National Organic Standards Board: Import Panel

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Director, Standards Division
National Organic Program
The Agricultural Marketing Service/National Organic Program has determined that certain shipments of corn and soy, shipped from Turkey were fraudulently labeled as organic.
• Request for NOSB recommendations(s) on improving the oversight and control procedures used by AMS/NOP certifiers, and operations to verify organic claims.
• Today’s panel provides Federal perspectives on the import of organic products.
NOSB Import Panel

- Michael Durando – USDA/Agricultural Marketing Service/Marketing Order and Agreement Division
- Daniel Collier – Department of Homeland Security/Customs and Border Protection
- Matthew Farmer – USDA/Animal Plant Health Inspection Service/ Plant Protection and Quarantine Program
- Jennifer Tucker, Ph.D. – USDA/Agricultural Marketing Service/National Organic Program
Agricultural Marketing Service
Creating Opportunities for American Farmers and Businesses
www.ams.usda.gov/nop
Imported Agricultural Products Regulation

National Organic Standards Board

October 31, 2017
Key Points

• Improving government services through cross-departmental information technology

• Complexity of agricultural import regulation

• Case Study: Streamlining AMS 8e import enforcement

• Critical elements for success
• U.S. Customs and Border Protection (CBP)

• Customs Modernization Act of 1993

• Single, centralized access point for government and trade community

• Multi-billion dollar investment over 15-20 years

• 47 Partner Government Agencies (PGAs)

Advantages:

✓ Coordination among 47 agencies

✓ Streamlined industry compliance

✓ Real-time government decision-making

✓ Reduced costs

✓ Reduced paper
Partnerships and Governance

ITDS Board of Directors

• ACE development

Border Interagency Executive Council (BIEC)

• Operations and Maintenance

• PGA development, modernization, enhancement

Departments:

• Agriculture
• Commerce
• Defense
• Energy
• Justice
• Labor
• Homeland Security
• Interior
• Transportation
• HHS
• Treasury
• State
• Independent Agencies
USDA Participants

USDA

AMSA

APHIS

FSIS

USDA

FOREIGN AGRICULTURAL SERVICE
CBP Participants in AMS

Interactive Users

• Marketing Orders and Agreements
• Specialty Crops Inspection
• Shell Eggs Quality Assessments

Data Users

• Market News
• Research and Promotion Programs
Section 8e Import Regulations
(Fruits, Vegetables, Specialty Crops)

- Section 8e of the Agricultural Marketing Agreement Act of 1937
- Requires import enforcement of comparable standards (grade, size, quality, maturity) to domestic marketing orders
- Enforces inspection of commodities prior to release from CBP custody
- Approximately 250,000-350,000 entries per year
Section 8e Regulated Commodities

- Avocados
- Dates (not processing)
- Hazelnuts/Filberts
- Grapefruit
- Grapes (Table)
- Kiwifruit
- Olives (no Spanish-style)
- Onions
- Oranges
- Irish-type Potatoes
- Pistachios
- Raisins
- Tomatoes
- Walnuts
Before ACE

- Difficulty reconciling paper certificates with import data affected timeliness
- Automatic release by CBP after 30 days
- Weekly data transfer from CBP to AMS via CD
- Limited visibility of entries
After ACE

- Real-time inspection and CBP data to AMS
- “Hold-intact” authority by AMS determines release by CBP
- Most entries released within 24 hours
- Visibility of all entries
How CEMS Works

1) 8e importer files in ACE

2) Inspection request

3) Inspection reconciliation

4) ACE instructed to to release or hold shipment
CEMS Development

- Three years
- $3 million
- AMS Information Technology Service
- Outside contractor
- Nine ACE/CEMS message sets
CEMS Results

- Visibility increased from 500 to 5,000 entries per week
- Compliance case investigation and average closing time reduced from 3 months to 3 weeks
- 1,200 closed cases since July 2017
- Full enforcement of Section 8e import regulations
- Leveled playing field for American producers
- Assured quality for American consumers
Critical Elements

- Legal Authority: AMAA 1937
- Clear process supported by regulations
- Funding for system development, operations and maintenance
- Staff resources for compliance enforcement
- Communication and outreach to stakeholders
Thank You

www.ams.usda.gov/moab

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AUTOMATED COMMERCIAL ENVIRONMENT (ACE)
INTERNATIONAL TRADE
• In FY2016, CBP processed more than $2.3 trillion in imports and more than $1.5 trillion in exports, and collected approximately $40 billion in duties, taxes and fees

ACE / ITDS
• Executive Order established December 2016 as deadline for implementation
• ACE is the technology enabler through which Single Window processing is realized

PARTNER GOVERNMENT AGENCIES
• More than 47 Partner Government Agencies
• Streamlines paper submissions and multiple entry systems
• Automates 269 forms required for imports and exports
The ultimate goal is to improve U.S. economic competitiveness through facilitation of trade, while enhancing PGA enforcement.
Best Practices

Political Will
Legal Framework
Engagement
Agility
Sharing
Evaluate
United States Journey to a Single Window

- ACE programming began in 2001 to streamline data
- International Trade Data System (ITDS), an interagency initiative that established a single system for the collection and distribution of trade data, mandated in 2006
- Executive Order signed in 2014, set deadline for US single window completion and established Border Interagency Executive Committee (BIEC)
Significant Legal Authorities

- CBP enforces laws and regulations on behalf of 47 federal agencies
- CBP enforces admissibility requirements, and may *detain, seize, or deny entry* of any merchandise that fails to meet those requirements when entering the U. S.
- Publish Timely Regulations for CBP/Partner Government Agencies to ensure proper authorities are in place to affect change and collect the desired data
- Seek approval from governance bodies such as Office of Management and Budget (OMB) and Office of Information and Regulatory Affairs (OIRA)
- Update trade program and operational guidance for agency personnel and the user community in industry

Legal History

- 1993 Mod Act:
  - Mutual importer compliance responsibility
- 2006 SAFE Port Act:
  - Recognized and prevented threats along supply chain
- 2014 Executive Order
  - Established Border Interagency Executive Council (BIEC)
Monitoring Progress

1. **Strategy**
   - White House
   - Congress
   - National Security Council
   - National Economic Council
   - Office of Management and Budget

2. **Policy & Process**
   - Trade Support Network (TSN): Trade Leadership Council
     - ITDS Board of Directors
     - Commercial Operations Advisory Committee (CCOAC)
   - Border Interagency Executive Committee
   - Deputies Committee

3. **Technical**
   - TSN Subcommittees
   - U.S. Customs and Border Protection Internal Committees

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U.S. Customs and Border Protection

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ace
Oversight: Stakeholder Engagement

**Strategic/ Policy Approach**

**Commercial Operations Advisory Committee (CCOAC)**
- 20 members | 1-2 monthly calls | 4 annual onsite meetings
- 3 sub-committees work on ACE:
  - One U.S. Government at the Border
  - Modernization
  - Exports

**Output:** Strategic, public policy level recommendations.

**Trade Support Network**
- 300 members (40 leadership reps) | Monthly calls | 2 annual onsite meetings
- 9 sub-committees work on ACE:
  - Account Management
  - Entry
  - Export
  - ITDS
  - Legal & Policy
  - Multi-Modal Manifest
  - Supply Chain Security
  - Transition

**Output:** Detailed requirements for new ACE features, enhancements to existing features and assistance with testing.

**Border Interagency Executive Council**
- 47 agency Executives | Chaired by DHS Secretary | 4 annual onsite meetings
- 3 sub-committees:
  - Risk Management
  - Process Coordination
  - External Engagement

**Output:** Policy coordination and reduction of barriers preventing automation.

**ITDS Board of Directors**
- Technical reps from 47 agencies | Chaired by Treasury Under Secretary | Monthly onsite meetings
- Works on all aspects of ACE integration. Forms committees and working groups as needed to address specific issues.

**Output:** Focus on automation and driving interagency requirements.
Agile Implementation

**May 2016**
Finalized migration of Automated Export System (AES) and AESDirect portal capabilities to ACE from U.S. Census

**August 27, 2016**
ACE mandatory for electronic protests

**December 2017**
Scheduled Deployment and mandatory transition of Statements

**May 1, 2015**
ACE mandatory for all electronic manifest filings

**July 23, 2016**
ACE mandatory for all entry and entry summary types.

**September 2017**
Scheduled deployment and mandatory transition of Duty Deferral, e214, Non-ABI Summary, and Importer Security Filing (ISF)

**February 2018**
Scheduled deployment and mandatory transition of Core and TFTEA Drawback, Reconciliation, Liquidation and Automated Surety Interface.
CBP established a process to facilitate and manage integration of PGAs into ACE:

1. Outline legal agreements, requirements collection, regulations review/update, rollout planning
2. Define criteria, publish public announcement
3. Facilitate working groups with trade members to define technical requirements
4. Solicit participants, coordinate filings, expand
5. Report through committee meetings on status and decision points
Partner Government Agency Prerequisites

1. Begin Onboarding
   - Assess individual agency needs.

2. Formalize Agreements
   - Document the scope and deadline of the outlined work.

3. Data Analysis
   - Catalog all paper forms an agency collects to facilitate the import and export of goods.

4. Determine Pilot
   - Complete coding and initiate a pilot.
Key ACE Benefits for PGAs

- Federal agencies have earlier, automated visibility to shipment data
  - Expedites their import or export assessments at the border and speeds the flow of legitimate trade
  - Improves security, health and safety of cargo
- Facilitates interaction between PGAs
  - Integrated messaging feature allows CBP to interface with PGA personnel
- Eliminates need to submit PGA forms through paper
  - PGA Message Set allows for digital submission of PGA data in lieu of paper forms.
  - Document Image System allows electronic submission of imaged copies of PGA and CBP forms electronically as opposed to paper.
Benefits of Filing with ACE

**Quicker Receipt of Data**
- Automated Agency Interaction

**Reduced Time and Paper Costs**
- Manifest Submissions
  - File *electronic* truck manifests (include ACE Portal filing)
  - Designate *authorized partners* who can use carrier custodial bonds
  - Receive *enhanced visibility* of cargo status
  - Reduce *wait time* at Ports of Entry

**Entry Submissions (Cargo Release)**
- Streamline submission of data elements
- Remove requirement to file paper CBP Form 3461

**Entry Summary Submissions**
- Increase traceability for audit and expedite release via eBond
- Replace paper processes with *electronic post summary corrections*
- Reduce invoice transmissions through Census Overrides

**Exports**
- Generate reports of up to 5 years of export data
- Incorporate Bureau of Industry and Security (BIS) *license control updates*
- Incorporate *Census regulatory changes*

**Periodic Monthly Statement**
- Pay duties & fees on *monthly basis*
- Consolidate entry summaries for a month on *one statement*
- Track activity with *customized* account views
Lessons Learned

Through build and implementation of a Single Window the following factors should be considered:

<table>
<thead>
<tr>
<th>Pre-Implementation</th>
<th>Throughout Implementation</th>
<th>Post-Implementation</th>
<th>Resulting Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ Baseline process/performance/outcome measures (i.e. time to release)</td>
<td>□ Agency Readiness</td>
<td>Approach for future updates/enhancements</td>
<td>□ Impact on trade facilitation, enforcement, security objectives and economic outcomes</td>
</tr>
<tr>
<td>□ Define criteria for success</td>
<td>□ Partner Government Agency Readiness</td>
<td>□ What methods are best to collect inputs from stakeholders?</td>
<td>□ Return on investment for the trade community</td>
</tr>
<tr>
<td>□ Identify necessary training, business process, and legal updates</td>
<td>□ Trade Community Readiness</td>
<td>□ How are requests reviewed and prioritized?</td>
<td>□ Enhanced border coordination and risk management</td>
</tr>
</tbody>
</table>

Approach for cost sharing:
- Should one organization be responsible for funding maintenance and upgrades?
- Have other offices achieved a cost savings by relying on the single window?
ACE on CBP.gov

1. Left Navigation:
   - Getting started
   - Technical Documentation (CATAIR, IGs, etc.)
   - ACE Features (Detail on ACE capabilities)

2. Main Column:
   - Updated with latest news/headlines
   - Mandatory Dates
   - What’s New with ACE?
   - Links to publications

3. Right Navigation:
   - ACE portal
   - CSMS
   - Outreach
   - Training
   - FAQs
   - Support
Questions?
APHIS Role in Import Process

United States Department of Agriculture
Animal and Plant Health Inspection Service
Plant Protection and Quarantine

Matthew Farmer
Assistant Director
Topics

- Org Chart/Mission
-APHIS Programs
-Safeguarding Continuum
-Market Access and Regulatory Process
-Agriculture Quarantine Inspection Process
-Initiatives
-Resources
-Summary
This organization chart displays the names of USDA offices, agencies, and mission areas. Each office, agency, and mission area is placed within a cell connected by lines to show the structure and hierarchy (Under Secretary, Deputy Secretary, or Secretary) for which they fall under. An HTML version that lists USDA Agencies and Offices and USDA Mission Areas is also available on usda.gov.
APHIS Mission

To protect the health and value of American agriculture and natural resources.
Key APHIS Programs

- Animal Care (AC)
- Biotechnology Regulatory Services (BRS)
- International Services (IS)
- Plant Protection and Quarantine (PPQ)
- Veterinary Services (VS)
- Wildlife Services (WS)
Safeguarding Continuum

- Offshore Programs
- Permitting
- Border & Port Inspection
- Pest ID & Mitigation
- New Pest Detection & Response
- Pest Eradication & Management
- SITC
Market Access and the Regulatory Approval Process (Plants)

- Pre-Petition Planning
- Petition Process – Prerequisites for pest risk assessment
- Market Access Approval Process
  - Rulemaking
  - Notice Based Market Access
- After Approval
- Phytosanitary Treatments
- System Approaches
Rulemaking

- The standard process
  - Time consuming
  - Several years before new commodities are allowed into the United States

- In 2007, APHIS developed the Notice Based Process (NBP)
  - Applicable only under pre-defined standards
  - Streamlined
  - Shortens the timeframe
To Qualify for the Notice Based Process

- Subject to inspection upon arrival
- Imported from designated pest free area
- May require phytosanitary treatment (7 CFR §305)
- Inspection + certification in country of origin
- Commercial consignments only

- Full criteria to qualify for NBP (7 CFR §319.56-4)
Steps After Regulatory Approval

- Manuals (e.g. Fruits and Vegetables Import Requirements (FAVIR), Treatment Manual) updated
- Permit conditions defined
- APHIS and National Plant Protection Organization (NPPO) develop Operational Work Plan
Steps After Regulatory Approval

- Permits drafted and issued
- CBP informed of the shipment arrival and permit conditions
- Facility certification/compliance agreements/preclearance protocol established
- NPPO requests pre-clearance from APHIS
Phytosanitary Treatments
Agriculture Quarantine Inspection Process

Commercial Importation

• Can the commodity be imported? FAVIR
• Entry documents – Notice of arrival, import permit, phytosanitary certificate, certificate of origin, etc.
• Inspection of commodity
• Disposition
  o Released no pests, disease or discrepancy
  o Held for pest identification/documentation
  o Condition of entry treatment
  o Prohibited
Future/Ongoing Initiatives

- Automated Commercial Environment/International Trade Data System *(AC, BRS, PPQ, VS)*
- Risk Based Sampling *(PPQ)*
- Permit Issuance Streamlining *(BRS, PPQ, VS)*
Resources

APHIS Stakeholder Registry
https://public.govdelivery.com/accounts/USDAAPHIS/subscriber/new

Fruits and Vegetables Import Requirements (FAVIR)
More Questions?

APHIS Customer Service
Call Center
1-844-820-2234
Monday – Friday 08:30 –17:00

https://www.usda.gov/ask-expert
Topics

• Org Chart/Mission
• APHIS Programs
• Safeguarding Continuum
• Market Access and Regulatory Process
• Agriculture Quarantine Inspection Process
• Initiatives
• Resources
• Summary
Concerns, Comments and/or Questions
Import Panel: The NOP View

Jennifer Tucker, Ph.D.
Associate Deputy Administrator

Agricultural Marketing Service
Current Work

• Integrity and ACCREDIT
• Export Certificates
• OIG Audit Report Responses
  – Import Certificates with Customs and Border Protection
  – Needs Assessment and Concepts of Operation will shape future vision and investments
Upcoming Work

• Explore the development of an international supply chain traceability system

• Conceptualize Alternative Models:
  – Governance (Industry, Government)
  – Technology (Blockchain, Others)
How NOSB Can Help

1. Propose roles for industry, certifiers, and NOP to protect the organic integrity of imports within the existing regulatory framework

2. Propose a Concept of Operations for full supply chain audits, in addition to certifier-specific audits

3. Propose governance alternatives for an international supply chain traceability system

4. Propose how certifiers can verify inspector skills in specialized audit activities, such as traceback and mass balance audits, through performance reviews
Agricultural Marketing Service
Creating Opportunities for American Farmers and Businesses
www.ams.usda.gov/nop