

community is implementing HACCP before the agency imposes regulations that may create unnecessary trade barriers.”

As discussed in the PRIA, this program will benefit those seafood processors who are exporting to nations requiring HACCP. However, as also noted in the PRIA, there is in place a federally overseen HACCP program, specifically, the program being offered to processors by the National Marine Fisheries Service (NMFS).

FDA has made an estimate of the cost savings to exporting firms of being in FDA's mandatory program in lieu of the NMFS program. The alternative to NMFS review (if FDA were not to adopt

this regulation) would be inspection of product that is offered for entry into the EU on an entry-by-entry basis and the payment of a significant fee for these inspection services. With approximately 2 billion pounds being exported each year, this savings of resources amounts to, at a minimum, \$20 million per year.

In addition, although the EU has announced the requirement that HACCP be in place by January 1, 1996, adoption of a U.S. plan reduces some of the uncertainty for U.S. firms and firms exporting to the United States concerning the ultimate form of an internationally agreed upon HACCP requirement.

#### 6. Reduced Enforcement Costs

Comments qualitatively mentioned other benefits including fewer product recalls and other enforcement actions. FDA agrees that there will be fewer product recalls, seizures, injunctions and detentions of seafood and seafood products. As examples of what benefits could have accrued in 1994, the agency has calculated the value of each of these actions and addressed them below.

a. *Seizures.* A seizure is a civil action designed to remove violative goods from consumer channels. Table 11 shows the actions and their associated costs that follow a determination that a violation exists and that goods should be seized.

TABLE 11.—SEIZURE STEPS

Action	Hours/Other	Cost
Federal personnel collect and analyze samples, write up recommendations (program and general counsel), review the case and make recommendations to the U.S. attorney.	120 .....	\$12,840
U.S. attorney files complaint and Court orders goods arrested .....	16 .....	1,712
U.S. Marshal and other federal official seizes goods at location .....	8 .....	856
	Travel .....	200
Firm hires attorney to contest/accept action .....	16 .....	1,712
Food is reconditioned by firm .....	16 firm .....	1,712
	16 Federal lower valued food <sup>2</sup> .....	1,712
Food is denatured (converted to a non-food use) or; .....	16 firm .....	1,712
	8 Federal lower valued food <sup>2</sup> .....	856
Food is destroyed .....	8 firm .....	856
	8 Federal lost food <sup>1</sup> .....	856

<sup>1</sup> The rate of \$107 per hour represents the cost of a loaded (including equipment and benefits) employee plus headquarters support of approximately 70 percent.

<sup>2</sup> Total seizure costs are calculated in Table 12.

Table 12 shows the seizures in 1994. Assuming that half of all seizures are prevented each year, the benefits are expected to be approximately \$290,000 each year.

TABLE 12.—SEIZURES IN 1994

Problem	No.	Administrative costs <sup>1</sup>	Action <sup>2</sup>	Total
Decomposition (Destroy) .....	5	\$17,320	\$46,565	\$320,925
Filth (Denature) .....	3	17,320	8,709	78,087
Chemicals (Destroy) .....	2	17,320	10,108	54,856
Other (Destroyed) .....	4	17,320	14,212	126,128
Total .....	14	.....	.....	<sup>3</sup> 579,996

<sup>1</sup> Costs of items (1) through (4) in the preceding Table totaled are \$17,320.

<sup>2</sup> The actions that are typically taken for each type of hazard are listed in the PROBLEM column. Costs include the value of destroyed food multiplied by the number of actions or, in the case of denaturing, it is assumed that 10 percent of the value of the product is retained. No food was reconditioned.

<sup>3</sup> This number may well underestimate the benefit. FDA recently completed a seizure proceeding (not filed in 1994) in which \$5 million of product was condemned. Thus, preventing seizure can have a significantly higher value than that reflected in this table.

b. *Detentions.* A detention is a procedure for preventing violative products from entering the United States. Table 13 shows the actions and their associated costs that follow a determination that a sample is violative, the following actions take place.

TABLE 13.—DETENTION STEPS

Action	Hours/other	Cost <sup>2</sup>
Federal personnel send a detention notice to the importer with an opportunity to introduce testimony .....	2 .....	\$214
Importer hires attorney and introduces evidence. Submits response application .....	16 .....	1,712
Determination of action to take .....	24 .....	2,568
Reshipment allowed, or .....	10 .....	1,070
	Travel, Cost to Reship .....	200