

Sensitivity analysis. We estimate that the costs of the interim final rule (option 6) will be about \$367 million in the first year and \$261 million in later years. At a 7 percent discount rate, the present value of the costs of the interim final rule, discounted 20 years into the future, would be about \$3 billion; for a discount rate of 3 percent, the present value costs would be \$4 billion. These estimates rely on several important assumptions:

- In option 6, for perishable products from Canada, Mexico, and Central America: 5 percent of prior notices will need to be resubmitted if the notice must be submitted 2 hours before arrival for vehicles; 20 percent of prior notices will need to be resubmitted if the notice must be submitted 4 hours before arrival for air and rail.

- The minimum entry time for food shipments imported over land and by air is a constraining factor for those importers who use these modes of transportation. The additional costs for

shipments made over land and by air are greater for a specified minimum prior notice time, the closer the facility is to the U.S. border. Shipments arriving by sea are not likely to be affected by a specified minimum prior notice time.

- The retail value of imported fresh seafood and produce is 100 percent higher than its wholesale value.
- The number of entry lines requiring prior notice will not increase over time.
- Prior notice must be submitted for informal food entries, *i.e.*, international mail.
- BRASS is not compatible with submitting prior notice.

We now present a sensitivity analysis, which shows how our estimates of costs for the interim final rule change if we use different assumptions. We substitute the following assumptions for those used previously:

- In option 6 for perishable products from Canada, Mexico, and Central America: 10 percent of prior notices will need to be resubmitted when the prior

notice time is 2 hours before arrival for vehicles; 40 percent of prior notices will need to be resubmitted if the prior notice must be submitted 4 hours before arrival for shipments arriving by rail and air.

- The retail value of imported fresh seafood and produce is 200 percent higher than its wholesale value.
- The number of entry lines requiring prior notice will increase 3 percent per year.
- Prior notice does not need to be submitted for informal food entries, *i.e.*, international mail.
- BRASS is compatible with submitting prior notice.

Tables 48 and 49 of this document show the results of the sensitivity analysis. The tables show that the estimated cost of the interim final rule is most sensitive to the assumed fraction of prior notices that will need to be changed. The present value of the interim final rule is most sensitive to the rate of discount.

Table 48.--Sensitivity Analysis for Assumptions Made for Option 6 (interim final rule)

Test	First Year Cost Under Base Assumption	First Year Cost Under Test Assumption	Change in First Year Cost (or value)	Percent Change in Cost
	(\$ millions)			
10 and 40% prior notices changed	\$367	\$380	\$13	4
Retail value is 200% of wholesale value	\$367	\$380	\$13	4
Prior notice entries increase 3%	\$367	\$372	\$5	1
Informal entries do not submit prior notice	\$367	\$329	-\$38	-10
BRASS is compatible with submitting prior notice	\$367	\$318	-\$49	-13