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United States General Accounting Office
Washington, DC 20548

B-290173

May 6, 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: Noninsured
Crop 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 the Department of Agriculture, Commodity Credit Corporation (CCC), entitled "Noninsured Crop Disaster Assistance Program" (RIN: 0560-AG20). We received the rule on April 26, 2002. It was published in the Federal Register as an interim rule on March 19, 2002. 67 Fed. Reg. 12446.

The interim rule amends the CCC's regulations regarding the Noninsured Crop Disaster Assistance Program. The rule removes area requirements, announces new requirements concerning the filing of applications, payment of service fees, and reporting of crop acreage, yield, and production.

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
Executive Vice President
Commodity Credit Corporation
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,
COMMODITY CREDIT CORPORATION
ENTITLED
"NONINSURED CROP DISASTER ASSISTANCE PROGRAM"
(RIN: 0560-AG20)

(i) Cost-benefit analysis

CCC estimates that the total cost of the program would be \$147 million annually (\$162 million in benefits less the \$15 million in service fees).

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

Since the interim rule did not follow the issuance of 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

As defined in title II, the interim rule does not contain either an intergovernmental or private sector mandate 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.

Because section 161 of the Federal Agriculture Improvement and Reform Act of 1996 exempts the rulemaking from prior comment, the interim rule is being issued without prior notice and comment under 5 U.S.C. 553. However, CCC is accepting comments on the interim rule for a 30-day period.

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

Section 161 of the Federal Agriculture Improvement and Reform Act of 1996 provides that CCC may issue regulations without regard to the Paperwork Reduction Act. However, CCC will later publish a separate notice announcing a 60-day comment period on the collections and seek the Office of Management and Budget's (OMB) approval.

Statutory authorization for the rule

The interim rule is promulgated pursuant to section 196 of the Federal Agriculture Improvement and Reform Act of 1996, as amended by section 109 of the Agricultural Risk Protection Act of 2000 (Pub. L. 106-224, June 20, 2000).

Executive Order No. 12866

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

Executive Order No. 13132 (Federalism)

The CCC has reviewed the interim rule and determined that it does not have sufficient federalism implications to warrant the preparation of a federalism assessment.