

TABLE 17.—LOSS IN VALUE CAUSED BY RESUBMITTED PRIOR NOTICE UNDER OPTION 4

Perishable Produce	
2001 Imported Mexican produce total retail value	\$3,458,525,000
2.4% Reduction in value for 20% of Mexican produce	\$16,600,920
2001 Imported Canadian produce total retail value	\$401,826,000
2.4% Reduction in value for 20% of Canadian produce	\$1,928,765
2001 Imported Central American produce total retail value	\$217,420,000
2.4% Reduction in value for 20% of Central American produce	\$1,043,616
Total Lost Value for Produce	\$19,574,000
Perishable Seafood	
2001 Imported Mexican seafood total retail value	\$112,277,406
8.3% Reduction in value for 20% of Mexican seafood	\$1,863,805
2001 Imported Canadian seafood total retail value	\$1,863,217,894
8.3% Reduction in value for 20% of Canadian seafood	\$30,929,417
2001 Imported Central American produce total retail value	\$251,796,496
8.3% Reduction in value for 20% of Central American seafood	\$4,179,822
Total Lost Value for Seafood	\$36,973,000

For this 4-hour prior notice submission timeframe and for all subsequent options with longer timeframes for submission, we also begin to include some holding time costs paid to carriers of products to be imported. We add in this cost in response to the comments that indicated that at least 40 percent of food products being imported from Canada and Mexico are coming from locations located 4 hours or less from a U.S. border. For products located less than 4

hours from the U.S. border, it is quite possible that the carrier will have to be paid for additional waiting time over what had been established under the current business practices. Comments indicated that additional truck time was a real possibility for all food products being imported and not just perishable products. We therefore include a percentage of all products requiring prior notice in the cost estimate in table 18 of this document.

We do not have information on the number of import entries that may use

additional truck time because of prior notice submission times. Therefore, we will assume that 20 percent of the 2.3 million lines that entered the United States by ground transportation in fiscal year 2002 (based on OASIS data) will pay for an additional 1 hour of truck time per entry. We use 20 percent as the percentage of trucks delayed to be consistent with our resubmission rate of 20 percent when the prior notice submission timeframe is 4 hours before arrival.

TABLE 18.—COST OF ADDITIONAL CARRIER TIME FOR OPTION 4

2002 OASIS import entry lines by ground transportation (truck or train)	2,300,000
Average number of lines per entry	2.6
Total number of ground entries	884,615
20% of ground entries	176,923
Cost for 1 hour of carrier time (\$250 per hour)	\$250
Total cost of truck time	\$44,231,000

Table 19 of this document presents a summary of the costs associated with option 4. Also presented in table 19 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 19.—SUMMARY OF COSTS FOR OPTION 4 (4 HOUR MINIMUM PRIOR NOTICE SUBMISSION TIME)

	Dollars (thousands)
Learning costs	\$66,240
Coordination costs	\$31,095
Computer acquisition costs	\$7,600
FDA prior notice system cost	\$13,000
Annual costs to fill out prior notice screens	\$187,500
Additional Costs for BRASS users	\$48,462
Lost value for Mexican produce	\$16,601
Lost value for Canadian produce	\$1,929
Lost value for Central American produce	\$1,044
Lost value for Mexican seafood	\$1,864
Lost value for Canadian seafood	\$30,929
Lost value for Central American seafood	\$4,180
Cost for truck time	\$44,231
Total first year costs for Option 4	\$454,675
Annual costs after first year	\$348,534
Present value of costs at 7% for 20 years	\$3,791,567
Present value of costs at 3% for 20 years	\$5,288,348