



Office of the General Counsel

B-282734

May 27, 1999

The Honorable Richard G. Lugar
Chairman
The Honorable Tom Harkin
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: 1998 Single-Year and Multi-Year Crop Loss Disaster 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 Department of Agriculture, Commodity Credit Corporation (CCC), entitled "1998 Single-Year and Multi-Year Crop Loss Disaster Assistance Program" (RIN: 0560-AF75). We received the rule on May 14, 1999. It was published in the Federal Register as a final rule on April 15, 1999. 64 Fed. Reg. 18553.

The final rule sets forth the terms and conditions of the 1998 Single-Year and Multi-Year Crop Loss Disaster Assistance Program. The purpose of the program is to provide payments to eligible producers who suffered losses because of an eligible disaster in crop year 1998, or in at least three of the crop years from 1994 through 1998.

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, at (202) 512-8210. The official responsible for GAO evaluation work relating to the subject matter of the rule is Larry Dyckman, Director, Food and Agriculture Issues. Mr. Dyckman can be reached at (202) 512-5138.

Sincerely yours,

Robert P. Murphy
General Counsel

Enclosure

cc: Mr. Keith Kelly
Administrator, Farm Service
Agency
Department of Agriculture

ANALYSIS UNDER 5 U.S.C. § 801(a)(1)(B)(i)-(iv) OF A MAJOR RULE
ISSUED BY
DEPARTMENT OF AGRICULTURE,
COMMODITY CREDIT CORPORATION
ENTITLED
"1998 SINGLE-YEAR AND MULTI-YEAR CROP LOSS
DISASTER ASSISTANCE PROGRAM"
(RIN: 0560-AF75)

(i) Cost-benefit analysis

CCC performed a cost-benefit assessment of the final rule. The cost of the final rule includes \$1.5 billion in assistance directed to producers who have incurred losses on 1998 crops due to weather-related disasters. An additional \$875 million is made available to provide assistance to producers who have incurred multi-year losses in the period to include 1998 and proceeding crop years.

According to the assessment, the benefits include an increase in farm income of \$2.375 billion that will help stabilize farm income and help farmers remain in business.

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

Since the final rule was not published as a proposed rule, it is not subject to the requirements of the Act.

(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 an intergovernmental or private sector mandate as defined in title II of the Unfunded Mandates Reform Act of 1995.

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

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

Section 1133 of the authorizing legislation, Public L. 105-277, permitted the final rule to be issued without regard to the notice and comment procedures contained in 5 U.S.C. 553.

Likewise, section 1133 permitted the CCC to utilize the authority in 5 U.S.C. 808 to make the final rule effective when the CCC determined, thereby negating the 60-day

delay in the effective date of a major rule requirement of 5 U.S.C. 801 to permit congressional review of the rulemaking.

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

The authorizing legislation for the final rule, Pub. L. 105-277, at section 1133 provides that the rule should be issued as soon as practicable and without regard to the Paperwork Reduction Act. Therefore, the information collections contained in the final rule do not require prior approval by the Office of Management and Budget.

Statutory authorization for the rule

The final rule was issued pursuant to the authority of Sections 1101 and 1102 of Public Law 105-277, 112 Stat. 2681; 15 U.S.C. 714b and 714c.

Executive Order No. 12866

The final rule was determined to be an “economically significant” regulatory action under Executive Order No. 12866 by the Office of Management and Budget. It was reviewed and found to comply with the Order.

Executive Order No. 12612 (Federalism)

CCC has determined that this rule does not have sufficient federalism implications to warrant the preparation of a federalism assessment.