



GAO

Accountability * Integrity * Reliability

United States General Accounting Office
Washington, DC 20548

B-294107

May 27, 2004

The Honorable Richard G. Lugar
Chairman
The Honorable Joseph R. Biden, Jr.
Ranking Minority Member
Committee on Foreign Relations
United States Senate

The Honorable Henry J. Hyde
Chairman
The Honorable Tom Lantos
Ranking Minority Member
Committee on International Relations
House of Representatives

Subject: *Department of Commerce, Bureau of Industry and Security: General Order
Implementing Syria Accountability and Lebanese Sovereignty Act of 2003*

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 Commerce, Bureau of Industry and Security, entitled "General Order Implementing Syria Accountability and Lebanese Sovereignty Act of 2003" (RIN: 0694-AC99). We received the rule on May 13, 2004. It was published in the Federal Register as a final rule on May 14, 2004. 69 Fed. Reg. 26766.

The final rule requires a prohibition on the export to Syria of all items on the Commerce Control List pursuant to the Syria Accountability and Lebanese Sovereignty Act of 2003 (the SAA). The SAA also requires that the President impose two or more of the six additional sanctions set forth in the SAA. One of the sanctions chosen prohibits the export of products of the United States, other than food and medicine, to Syria.

Enclosed is our assessment of Commerce'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 Commerce 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 Thomas McCool, Managing Director, Financial Markets and Community Investment. Mr. McCool can be reached at (202) 512-8678.

signed

Kathleen E. Wannisky
Managing Associate General Counsel

Enclosure

cc: Peter Lichtenbuan
Assistant Secretary for
Export Administration
Department of Commerce

ENCLOSURE

ANALYSIS UNDER 5 U.S.C. § 801(a)(1)(B)(i)-(iv) OF A MAJOR RULE
ISSUED BY THE
DEPARTMENT OF COMMERCE,
BUREAU OF INDUSTRY AND SECURITY
ENTITLED
"GENERAL ORDER IMPLEMENTING SYRIA ACCOUNTABILITY
AND LEBANESE SOVEREIGNTY ACT OF 2003"
(RIN: 0694-AC99)

(i) Cost-benefit analysis

According to Commerce, the cost impact of the final rule is the loss of exports to Syria, other than food and medicine, which totaled \$140 million in 2003.

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

Since a notice of proposed rulemaking did not precede the final rule, the requirements of the Regulatory Flexibility Act are not applicable.

(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.

Commerce was not required to use the notice and comment procedures found at 5 U.S.C. 553 because the rule involves a military and foreign affairs function of the United States. 5 U.S.C. 553(a)(1).

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

The final rule contains an information collection that is subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act. OMB has approved the collection, which carries a burden hour estimate of 58 minutes and assigned Control No. 0694-0088.

Statutory authorization for the rule

The final rule was promulgated under the authority of section 5 of the Syria Accountability and Lebanese Sovereignty Act of 2003 (Pub. L. 108-175, codified as a note to 22 U.S.C. 2151).

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 final rule does not have any federalism implications under the order.