

TABLE 12.—SUMMARY OF COSTS FOR OPTION 2 (1 HOUR PRIOR NOTICE SUBMISSION TIME)—Continued

	Dollars (thousands)
Coordination costs	\$31,095
Computer acquisition costs	\$7,600
FDA prior notice system costs	\$13,000
Annual costs to fill out prior notice screens	\$187,500
Additional costs for BRASS users	\$48,462
Lost value for Mexican produce	\$519
Lost value for Canadian produce	\$60
Lost value for Mexican seafood	\$59
Lost value for Canadian seafood	\$978
Total first year costs for Option 2	\$355,513
Annual costs after first year	\$249,372
Present value of costs at 7% for 20 years	\$2,741,043
Present value of costs at 3% for 20 years	\$3,813,068

c. Option 3: Minimum prior notice time of 2 hours before arrival; electronic submission of information; any change in information requires resubmission.

Option 3 requires that prior notice be submitted 2 hours before arrival. If the prior notice time for submission is 2 hours instead of 1 hour, the probability of having to adjust and resubmit prior notice information will be greater. Now, instead of 2.5 percent of the importers

of perishable products from Canada and Mexico having to cancel and resubmit their notices, we will assume that the 2-hour submission timetable means that 5 percent will have to resubmit their notices. FDA expects most orders to be placed well in advance of the 2-hour timeframe. Carriers of these products may not be able to cross the border for 2 hours instead of 1 hour, which affects 1.2 percent of the produce life span (2

hours out of 168 hours) and 4.2 percent of the seafood life span (2 hours out of 48 hours).

Table 13 of this document shows the loss in value caused by the resubmitted prior notice information for the 5 percent of imported Mexican and Canadian fresh seafood and produce affected.

TABLE 13.—LOSS IN VALUE CAUSED BY RESUBMITTED PRIOR NOTICE UNDER OPTION 3

Perishable Produce	
2001 Imported Mexican produce total retail value	\$3,458,525,000
1.2% Reduction in value for 5% of Mexican produce	\$2,075,115
2001 Imported Canadian produce total retail value	\$401,826,000
1.2% Reduction in value for 5% of Canadian produce	\$241,096
Total Lost Value for Produce	\$2,316,000
Perishable Seafood	
2001 Imported Mexican seafood total retail value	\$112,277,406
4.2% Reduction in value for 5% of Mexican seafood	\$235,783
2001 Imported Canadian seafood total retail value	\$1,863,217,894
4.2% Reduction in value for 5% of Canadian seafood	\$3,912,758
Total Lost Value for Seafood	\$4,149,000

We do not include the costs of truck time with this option, as the prior notice timeframe is relatively short and encompassed within the time many trucks currently spend at the borders.

Table 14 of this document presents a summary of the costs associated with option 3. Also presented in table 14 of this document are the present values of the costs associated with this option

using the OMB-recommended discount rates of 3 and 7 percent.

TABLE 14.—SUMMARY OF COSTS FOR OPTION 3 (2 HOUR PRIOR NOTICE SUBMISSION TIME)

	Dollars (thousands)
Learning costs	\$66,240
Coordination costs	\$31,095
Computer acquisition costs	\$7,600
FDA prior notice system costs	\$13,000
Annual costs to fill out prior notice screens	\$187,500
Additional costs for BRASS users	\$48,462
Lost value for Mexican produce	\$2,075
Lost value for Canadian produce	\$241
Lost value for Mexican seafood	\$236
Lost value for Canadian seafood	\$3,913
Total first year costs for Option 3	\$360,362
Annual costs after first year	\$254,221
Present value of costs at 7% for 20 years	\$2,792,413