

TABLE 12.—SUMMARY OF COSTS OF AN OUTBREAK OF CYCLOSPORIASIS

Severity	Number of Cases	Cost per Case	Total Cost
Mild	879	\$1,650	\$1,450,000
Moderate	586	\$3,748	\$2,196,000
Severe	19	\$15,516	\$295,000
Total	1,465		\$3,941,000

Option Two: Take the proposed action, but change either or both the definition of perishable food and the maximum time frame for administrative detention of perishable food.

Costs

If we established a shorter maximum timeframe for administrative detention of perishable food, then we would reduce the potential storage costs and loss of value associated with administratively detaining that food. If we also broadened the definition of perishable food to include products with a shelf life of over 7 days, then we would further decrease the storage costs and loss of food product value for those additional types of food. One reasonable alternative would be to broaden the definition of perishable food to include any food that might lose all of its value during a 30-day administrative detention period, that is, any food with a shelf life of 30 days or less, and reduce the maximum timeframe for administratively detaining a perishable food to 14 days. We calculated the costs of this option using the same procedures that we used for Option one (take the proposed action). We present these costs in table 13.

TABLE 13.—ANNUAL COSTS FOR OPTION 2: ALTERNATIVE DEFINITION AND MAXIMUM DETENTION PERIOD FOR PERISHABLE FOOD

Type of Cost	Cost (rounded to nearest million \$)
Transportation Cost	\$0 to \$4
Storage Cost	\$0 to \$1
Loss of Product Value	\$0 to \$8
Marking or Labeling	\$0 to \$1
Appeals	\$0 to \$16
Total	\$0 to \$30

If we attempted to maintain the same level of investigation under the shorter maximum timeframes for perishable food by using our enforcement resources more intensively, then enforcement costs might also increase. In that case, we would need to compare the cost of using our investigative resources more intensively for a shorter period of time

relative to using those resources less intensively for a longer period of time. More intensive use of resources would probably cost more because it would probably require our employees to work overtime and possibly over weekends and holidays. Therefore, this would reduce any cost savings introduced by the shorter maximum timeframes for perishables.

Benefits

Changing the definition of perishable food and the maximum timeframes for administrative detentions of perishable food could also affect the health benefits of this rule. Broadening the definition of perishable food and establishing a shorter maximum timeframe for administratively detaining that food would reduce the maximum timeframes for storage of those products that qualified as perishable food relative to the time frame for nonperishable food. The significance of this change depends on how often we need the full 30 days to complete our investigations. If we usually complete our investigations in the time allowed under the hypothetical shorter maximum detention time we could establish for perishable food, then including more products in the perishable category would have little effect on the risk that we would fail to catch a violative product because of the shorter investigation period. However, if we often need the full 30 days to complete our investigations, then including more products in the perishable category and establishing a shorter maximum detention time for administrative detention of perishable food would increase the risk that we would fail to catch a violative product during the investigation period. We do not have sufficiently detailed information to estimate these changes in health benefits.

We might also be able to maintain the same effect on risk and health benefits under the shorter timeframes by using resources more intensively during the shorter investigation period. For example, if we were to allocate more employees to work on an investigation, or if our employees were to work extra

hours, then we might be able to complete the same level of investigation under a shorter timeframe. In that case, this option would have the same health benefits as Option one, but additional costs might be generated by the more intensive use of resources.

Option Three: Take the proposed action, but change the level of security we require for transportation and storage.

Costs

Instead of judging the need for various levels of security on a case-by-case basis, we could require firms to use specified levels of security to transport and store food under specified conditions. In Option one, we assumed, based on information from a trade group, that the costs for using bonded carriers and warehouses were similar to those for using nonbonded carriers and warehouses. However, if we chose a lower security approach and allowed firms to store administratively detained food in place, then we would eliminate the transportation costs. Eliminating transportation costs would reduce total costs to a range of \$0 to \$34 million.

If we required firms to undertake security operations they would not otherwise have taken, then we would need to add in the cost of that activity. One example of the type of activity we might require is posting additional security guards. The average hourly wage of a security guard in 2000 was about \$9.50 (Ref. 17). We doubled this wage to account for overhead, such as health benefits, to get an annual hourly wage of about \$17. Therefore, the average cost of posting one additional security guard would be approximately \$450 per day. The number of guards would depend on the number of facilities involved. Firms might already have distributed food that we administratively detain. Based on our experience with other enforcement actions, we believe that between 1 and 20 storage facilities might be involved per administrative detention action. Therefore, we calculate the cost of adding 1 guard by multiplying the cost of 1 additional security guard per day,