

TABLE 16.—TOTAL ANNUAL COSTS, OPTION 7

	Mean	Low	High	Average Cost per Firm
Year 1	\$379,977,000	\$354,015,000	\$406,264,000	\$406
Year 2	\$689,275,000	\$619,484,000	\$771,484,000	\$736
Year 3 and later years	\$322,701,000	\$309,635,000	\$337,022,000	\$345

TABLE 17.—DISCOUNTED ANNUAL COSTS, PRESENT VALUE, AND MARGINAL SAVINGS OF OPTION 7

	Discounted Annual Costs of Option 7	Marginal Savings of Option 7 With Respect to Option 4
Year 1	\$379,977,000	\$20,514,000
Year 2	\$644,182,000	\$21,108,000
Year 3	\$281,860,000	\$10,464,000
Year 4	\$263,420,000	\$9,780,000
Year 5	\$246,187,000	\$9,140,000
Year 6	\$230,081,000	\$8,543,000
: ¹	:	:
:	:	:
Year 15	\$125,149,000	\$4,646,000
:	:	:
:	:	:
Year 30	\$45,360,000	\$1,684,000
:	:	:
:	:	:
Present Value	\$5,332,584,000	\$201,581,000

¹ Each cell that contains only the symbol “:” is meant to convey the continuation of the series depicted in the cells that precede it from above.

We believe that there is an even smaller number of mixed-type facilities that have restaurants. We have assumed that the costs and marginal savings for these facilities would be negligible. We invite comment and information relating to this assumption.

Options 8 and 9: Require all components of option 4 (no outer packagers, no recordkeeping on outer packaging, 4 or 8 hour records access, 1 and 2 year records retention for perishables and all other products) but change required records-retention times for perishables and all other foods to 1 year (option 8), and 2 years (option 9).

FDA believes that the 1-year record retention requirement for perishable foods not intended for processing into nonperishable foods and the 2-year record retention requirement for all other food products is well within industry norms (see the discussion of evidence supporting provided in a

previous section of this document). We do not have enough information to quantify any marginal change in the cost of record storage under a universal 1-year required storage time (option 8) or a universal 2-year required storage time (option 9). All other things equal, FDA assumes that option 8 would be less costly than option 4, which in turn would be less costly than option 9. Because evidence suggests that most firms keep records for 2 years or more, FDA also believes that the marginal difference in storage costs between all of these options is smaller than the marginal difference in cost between other options we consider in this analysis. Therefore, while there may be a benefit from simplifying requirements by requiring the same storage time for both perishable and nonperishable foods, because the increased benefit is negligible, we assume that the marginal cost is zero for both options 8 and 9. We

explicitly specify these options principally to request comments, including specific examples where required record retention times may have a large impact on cost.

Option 10: Require all components of option 4 (no outer packagers, no recordkeeping on outer packaging, 4 or 8 hour records access, 1 and 2 year records retention for perishables and all other products) but cover only those foreign facilities also covered by FDA's proposed registration regulation published at 68 FR 5378, February 3, 2003.

The proposed registration regulation (68 FR 5378, February 3, 2003) would require certain foreign facilities that manufacture, process, pack, and hold food for consumption in the United States to register. Therefore, a useful alternative to explore may be to cover the same facilities in both regulations. This exclusion implies that these