

Option 11: 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) except foreign coverage includes only facilities that are the final holders of the product before export to the United States.

We estimate that there would be approximately 62,000 foreign facilities covered under this option. We assumed that the number of foreign final holding facilities is equivalent to the number of domestic importers. Since foreign manufacturing facilities and foreign de minimus processors/packagers would be excluded from recordkeeping requirements, the coverage under this option is more limited than the coverage under option 10. The rationale for specifying this option is that final

holders may be the most accessible foreign facilities in the event of an FDA traceback investigation. In addition, foreign final holders may be particularly at risk at this level in the food chain if the food is clearly identified as destined for consumption in the United States.

Tables 22 and 23 of this document present the cost estimates for option 11. As previously discussed, discount computations are made using mean costs and assume no increase in real labor cost and a 7 percent real discount rate. Although the recurring costs reported for year 3 and later years are the same in nominal terms (i.e., \$182,429,000 reported in Table 22 of this document), they are reported in discounted terms for each year in Table 23 of this document to account for the fact that a dollar in 5 years, for example, is worth less than a dollar today. 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. Costs incurred in year 1 are learning costs for all firms and redesign and access planning costs for large and small firms. Costs incurred in year 2 are redesign and access planning costs for very small firms. Recurring costs are the additional records maintenance costs incurred by all firms, and learning costs and records access costs for new firms. The mean, low, and high cost estimates presented here characterize the known and quantifiable uncertainties as they are defined previously. The cost estimate that is greater than 5 percent of all other estimates generated by the model is reported as the low cost estimate. That cost estimate that is greater than 95 percent of all other estimates generated in the model is reported as the high cost estimate.

TABLE 22.—TOTAL ANNUAL COSTS, OPTION 11

	Mean	Low	High	Average Mean Cost per Firm
Year 1	\$172,973,000	\$156,033,000	\$190,831,000	\$355
Year 2	\$413,484,000	\$369,335,000	\$458,871,000	\$849
Year 3 and later years	\$182,429,000	\$174,474,000	\$190,610,000	\$374

TABLE 23.—DISCOUNTED ANNUAL COSTS, PRESENT VALUE, AND MARGINAL SAVINGS: OPTION 11

	Discounted Annual Costs: Option 11	Marginal Savings of Option 11 With Respect to Option 4
Year 1	\$172,973,000	\$227,518,000
Year 2	\$386,434,000	\$278,856,000
Year 3	\$159,341,000	\$132,983,000
Year 4	\$148,916,000	\$124,284,000
Year 5	\$139,174,000	\$116,153,000
Year 6	\$130,069,000	\$108,555,000
: ¹	:	:
:	:	:
Year 15	\$70,749,000	\$59,046,000
:	:	:
:	:	:
Year 30	\$25,643,000	\$21,401,000
:	:	:
:	:	:
Present Value as of Year 1	\$2,995,041,000	\$2,539,124,000

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.