impact on any sector of the economy to be measurable nor does it expect any significant change in aggregate social welfare. FSA expects that participants and their local communities may benefit by losses that are offset or reduced by the LIP payments.

FSA estimates that the expected value of the block grants necessary to compensate expected feed losses under the Catfish Grant Program will be \$3.7 million. FSA expects that grant assistance should help catfish producers to restore their purchasing power from feed losses incurred by disasters that occurred after January 1, 2005, but before February 28, 2007.

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

The final rule is not subject to the Regulatory Flexibility Act since FSA is not required to publish a notice of proposed rulemaking for this rule.

(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 contains no federal mandates for state, local, or tribal governments or for the private sector.

(iv) Other relevant information or requirements under acts and executive orders

Administrative Procedure Act, 5 U.S.C. §§ 551 et seq.

This final rule is exempt from the notice and comment requirements of the Administrative Procedure Act (5 U.S.C. § 553) under its authorizing statute.

U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007, Public Law 110-28 § 9005(b)(1), 121 Stat. 217, May 25, 2007.

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

This final rule is exempt from the Paperwork Reduction Act under its authorizing statute. U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007, Public Law 110-28 § 9005(b)(3), 121 Stat. 217, May 25, 2007.

Statutory authorization for the rule

The final rule is authorized by section 9005 of the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007, Public Law 110-28, May 25, 2007.

Executive Order No. 12,866

This final rule was determined to be economically significant under Executive Order 12,866 and was reviewed by the Office of Management and Budget.

Executive Order No. 13,132 (Federalism)

FSA states that this rule does not have federalism implications that warrant the preparation of a federalism assessment under the Order.