

Table 22.--Summary of Costs for Option 5

	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 produce	\$2,130
Lost value for seafood	\$6,044
Cost for truck time	\$0
Total first year costs for option 5	\$362,071
Annual costs after first year	\$255,929
Present value of costs at 7% for 20 years	\$2,810,515
Present value of costs at 3% for 20 years	\$3,910,630

e. *Option 6: Minimum prior notice timeframe of 2 hours before arrival for vehicles, 4 hours before arrival for rail and air, and 8 hours before arrival for vessels; electronic submission of information; any change in information requires resubmission (interim final rule).* Option 6 requires that prior notice be submitted 2 hours before arrival for articles of food being imported by vehicle and 4 hours before arrival for articles of food being imported by rail or air modes of transportation.

Option 6 requires that prior notice be submitted 8 hours before arrival for articles of food being imported by vessel. We do not specifically address food import by vessel in this option because this mode of transport will not be constrained by an 8-hour minimum prior notice timeframe. The costs of this option for vessels will be the same as in the previous options.

i. *Two-hour minimum prior notice time for food arriving by vehicle.* Importers of perishable products from Canada and Mexico, whose articles of food arrive in the United States by vehicle, will have to submit prior notice 2 hours before arrival. This short, minimum submission time frame should eliminate the probability of

having to resubmit prior notice for all but 5 percent of those perishable products imported from Canada and Mexico.

OASIS data indicates that approximately 44 percent of all imported food shipments used land transportation to arrive in the United States for fiscal year 2002. These shipments must come from Canada and Mexico (or in some cases transshipped), as these are the countries that have land borders with the United States. OASIS data shows that only about 2 percent of imported food shipments arrived in the United States by rail in 2002, and less than 1 percent of shipments arrived from Canada and Mexico by air. Thus, at least 97 percent of all imported food shipments arriving from Canada and Mexico used vehicles as the mode of transport.

Using this 97 percent estimate, we calculate the proportion of the total retail value of highly perishable produce and seafood from Canada and Mexico that arrives in the United States by vehicle. This new retail value, 97 percent of the total value, is then used to calculate the lost product value for the 5 percent of highly perishable produce and seafood from Canada and

Mexico for which importers would have to resubmit the prior notice when the minimum submission time is 2 hours. Table 23 of this document shows the loss in value caused by the cancelled and resubmitted prior notice information for the 5 percent of imported Mexican and Canadian perishable seafood and produce affected.

We do not include the lost value for perishable seafood and produce imported from Central America in table 23 of this document since perishable products from Central America are most likely flown into the United States. We also do not include the cost of truck time with this option since the minimum prior notice time for articles of food arriving by vehicle is only 2 hours. Given current border wait times and manufacturing/processing facility distance from the U.S. border, it is unlikely that trucks will have to wait to enter the United States because of prior notice requirements. We expect that some delays will occur, but that they will be relatively rare and will impose little additional cost compared with a 1-hour minimum prior notice time. We therefore do not include any additional truck time costs for this option.