

TABLE 11.—SUMMARY OF COSTS
FOR OPTION 3—Continued

Lost value for Mexican seafood	\$4,687,582
Lost value for Canadian seafood	\$77,789,347
Total Costs for Option 3	\$206,136,571
Present value of costs	\$2,710,375,883

Option four: prior notice received by noon of the calendar day prior to the day of crossing; electronic submission of information; any change in information requires resubmission.

This option requires that prior notification be submitted no later than noon of the calendar day prior to the expected day of crossing. Under this option, prior notice submitters will have to let FDA know of the incoming food shipment at least 12 hours before the shipment reaches a U.S. point of crossing. This fourth option would likely cause a change in importer business practices and the business practices of their clients in much the

same way as option three, but the potential loss of product value is higher because the minimum prior notice time has increased.

Again, how business practices will be affected by prior notice requirements depends on how early the invoice orders are received, the timeframe in which the truck was loaded, and when prior notice is submitted. FDA requests comments on any additional costs that might result from changes in business practices as a result of this proposed rule.

As before, we assume that as the minimum notice time increases, the likelihood of a resubmission also increases, but less than proportionally to the change in minimum notice time. Thus, since the prior notice timeframe for submission is at least 12 hours instead of 8 hours, the probability of having to adjust and resubmit prior notice information is higher. Instead of 25 percent of the importers of perishable products from Canada and Mexico having to resubmit their notices, we will assume that the 12-hour submission timetable means that 40 percent will have to resubmit their notices.

We increase the percentage of resubmission this time by 15 percent because as the prior notice timeframe increases relative to the time of entry, it becomes more likely that the prior notice information will change after the notice is submitted to FDA, thus requiring resubmission. The transporters of products with resubmitted prior notices may then have to wait as long as 12 hours, which affects 7.1 percent of the produce life span (12 hours out of 168 hours) and 25 percent of the seafood life span (12 hours out of 48 hours).

Table 12 shows the loss in value caused by the resubmitted prior notice information for the 40 percent of imported Mexican and Canadian fresh seafood and produce that might be affected. As a result of having to give prior notice by noon the calendar day prior to entry, the Mexican fresh produce industry would lose \$98,222,110 and the Canadian fresh produce industry would lose \$11,411,858. The Mexican fresh seafood industry would lose \$11,227,741 and the Canadian fresh seafood industry would lose \$186,321,789 in value.

TABLE 12.—LOSS IN VALUE CAUSED BY RESUBMITTED PRIOR NOTICE UNDER OPTION FOUR

Perishable Produce	
2001 Imported Mexican Produce Total Retail Value	\$3,458,525,000
7.1% reduction in value for 40% of Mexican produce	\$98,222,110
2001 Imported Canadian Produce Total Retail Value	\$401,826,000
7.1% reduction in value for 40% of Canadian produce	\$11,411,858
Perishable Seafood	
2001 Imported Mexican Seafood Total Retail Value	\$112,277,406
25% reduction in value for 40% of Mexican seafood	\$11,227,741
2001 Imported Canadian Seafood Total Retail Value	\$1,863,217,894
25% reduction in value for 40% of Canadian seafood	\$186,321,789

Table 13 presents a summary of the costs associated with option 4. Also presented in table 13 is the present value of the costs associated with this option using the OMB-recommended discount rate of 7 percent.

TABLE 13.—SUMMARY OF COSTS
FOR OPTION 4

Research costs	\$4,908,509
Computer acquisition costs	\$8,315,755

TABLE 13.—SUMMARY OF COSTS
FOR OPTION 4—Continued

Annual costs to fill out prior notice screens (including updates and amendments)	\$59,689,990
FDA prior notice system cost	\$4,421,176
Lost value for Mexican produce	\$98,222,110
Lost value for Canadian produce	\$11,411,858

TABLE 13.—SUMMARY OF COSTS
FOR OPTION 4—Continued

Lost value for Mexican seafood	\$11,227,741
Lost value for Canadian seafood	\$186,321,789
Total Costs for Option 4	\$384,518,928
Present value of costs	\$5,258,695,269