



United States Department of Agriculture

Office of the Secretary  
Washington, D.C. 20250

OCT 15 2010

The Honorable Frank D. Lucas  
U.S. House of Representatives  
2311 Rayburn House Office Building  
Washington, D.C. 20515-3603

Dear Congressman Lucas:

Thank you for your letter of October 1, 2010, regarding the Department of Agriculture's Grain Inspection, Packers and Stockyards Administration's (GIPSA) proposed rule published on June 22, 2010. The proposed rule encompasses sections 11005 and 11006 of the Food, Conservation, and Energy Act of 2008 (2008 Farm Bill) and seeks to respond to concerns raised by producers across the country about certain practices in the livestock marketplace.

The proposed rule has started a dialogue on a number of complex issues in the livestock and poultry marketplace. The proposal is a first step in an important process that will include serious consideration of the public comments and further cost-benefit analysis based on those comments. Just as you do, I want a workable, feasible, and commonsense rule, which is why we extended the comment period to 150 days to allow stakeholders additional time to comment on the proposal.

You requested a comprehensive economic study of the proposed rule. Beyond the cost-benefit analysis we have conducted for the proposed rule, we look forward to reviewing the public comments to inform the Department if all factors have been properly considered, if or how changes should be incorporated, and to aid more rigorous cost-benefit and related analyses pursuant to the rulemaking process.

There are two requirements that outline the process for cost-benefit analyses in rulemaking. Under Executive Order 12866, the issuing agency provides an assessment of the potential costs and benefits of the regulatory action. Under the Regulatory Flexibility Act, agencies consider the impact of their regulatory proposals on small entities, analyze effective alternatives that minimize small entity impacts, and make their analyses available for public comment. GIPSA conducted both of these analyses, available on pages 35345 to 35349 of the Federal Register notice or on GIPSA's Web site.

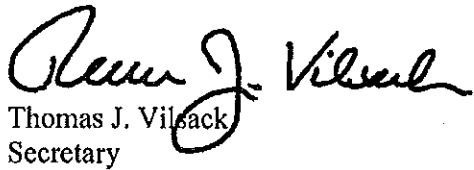
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To ensure GIPSA has all relevant information and data to conduct further cost-benefit analysis, GIPSA solicited specific comments in the proposed rule no fewer than eight times about aspects of the proposal's costs and benefits and their magnitudes. In addition to those solicitations, GIPSA invited comments on potential unforeseen consequences of the proposed regulations, the related magnitudes of expected costs and benefits, and whether all types of cost-benefit categories had been considered.

Again, I appreciate your views and interest in the GIPSA proposed rule.

Sincerely,



Thomas J. Vilsack  
Secretary