

Table 29.--Summary of Costs for Option 7 (4 hour minimum submission time, 1 hour amendment)

	Dollars (thousands)
Learning costs	\$66,420
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	\$2,075
Lost value for Canadian produce	\$241
Lost value for Central American produce	\$130
Lost value for Mexican seafood	\$233
Lost value for Canadian seafood	\$3,866
Lost value for Central American seafood	\$522
Cost for truck time	\$22,115
Total first year costs for Option 7	\$383,079
Annual costs after first year	\$276,938
Present value of costs at 7% for 20 years	\$3,033,077
Present value of costs at 3% for 20 years	\$4,223,181

g. *Option 8: Minimum prior notice timeframe of 8 hours before arrival; electronic submission of information; any change in information requires resubmission (statutory default option).* Option 8 is to issue an interim final rule that incorporates the default minimum timeframe for prior notices as provided in the Bioterrorism Act. Pre-proposal information and comments on the proposed rule indicated that Canadian and Mexican produce growers and seafood processors are concerned that the longer the minimum time required for the prior notice, the less fresh their products will be when they reach U.S. customers. Less-than-optimal fresh (*i.e.*, lower quality) products would result in a lower price paid for the imported produce or seafood shipments, or possibly even the loss of a customer's business to a domestic producer.

For importers of perishable products such as seafood and produce, the 8-hour minimum time for prior notice is expected to change business practices. How much importer, produce grower, and seafood processor business practices will be affected by prior notice requirements will depend on how early the orders are received compared with

how early prior notice must be submitted. Also, as the prior notice submission time increases, the location of the exporter in relation to the U.S. border becomes a more important factor in determining whether changes in business practices are needed.

If the prior notice time for submission is 8 hours instead of 4 hours, the probability of having to resubmit prior notice information will be greater. Now, instead of 20 percent of the importers of perishable products from Canada, Mexico, and Central America having to resubmit their notices, we will assume that the 8-hour submission timetable means that 30 percent will have to resubmit their notices.

As explained in option 2, we based the resubmission rate percentages for perishable products coming from Canada and Mexico on comments FDA received indicating that 40 to 100 percent of the products from these two countries are shipped from locations no more than 4 hours from the border. For shorter prior notice timeframes, starting with the 4-hour option and moving downward in minimum prior notice time, we halved the resubmission rate because every hour decrease in required

prior notice submission time will eliminate a significant number of prior notice resubmissions for those facilities close to the border. For options with longer timeframes, however, instead of doubling the resubmission rate, we begin to add an additional 10 percent resubmission rate for each additional 4 hours of required prior notice minimum submission time. We do this because, aside from perishable products and rush orders, most foods are ordered in advance of shipping and the quantities of such foods are easily identifiable; these are orders that will not change and thus will not require resubmission of prior notice.

Carriers of products requiring prior notice may not be able to cross the border for 8 hours or longer, instead of 4 hours. This time for prior notice represents 4.8 percent of the produce life span (8 hours out of 168 hours) and 16.7 percent of the seafood life span (8 hours out of 48 hours). Table 30 of this document shows the loss in value caused by the resubmitted prior notice information for the 30 percent of imported Mexican, Canadian, and Central American perishable seafood and produce affected.