

FDA Bio-Terrorism Act

Dear Valued Customer:

As you are aware, the Bio-Terrorism Act (BTA) goes into force on December 12th, 2003. Under this act, all food and beverage commodities for human and animal consumption will now need FDA prior notice declarations filed **BEFORE** the shipment arrives. Failure to obtain prior notice approval will subject your shipment to delay and/or refusal.

Prior Notice (PN) is new to all of us. The Food and Drug Administration, US Customs and Border Protection and Farrow (U.S.) are furiously working to complete the programming and procedural efforts required to get this program online and be in compliance with the Bio-terrorism Act. FDA has indicated that for 3 months they will be in an "informed compliance" mode. This advice suggests that there will be some leniency in actions from FDA. The next phase will bring FDA "enforced compliance", where the detention of shipments and issuance of penalties will prevail. We do not expect this phase to take effect until sometime in the spring of 2004.

Russell A. Farrow (U.S.) Inc. and Ameri-Can Customhouse Brokers Inc. have worked to streamline the process for our customers. The result of these efforts is the creation of the Prior Notification Worksheet. A copy of this worksheet is attached to this document.

We expect the Prior Notice (PN) process to work as follows:

- Fully complete FDA Prior Notice Worksheet (all fields are required unless marked optional)
- Determine the border (Port) crossing by contacting your carrier.
- FAX the PN Worksheet and all other commercial documents to the appropriate Farrow/Ameri-Can release office (Please refer to the list of our border offices fax numbers contained in the worksheet)...
- FAX Timeline......1-4 Different Products = FAX 3 hours prior to shipment crossing

5 + Different Products = FAX 5 hours prior to shipment crossing

Note: prior notice can be submitted up to 5 days (maximum) in advance of shipping. Please provide as much lead time as possible.

- Farrow/Ameri-Can employee will transmit the PN data to FDA via our electronic interface.
- FDA will return the PN "Received" confirmation notice. FDA has not committed to a turnaround time on providing confirmation notice as of this writing.
- If you or your carrier requires the PN "received" confirmation, this can be provided by return FAX from Farrow/Ameri-Can.

- Turn all of your shipping and import documents over to the carrier for presentation to US Customs at the border
- Fees: Additional fees will be charged for processing FDA Prior Notice shipments due to the large amount of additional data processing, monitoring FDA confirmations, reporting/communicating prior notice confirmation and follow up required per shipment handled.

Schedule of Fees:

Prior Notice Transmission - \$ 3.00 per product, per prior notice (note. each item shipped, even if the same product but a different flavor or different package size will require a separate prior notice)

Monitoring & Communicating Prior Notice Confirmation Number - \$ 3.00 per returned FAX confirmation, if applicable

Prior Notice Changes - PRICING TO BE DETERMINED based on the final requirements of the FDA

Prior Notice Fees are subject to change based on actual or future requirements by FDA and/or Customs.