

UNITED STATES DEPARTMENT OF AGRICULTURE

+ + + + +

GRAIN INSPECTION ADVISORY COMMITTEE

+ + + + +

WEDNESDAY,
DECEMBER 15, 2021

The meeting came to order at 11:05 a.m. EST via Videoconference, Matthew Kerrigan, Chair, Presiding.

COMMITTEE ATTENDEES:

DAVID AYERS, Champaign Danville Grain Inspection, Inc.

CHAD CHAMBERS, Caledonia Farmers Elevator

JANICE COOPER, Wheat Marketing Center

CURTIS ENGEL, The Scoular Company

NICHOLAS FRIANT, Cargill, Inc.

MATTHEW KERRIGAN, EGT, LLC

RYAN KUHL, Northern Plains Grain Inspection Service

ROBERT SINNER, SB&B Foods, Inc.

JIMMY WILLIAMS, Missouri Department of Agriculture

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

USDA STAFF:

MELISSA BAILEY, AMS Associate Administrator
LEE CAPPER, Chief Innovation Officer
JESSE GASTELLE, Transportation Services Division
ANTHONY GOODEMAN, Field Management Division
ED JHEE, Technology and Science Division
KENDRA KLINE, Agricultural Marketing
ARTHUR NEAL, FGIS Deputy Administrator
TIMOTHY NORDEN, Scientific Integrity Officer
BYRON REILLY, Internal Affairs Division
DENISE RUGGLES, Executive Program Analyst
RYAN SEAPY, Electronics Engineer
ADAM SPARGER, Transportation Services Division
KARLA WHALEN, Quality Assurance and Compliance
Division

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

C-O-N-T-E-N-T-S

Call to Order and Welcome Matthew Kerrigan, GIAC Chair Person	4
Greetings Melissa Bailey	6
FGIS Program Updates	
Arthur Neal, FGIS Deputy Administrator	17
Denise Ruggles, Executive Program Analyst	28
Karla Whalen, Director, Quality Assurance and Compliance Division	38
Anthony Goodeman, Director, Field Management Division	47
Byron Reilly, Director, Internal Affairs Division	64
Ed Jhee, Director, Technology and Science Division	74
Presentation: AMD Ag Transportation Analysis and Data Visualization Platform, AMS Transportation and Marketing Program	98
Discuss Industry Issues:	
FGIS Proposed Technology Review Process	139
Average Inspection Flexibilities	169
Public Comments	190
Wrap-Up Discussions on Industry Issues	191
Adjourn	196

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

P-R-O-C-E-E-D-I-N-G-S

11:05 a.m.

MR. KERRIGAN: Good morning, everybody.

I see a lot of bright and shining faces moving around the screen here. I'm seeing a few smiles on this. That means that mic check must've worked out fine.

It's about five after the hour. I want to welcome everybody and kick this meeting off.

I know we've had a few technical issues here.

If we run into anymore, we will probably break. But hopefully, those have been resolved for everybody. I see everybody coming back to their seats here as well.

Just to remind everybody, if you aren't speaking or intending to speak, please mute your mic with respect to others as we get through this.

And with that, I'd like to call the meeting to order. Kendra or Arthur, would you like to take over here for some introductions?

MR. NEAL: Yeah, good morning,

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

everybody. It's good to see you. We've got on our agenda today to have greetings brought to us from the Administrator's Office.

I know we've got Bruce Summers listed to bring greetings to us from AMS. And we've got a new and bright smiling face and personality to bring greetings and introductions to us today. I'd like to introduce a new member of the AMS Administrator's Office, Dr. Melissa Bailey. Dr. Bailey serves as one of the associate administrators for AMS.

As AMS has two associate administrators that help facilitate the work of the Agency along with Bruce, Melissa is a new associate administrator. And she's no stranger to AMS as she served in multiple leadership roles across numerous AMS programs, such as livestock and poultry where she served as the associate deputy administrator, specialty crop program where she served as associate deputy administrator, and the national organic program where she served as

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

director over the standards development. And she also served in the transportation and marketing program.

So as you see, she brings a lot of experience and knowledge to her role. And we really are appreciative to have her assigned to the Federal Grain Inspection Service. She is the associate administrator that will be working most closely with us to help us facilitate the work of FGIS. And so without further ado, I'd like to welcome Melissa to the Grain Inspection Advisory Committee and turn the floor over to her to bring greetings on behalf of AMS.

MS. BAILEY: Great. Thank you so much, Arthur, for all of your kind words and great to meet the committee today. As Arthur said, I've been in federal service for about 11 and a half years. All of them have been with AMS in a variety of programs. In fact, when I first started at USDA, Arthur and I both worked together at the organic program.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

So I feel a little bit like life continues to come full circle. I have worked with other federal advisory committees, both in the organic space and also at the fruit and vegetable industry. So just always great to meet another federal advisory committee and spend some time with you today.

To that point, I just wanted to say first and foremost thank you so much for your service on the committee and just generally in support of U.S. agriculture. Through these committees, you really truly provide the on the ground perspective and industry pulse that we really need in the halls of USDA to provide recommendations and guidance on how we can best serve the grain sector through our different programs and policies. We understand certainly that you take time away from your businesses to engage in this important work, and truly from the Secretary on down, greatly appreciate the time and the commitment that you make as members to your

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

participation in the committee.

I also do want to acknowledge the record year that the grain industry has experienced and the partnership that FGIS with Arthur's leadership that he has really cultivated with the sector in ensuring that America's grain industry remains both strong and competitive. And truly just thank you for your efforts every day for what you do.

I know you have a lot of work to do on the committee.

But I did want to touch on kind of three brief items before you get underway with your committee work today. First, I'll touch a bit about the supply chain work that we're doing at USDA. And some of you may have either been involved in some of the stakeholder meetings we've had or some of the comments we've been taking. Second, is just to touch on some of the pandemic and grant-related work that AMS has been immersed in, and then third, just to touch on our operations.

So much to my surprise earlier this

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

year, after the President announced an executive order on America's supply chains asking six different departments across the government to engage in industry sector analyses, kind of doing a top to bottom assessment of their supply chains.

Food and agriculture was on the list. And we were asked that AMS take the lead on that effort for USDA. So we have been at work kind of leading that cross-departmental initiative, convening an interagency interdisciplinary team that's been comprised of about 40 subject matter experts, including folks that represent the grain industry to craft a USDA strategy for the one-year supply chain report that we will be publishing next year on food and agriculture.

So just talk a little bit about that process, the team did solicit and analyze over 900 public comments through a request for information process as well as engaged with interagency partners. So this could range from Department of Labor, certainly labor issues we're all

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

experiencing, you all are experiencing, Department of Transportation which I know is a huge issue in your industry as well. So just engaging with those interagency partners as we develop a supply chain assessment and tapping into those resources.

And what we've done is really identified the top food and agriculture vulnerabilities and then prepared dozens of corresponding policy recommendations, including investments that could be made that USDA and federal partners could implement to build resiliency in the food system. So the goal is -- or I think the requirement is. I don't think it's a goal. I think it has to get done, that we publish this report in February of 2022. All of the agencies will be doing that in concert.

We have appreciated the high level of engagement from stakeholders, including the grain industry and the comment process and the meetings that have really helped shape our perspective and solutions for the effort. One thing I did want

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

to touch on as really as a result of that work and related efforts by Secretary Vilsack as co-chair of the Administration's short-term supply chain construction task force, we have been really focused recently on identifying how to use up to 500 million dollars in Commodity Credit Corporation or CCC funds that would provide relief from ad market disruptions. And this could be things like increased transportation challenges.

So somebody used the word the other day, container Armageddon, that I know we're all aware of and you all are experiencing on the ground, the availability and cost of certain materials related to the marketing and distribution of certain commodities, potentially including grain. And so sort of from that supply chain report, we've been shaping the CCC investment. And as part of initial conversations we've had on that topic, we've reached out to a cross-section of commodities, including the grain industry and the Ag Transportation Coalition if any of you are engaged

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

in that, to help identify how we can use the CCC resource to meet the needs that is both consistent with sort of what would be most helpful for the industry and most impactful as well as consistent with the authority of the CCC and sort of overarching export and trade policy which is quite a balance as I'm sure you can imagine.

So as that particular program unfolds, we can certainly inform the committee and just the industry in general of our efforts and outcomes.

Just to touch really briefly because it's been a huge lift for the Agency this year in terms of kind of the second thing I wanted to cover on pandemic assistance and grants, our AMS team has been busier than ever before. Arthur used to lead that team and kind of remembers a handful of years ago they were always busy.

But wow, this year has been a banner year. We have been deploying new resources under the Consolidated Appropriations Act to respond to the COVID-19 pandemic for both existing grants as

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

kind of plus-ups that were provided in the CAA legislation and to create new programs. So just to give you a sense of what was involved there between the beginning of 2021 and today, so far, we've awarded over 320 million dollars across our nine existing grant programs which is an unprecedented level of awards for AMS to support a variety of agricultural activities. This is to support a range of projects, including things like expanded capacity in the meat and processing sector, local and regional marketing, expanding aggregation and distribution for a local grain project in Arizona, a new dairy business innovation center just to touch on a few.

We also have design and implement -- and are really in the thick of it -- implementing some new grant relief programs totaling about 1.9 million -- million? Let me rephrase that, 1.9 billion in funding to aid farmers, food processors, and other ag stakeholders impacted by COVID. So we have two main programs that are the focus there,

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

the pandemic safety and response grants.

That first round that we've done is really targeted speciality crops in certain processing sectors who haven't received a significant amount of aid through other pandemic assistance programs previously. And then we had sort of a second program that we're unrolling right now for food and farm worker relief. That's a 700 million dollar program where state governments could apply, Tribal governments, and non-profits to take funds and then redistribute relief payments to food and farm workers on the ground who were affected by the pandemic.

So we're right in the thick of those programs right now in deployment. That was, again, a heavy lift for the team. That'll carry us into 2022 and beyond in terms of our implementation and monitoring of those federal funds.

And then the final thing I wanted to cover on with you all today is just in terms of

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

operations. I know Arthur has talked to folks about this quite a bit. But as you know, a significant operational focus continues to be us rolling out the federal employee vaccine requirement.

So probably the most important message I want to leave you with is this really has and continues to be a process for us that we will continue implementing into 2022. We still have employees conveying their vaccination status to us as it changes. We have medical and religious accommodations that we need to continue to work through.

The disciplinary timeline you may have read about in the news continues really to evolve as we receive guidance from the Department and from the White House. As one can imagine, this is a new process for all of us. I know Arthur monitors this situation every day and keeps a pulse on our workforce and our service to you all. And we really truly are committed to continuing the lines

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

of communication with you certainly into the new year and beyond.

So again, just great to be with the committee for a few minutes this morning. I don't want to take too much more of your time because I know you have a lot of work to do, but just appreciate the opportunity to say hello. And any questions, I'm happy to take and answer. So thanks so much, Arthur and everyone, for having me today.

MR. NEAL: Thank you, Melissa. Any questions for Melissa based on what she shared?

MR. KERRIGAN: Quiet crowd this morning.

MR. NEAL: Well, Melissa, we appreciate you taking the time. We know that you all are running. But thanks for taking the time to bring greetings, share these updates.

These are very important. You can choose to stay on with us or move on to the next task I know you got on your list. But we appreciate you. Thank you so much.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

MS. BAILEY: Sure. Thanks so much and I hope you guys have a great meeting. Appreciate it.

MR. NEAL: All right. Take care.

MS. BAILEY: Take care.

MR. NEAL: Well, good morning again. It's been a while since we've gathered together. But it's really good to be with you today.

We had all intentions to be together in person since our last meeting. But we had to change the venue back to virtual. We're hoping that the next meeting will be a hybrid virtual and in-person.

So that's going to be our goal for our spring/summer meeting depending on when we finalize the date before our next spring inspection advisory committee meeting. But it's really hard to believe that we're here in December and we're looking at soon entering into 2022. This year has presented a lot of unforeseen challenges for us.

And we're still working through a

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

number of them as Melissa has already alluded to, from inspection volume searches to staffing obstacles to unprecedented weather events. We've been able to work collaboratively to ensure that grain inspection and weighing continues for this industry. And I want to take a moment to say thank you to everybody that collaborated with us during these challenging times and made sure that we had effective communication and support on behalf of the benefit of the service.

I remember when I transitioned to FGIS in 2019. Collaboration was kind of the motto of the day that we wanted to promote and achieve. And I believe that together, we've been able to continue marching in that path.

And so I just want to say thank you on behalf of AMS, the FGIS leadership team, and all of our staff, to everyone that has collaborated with us to make sure that service through these challenging times has gone uninterrupted. My remarks personally will be brief. I'll reserve

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

most of our time for updates from Denise to talk about budget and a division director to talk about various updates to the work that we're doing inside of FGIS.

But I'll focus a few of my updates regarding U.S. grain standards, active reauthorization, reporting requirements. Melissa has already kind of provided a vaccine update. I'll kind of speak lightly on that and then just kind of talking about where we may need to move our focus and attention in the future.

First, talking about the reauthorization reporting requirements, based on the reauthorization that passed, we have a requirement to do more frequent reporting, quarterly reporting describing data and tests for inspections in intrinsic quality factors. We plan on having our quarterly reporting launch in January. It may be more towards the end of January.

But that quarterly reporting will start

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

here. It'll also include more information regarding exceptions and waivers. So we're modifying how we're capturing some of that information now so that we can begin reporting it in January.

We also have a requirement in the U.S. Grain Standards Act to conduct a comprehensive and nationwide review of the official agency geographic areas. That review has to be done. And we also believe that part of that review included the work that was captured in our proposal regarding the exceptions to geographic boundaries.

But that review has started. We plan on making sure that's complete by June of 2022.

So we're looking pretty good on making that target date. Those are the main updates from U.S. Grain Standards Act kind of reporting requirements that we have that I wanted to give folks an update on.

As it pertains to the vaccination update, Melissa shared we're monitoring that closely. We are having employees still submit

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

their vaccination status. The numbers evolve every day.

The implementation in terms disciplinary action date as you all probably have noted got pushed back to January. And so we are still in this process. We are still moving very carefully and cautiously to ensure that service is uninterrupted.

We've also begun looking at and working with our contracting office here to establish a statement of work. We're trying to figure out if we do encounter any challenges as a result of the vaccination mandate, the federal employees, that we look at contracting out some of our technician work. And so we're working feverishly to try to get a contract mechanism in place so that we can utilize it in case of an emergency.

I think a big topic that has been placed on my mind as it relates to some of these challenges that we've been faced with concerning staffing and now with the vaccine mandate is how do we plan on

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

doing work in the future. Let's say something like this continues and we're faced as an industry with these challenges. I think we need to start having conversations about what in the grain inspection and weighing work that we facilities, what of that work can be automated.

How can we being to look at automating more of what we do? And I know the FGIS in the past has talked about automating some of its work.

But we're talking about a different type of automation I think at this point that we need to think about throughout the entire system. And I'd like for the Grain Inspection Advisory Committee to help us think through how we can look at the various functions and roles carried out in this grain inspection and weighing work that we perform.

How can we begin looking at automating some of this work such that if we experience tightening of staff across the country or emergencies that we have some options to leverage technology? I think that's something that we

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

really got to think about and have some conversations around. I want to pause for a second. I see Nick's going a question.

MR. FRIANT: Just real quick, Arthur.

Given the info and data that you have at this point, do you have a sense for how many FGIS staff have been vaccinated percentage-wise, or --

MR. NEAL: The latest numbers that I have, we're looking pretty good. I can't divulge the actual numbers because my data is old data.

And so I don't want to put old data out there.

But we're looking -- we're moving in the right direction, Nick. I'll say that much.

I think one of the things that has been a learning exercise, as we learn more concerning vaccination status, is we're able to reach out to folks and encourage them to move in the way that we'd like them to.

Whether or not they do so, it's their personal choice. But that outreach is what's really important, to be able to know who is and

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

who is not. And so that whole verification process is still ongoing about who is and who is not.

So that's the slow information that's coming to us. You don't know the actual people yet. And so as we're learning more of that information, we're able to do more direct outreach and the numbers continue to improve.

MR. FRIANT: Thanks.

MR. NEAL: Yes, sir. So based on what we were sharing a little bit earlier, the conversation about technology and how we can leverage it in our grain inspection and weighing activities is going to be important for us moving forward. It's not something I think we can resolve in a short-term manner. But from a long-term perspective, it's definitely a conversation that I'd like for us to engage with industry.

So I won't delay any further. If you all have any questions for me, this would be a good time to ask. But I'll be chiming in probably throughout the updates from the division directors

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

and more. Janice, were you about to ask a question? Yes, ma'am.

MS. COOPER: Could you just let us know what our status is as far as committee attendance?

And if we don't have all ten people, what is that limit as far as recommendations and actions?

MR. NEAL: Yes, ma'am.

MS. COOPER: Thank you.

MR. NEAL: Kendra, do we have a roll call? I think from what --

MS. KLINE: Yeah, I can count for eight members. There's some phone numbers that I'm unsure of who they are.

MR. NEAL: So let's do this real quick. Let's pause for a second and let's do a roll call to make sure we've got quorum. We may be short one. And I'll explain how things flow from there.

MS. KLINE: Do you just want me to read off names?

MR. NEAL: And folks, verify if they're present.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

MS. KLINE: Okay. David Ayers?

MR. AYERS: Present.

MS. KLINE: Chad Chambers?

MR. CHAMBERS: Present.

MS. KLINE: Janice Cooper?

MS. COOPER: Present.

MS. KLINE: Curtis Engel?

MR. ENGEL: Here.

MS. KLINE: Nick Friant?

MR. FRIANT: Present.

MS. KLINE: Matt's here. Sorry, you don't have to say anything. Ryan --

MR. KUHL: Here.

MS. KLINE: -- Kuhl? Robert Sinner?

(No audible response.)

MS. KLINE: All right. Tom Tunnell?

(No audible response.)

MS. KLINE: And then Jimmy Williams, I see you, Jimmy. So yeah, so we have eight members on today so far.

MR. NEAL: So quorum typically would

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

be ten as the Grain Inspection Advisory Committee is slated to have 15 members. Five members rolled off at our last meeting. We are waiting for the Department to -- or the Secretary to appoint the next five.

We were hoping that we'd have them appointed by this meeting. So I'm almost certain they'll be appointed before the next meeting. But we're without them today which tightens our membership.

Because we are under ten today, we're able to continue having discussions on the items that are on the agenda. We just cannot take votes on any of the items. But votes are not slated until tomorrow.

And I think that -- I think we should have quorum tomorrow. A couple of members, we know one that said that they had a challenge to come up and would not make today. But we expect to have quorum tomorrow.

If we do not have quorum tomorrow, we

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

still can have conversations about all of the topics on the agenda. We just will not be able to take action on them. Great question, Janice.

Thank you. Any other questions?

(No audible response.)

MR. NEAL: What I'll do now is I'll turn over time to Denise. And Denise will provide an update on FGIS budget.

MS. RUGGLES: Okay. I hope everyone can hear me. I'm going to share my presentation.

Can you see my presentation?

(Simultaneous speaking.)

MS. RUGGLES: Thank you. So today, I'm going to go over our financial overview, how the program looks in the four different accounts we have and also provide an update on where we are on our fee analysis. So the overview, we're going to talk about the financial postings that are on the public website, the user fees, revenue, obligation by account, and the -- like I said, the fee reviews and Federal Registers.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

On the public website, we've posted the fiscal year 2021 revenue obligations, the earnings and loss, and operating reserves for the four user fee accounts. We have two under the U.S. Grain Standards Act and two under the Agricultural Marketing Act, the fiscal year 2021 inspection and weighing data that we provide for the tonnage billing and the other service fees that we provide for export hourly and inspection fees as well as the non-export hourly and inspections fees that are performed by the domestic office, the scale testing program, export registration, and the technology and science division. Also new, I do not have a slide in here, is a request was made to provide inspection and weighing program obligations by office for a given fiscal year.

That is also on the website. It is under the tab for the financials on the public website for inspection and weighing program data.

And it's titled, Inspection and Weighing Program Obligation Details by Office for FY '21. This

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

provides the expense categories of salaries and benefits, travel, shipping, et cetera, by the different groups within FGIS such as the Office of the Deputy Administrator, Field Management Division, and each of the field offices. It performs services under our grain inspection weighing program.

Here's a historical graph of the inspection and weighing account. For the end of '21, we brought in about 34.9 million dollars in revenue. Our expenses were at 37.8. We did utilize some CARES Act funding of 2.471 million dollars to offset some obligations in this program.

We also had metric tons that we brought in at 136 million 574. And the -- I outlined the highest obligation we've had and the historical data. However, if you look at this year's obligations and add in the money we used with the CARES Act funding, we would have exceeded that high year back in 2017 for obligations. Also, the operating reserve is at 7 million dollars at the

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

end of '21. And the four and a half month target based on '21 obligations is 14.2 million dollars.

The supervisor of OA's account, we had about 1.4 million dollars in obligations. And we brought in 1.7 million dollars in revenue. And the operating reserve for that program is about 2 million dollars. The tonnage was 232.7 million metric tons. And the operating reserve goal for that account is 700,000 based on six months of the 1.4 million of operating costs for the prior year.

The rice inspection account, we had about 3 million dollars in revenue. And we had about 5.3 million dollars in obligations. This was a year that we were reducing costs to bring down the operating -- reducing revenue, bringing in to -- to bring down the operating reserve. The operating reserve at the end of '21 was 5.2 million dollars. And the goal for that account which is six months of operating costs for the prior year is about 2.7 million.

On the commodity account program, this

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

program, we utilize CARES Act funding. That's why you see our obligations at a negative amount. To bring this account whole meaning we brought the operating reserve out of the negative status and brought it to a positive status due to the fact that we could not make fee adjustments during the pandemic in the last two years for this account.

The revenue we brought in was 2.3 and the actual obligations without the CARES Act funding adjustment for this program was 2.6 million dollars which is what I brought in. You can see we have a little bit of a credit of the expenses.

And the six months goal for this account is about 1.3. We have 1.8 in there right now, and no fee adjustments have been made.

On the fee reviews, the grain inspection and weighing account, we did do a fee increase of five percent for -- it was effective January 1 of 2021. We are preparing the fee notification for the fees that will be effective January 1 of 2022. The grain supervision fees,

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

a rule did get published in September of this year which did reduce the supervision tonnage fee to the 0.004 per ton.

FGIS is preparing the fee notification for those fees also to be effective January 1 of 2022. Those fee analysis are done annually per the regulations. And the steps are in there in the section of 800.71(a) and (b).

This year, we are also looking at performing the periodic review which is under Section 800.71(c). That's what we often refer to as right sizing the fees. Since the inspection of weighing grain account has the five percent limitation on increases and decreases, this section offers us the opportunity to correctly assign costs of performing services.

The rice inspection fees, there was a publication notice put out. It was a group effort with AMS as a whole for all the programs that do agriculture marketing work. It was published in April. Our fees took effect for FY 2022 on October

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

1st, '21. We are also preparing the fee notification that will go out in March-April for the '23 fees that will be effective October 1, 2022.

The commodity inspection fees, FGIS continues to review that commodity account. As you saw, we did apply some CARES Act funding to bring that account solvent at the end of '21. And we're implementing cost saving measures where possible.

We're also drafting a plan to adjust those commodity fees to cover costs. That will be a regulatory process with proposed rulemaking.

And I also wanted to bring up the fact that we are reviewing and assessing the percentage on AMA cooperators for the program oversight on those -- to ensure those fees are appropriately assessed.

I know that was a lot of information. But are there any questions?

MR. AYERS: Denise, I have a question.

David Ayers.

MS. RUGGLES: Uh-huh?

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

MR. AYERS: Will these fees -- user fees from the official agency be published before January 1st?

MS. RUGGLES: We're in clearance. So I'm hopeful. I'm not sure, though. I'm hopeful, though.

MR. AYERS: Okay. Thank you.

MS. RUGGLES: Is there any other questions?

MR. FRIANT: Hey, Denise. Nick Friant here. Any -- and if you said it and I missed that, I apologize. Any insights into what is going to happen with the inspection --

MR. NEAL: I must have cut out.

MR. FRIANT: -- piece?

MR. NEAL: Did I cut out?

MS. RUGGLES: I can hear you.

MR. NEAL: Okay. So I was sharing that so Dave asked a question and I hear Nick with a question. Dave asked would they be published before January 1. We put the notice in clearance,

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

but we've been answering questions.

So we're hoping to get it published before January 1. But because we've had questions, this is a new administration. So making sure people understand how and why the dynamic with the fees are what they are, we're hoping to still get it published to the Federal Register before January 1. I cannot promise that.

Nick asked a question about, do we know what's going to happen with grain inspection and weighing fees. Most likely, Nick, and I can't say with certainty because the notice isn't out there.

But most likely, it'll be the five percent increase based on the regulations because our reserve is well below the four and a half mark target date -- target.

So that's what one should anticipate based on the numbers that we've shared. Kind of related, the goal for '22 is to begin the process to do a full review of the grain inspection and weighing fees so that we can begin rightly

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

adjusting them and begin recovering costs adequately versus continuing to dig into the reserves. So that's the goal for '22.

Will the fees be adjusted in '22? I can't guarantee that. But the process to begin adjusting will occur in '22. Any other questions?

MR. SINNER: Arthur, I have a question.

This is interesting, and we also have in front of us at least on the table that Japan might be going to official inspection requirements because of phytosanitary requirements in 2023. That will only add to your work and add to your obligations, right? I mean --

(Simultaneous speaking.)

MR. SINNER: -- you've thought about that? That'll be significant.

MR. NEAL: It'll be significant. But I mean, from the standpoint of phytos and APHIS, we're already doing them now. We would need more staff to cover some of the locations that are currently not doing phytos.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

The answer may be yes or depending on the approach that it's worked out to facilitate those phytosanitary inspections because we've not been in full dialog around it. There could be other options. So we're not quite sure yet. But it's something that we will have to take into consideration once that dialogue begins should Japan fully implement that policy or that requirement.

MR. SINNER: Okay, thanks.

MR. NEAL: No, thanks for asking. Any other questions?

(No audible response.)

MR. NEAL: Okay.

MS. RUGGLES: Okay.

MR. NEAL: Thank you, Denise.

MS. RUGGLES: Thank you.

MR. NEAL: Next updates we have will come from Ms. Karla Whalen who is the director for our quality assurance and compliance division. So Denise, you'll probably have to stop sharing.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

MS. RUGGLES: Yeah, I'm trying to get it back up on my screen so I can stop sharing. There. Okay, thank you.

MR. NEAL: And Karla, we'll turn it over to you.

MS. WHALEN: Thank you. Good morning to everyone. As Arthur mentioned, I'm Karla Whalen. I started working with FGIS over the summer. While my time here has been on the shorter side, it certainly feels much longer due to the warm welcome and the workload. But it's all good.

So I and the QACD staff look forward to working with you over time. And I have six areas to quickly update you on. As you can see on the screen, I'm going to start with export registration.

In October, we sent out a notice to trade to remind exporters that they had to register for the calendar year 2022. We set a deadline for this action of today, 12-15. The QACD staff has also reached out individually to known exporters.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

As of yesterday, our numbers are 70 registrants for 2022, including about 10 new entities. This compares to 2021 of 104. In 2020, we had approximately 99.

In addition to the extra push to market this requirement, we have been working to update the website information and application instruction. I also want to state that the application -- the actual application in our system, there will be a new software release tomorrow night. That's going to assist with greater efficiency for the staff and greater explanation and hopefully process for customers as well.

In early 2022, we'll reassess where we are on the outreach need for this because we do need registrants for the regulation but also for international obligations such as the China Decree 177. After that, we will turn our attention to how we can improve enforcement in this area. Byron can talk more on the China Decree if there are

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

questions on that.

For the Agency fee review, as of October 1st of this year, Arthur had provided information about the fee schedule changes including policy and process changes. In relations to my division, this team reviews, analyzes, and approves OA fee schedules. And the policy change we made was to break out the FGIS fees from the Agency fees.

This change was made to make that whole process more simple, functional, and sustainable.

And as Denise spoke about changes coming up, because we've made that policy change, we will not need new schedules at that time. The updated fee schedules are due to QACD liaisons today. It's a big day for us, 12-15-21.

As of last week, we had 11 of 49 submitted. The staff will be working on those over the next month too. And the effective date for the new fee schedules with that change will be February 15th of 2022. But the staff is already working on some.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

The next topic for us is the AMA cooperative agreements update. In August, we issued a notice that FGIS was in the process to update assorted cooperative agreements. This process has involved a number of efforts.

In relation to FGIS moving to AMS umbrella, we needed to move the FGIS programs' process into the AMS agency's template and clearance process. We are also working to ensure cooperators still have current licenses and capabilities to do what the previous agreements and documentation stated. From this process, we found about 17 are ready to go over 40.

So the staff continues to work with that situation. And we have been a little bit slowed because of how to appropriately handle the federal vaccine mandate situation which all of us know continues to evolve. So once that process is clear, we will reach back out to official agencies.

The fourth area I am going to cover is the U.S. GSA designation area, exceptions, final

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

rule. Arthur mentioned this is in his opening comments. Basically, a quick refresher, on August 19th, we issued a proposed rule to update the regulations in regard to exceptions for geographic areas.

This has been an area in flux over the past few years. We did receive four industry comments. These comments are being analyzed and considered. And we are in process to have the formal work plan improved. For us to move forward with the final FR, the work plan must be approved first. So that is where we are currently in process.

The fifth area, I would like to quickly cover are recent audit trends. As a result of the pandemic, the QACD staff redesigned the U.S. GSA designation audit process to be entirely virtual.

This has been adjusted as needed as we have learned more from this process, and it seems to be working rather well.

We anticipate post-pandemic to adjust

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

that audit process into a hybrid fashion. But again, time will tell. The full paperwork submittal process has been taking additional time for staff and agencies but all are working cooperatively.

As we are nearing two years under this effort, the staff took a look back at audit trends that we are seeing from approximately December 2019 to present. The staff will continue to analyze this cumulative summary to see where additional education, instruction, and support may be useful.

Some of the areas where there are issues were record keeping, facilities management, and personnel records. So we will continue to work with agencies on those areas.

The final area I want to briefly mention is we do have set the calendar year '22 audit schedule. For this upcoming year, we have 14 entities listed. And the dates are tentatively planned, but we may have to shift that slightly due to a changing situation and also staffing.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

So that's a quick update from QACD. And can take any questions. Or if someone wants additional information later, they can contact me direct. Thank you.

MR. FRIANT: Hey, Karla, Nick Friant with Cargill, two questions. On the exporter registration, if companies have questions about status or clarifying requirements, is that you or someone on your staff that they should reach out to?

MS. WHALEN: To make it easy, you can reach out to me or FGIS or -- am I on mute, no -- fgisqacd@usda.gov. Any of us will be able to get you to the right staff member. We have two staff members that are specifically working more devoted on that issue.

MR. FRIANT: Okay. Thank you. And then on the final rule of designated area exceptions, I think what I heard you say was they're currently working on the formal work plan which allows you to go into the final version draft.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

Any sort of timeline on when that final version may be available?

MS. WHALEN: That is hard to predict.

I think, Arthur, you had mentioned in your opening comments midyear. But I can't guarantee that, sir.

MR. NEAL: Well, the objective is to have it published by -- at least by summer. The thing that we don't control is going to be the internal clearance process for the rules. So we're going to do -- the staff had done an amazing job. It's about ready. We've got to go through the formal aspects of getting the work plan approved. And then we'll submit the final rule into the clearance process.

The reason why I'm projecting out till summer is because we don't control the clearance process as the Department has a lot going on and timelines get impacted by the activity within the Department. We will be in communication with you to give you updates, excuse me, before then. But

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

we're making good progress on it. That's what --

MS. WHALEN: Thank you.

MR. NEAL: -- I can share right now.

MR. AYERS: Karla, David Ayers. I'd like to give you kudos, you and your staff, on the Agency fee reviews, working with us. You've modernized the whole process with the user fees being separated out. That's probably a 40-year problem that we always had.

On the USDA exceptions final rule, I would like to encourage you to make sure that your staff is not easily able to change the guidelines, add new things in, and take things out. And that's what created our whole problem before. It's just my input on it. And your audit of the official agencies, excellent. It's a much better process than what we had before and very appreciative.

MS. WHALEN: Thank you for those comments and we'll keep them in consideration.

MR. NEAL: Thank you, Karla, for those updates. We'll now move to the management

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

division, and we'll turn the microphone over to Mr. Tony Goodeman.

MR. GOODEMAN: Good morning, everybody. Can you hear me okay?

MR. NEAL: Got a little of fuzziness there.

MR. GOODEMAN: Oh, man. That's not a good sign. I've got a little fuzziness in the background. All right. We'll keep it rolling here.

I do appreciate -- I think Erica had the background of, like, the plaza all lit up, like, for the holiday lights. So that's nice if we'd be out in Kansas City, but wasn't meant to be. So thanks for bringing Kansas City to the meeting here.

A few things I want to talk about today is our record year. In 2021, expanded TCK testing for wheat going to China and then Hurricane Ida.

So first of all, it was kind of ironic -- and very challenged sign in early 2020.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

And then the pandemic hit the U.S. really hard in March 2020. And that's when we really started seeing a big uptick in grain inspections volumes. And so that kind of coincided with the COVID challenges.

So we were quite busy, exceptionally busy in the summer of 2020 and then all the way into the fall of 2020 when our fiscal year started in October. And that never let up. We were busy at every location that could export grain from the Gulf to the PNW, the Lakes, containers, everything was as busy as you could imagine.

We last set a record for exports in fiscal year 2017 when we had a really big crop.

China was (audio interference) last year. We exported 150 million metric tons of grain last year. That was 23 percent above the prior year, and we beat the fiscal year 2017 record by three and a half percent.

Some contributing factors to that were some weather issues in South America and then

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

record China purchases. And we'll mention China a couple of times just real briefly here. Corn and soybeans both set a record for the fiscal year for all-time records that we've been keeping track of.

Corn surpassed the previous record by 16 percent. And China was a big driver in this, number one destination for corn exports. They took 32 percent of all U.S. We set a record. We surpassed (audio interference) record by four percent, and China was number one buyer of U.S. soybeans as well. China bought 59 percent of all U.S. soybean exports.

Sorghum was a big mover last year as well. China's purchases, they stopped by Sorghum for a while. They purchased 80 percent of all Sorghum exports -- U.S. Sorghum exports. Wheat exports were a bit lower in the previous year.

The top three buyers were the Philippines, Mexico, and China. This was the most wheat that China had bought since 1994-95 market

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

year with expanding TCK testing. So with increased demand for U.S. wheat in China, we do have an agreement with the Chinese that we will test the wheat exports for a smut spore called *Tilletia controversa* Kuhn.

It is a dwarf blunt. It can result in dwarfed wheat plants back in the U.S. It hasn't been a major issue here for quite some time. But the Chinese are testing for it.

We first set up testing about 20 years ago in the Pacific Northwest under a partnership with the wheat marketing center in Portland. So they would do the testing on GIS' behalf. And there was a special type of an audit program set up to review that.

There was an interest in getting testing set up in the U.S. Gulf, especially Texas where they wanted export like winter wheat out of Texas and get it tested more timely. And so they had a request to set up testing more infrastructure in general in FGIS but also more localized testing

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

in Texas. And so we took that up.

And within a couple of months, we set up a program where we now offer that TCK testing services -- those TCK testing services in our League City Field Office. We also have capability now at our technology and science division (audio interference) expertise. We got the equipment to run that test there in case there are any controversial issues.

Or we're still waiting on the big increase down in Texas for a week. But if you build it, they will come. So we're hopeful that '22 will be a big year for our TCK testing lab in Texas.

So we'll wait and see there. But we appreciate the collaboration Wheat Marketing Center, with U.S. wheat, with the exporters and --

(Simultaneous speaking.)

MR. NEAL: We may have lost Tony there.

MR. GOODEMAN: That was a good project.

And hopefully we'll continue to open the door for more. Let me disconnect my VPN here. Hang on a

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

second. Can you all hear me?

MR. NEAL: Yeah, we hear you.

(Simultaneous speaking.)

MR. GOODEMAN: Okay. All right. Let's keep it going here. Sorry about that. So we have this huge year continuing through the summer. And we had a call. We've had tropical storms like our partners in the Gulf do every year and hurricanes.

And there was a storm forming that was looking like could be a threat to the New Orleans area, somewhere, Louisiana, Mississippi. I think a Thursday afternoon still being a tropical storm Ida and had a call in it was going to be strengthening and looked like it might be a Category 2 when it made landfall the following weekend. We're talking about make sure their staff was safe and folks could evacuate and this thing continued to ramp up and ramp up.

Thankfully, folks for the most part were able to get out of the way. But back that

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

Sunday, August 29, the 16th anniversary of Hurricane Katrina and almost exactly a year after Hurricane Laura hit Lake Charles area as a Category 4, Hurricane Ida came ashore as Category 4 with 150 mile and hour sustained winds. It hit -- took a path just west of New Orleans.

So whereas Hurricane Katrina went east of New Orleans and flooded the city, it was a huge impact on the population center of New Orleans, this hurricane was much more damaging to the grain export infrastructure (audio interference) operations, industry operations, places where our people live, huge devastating impacts. Power was out for weeks. Power lines, trees were over the roads. The interstates were closed.

This was in the middle of summer. So it's hot and muggy. If anybody wanted to have air conditioning, they had to get a generator and fuel that generator. When this first happened, we spent most of the time assessing personnel needs, safety. Our field office took some damage, though

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

not catastrophic by any means. But it was also without power. Couldn't be open for a while.

And so after that initial assessment, we were back up and running with operations on that Tuesday. So less than 24 hours after the hurricane struck, we're back up and running at the most upriver elevator in Port Allen that Tuesday. And vessel exams resumed that week.

And staff had to wait in lines for multiple hours to get gas in order to make the trip down river because a lot of the staff that were available were upriver that didn't have as much damage. The river was still closes. And so we had to navigate those closed roads and use a lot of fuel to do it.

So we had staff waiting in lines for an hour just to get gas to go to work that day.

Power is the biggest issue along with people and just being able to get around. But the floating elevators in the vessel exams, they were ready to get back up and running within a couple days.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

The floating elevators, the rigs use generator power. So they were ready to go right away. And this is also at a time at the end of August, early September where we're still seeing record demand and the soybean harvest starting to come in.

And I think we -- once power wasn't immediately restored, once things didn't get back to normal after a couple few days, I think everybody recognized this was quite -- going to be a lingering and impactful situation. So we collaborated with APHIS to see what we could do as far as potential waivers of the mandatory inspection weighing requirements. Given that the floating rigs which use generator power might not have inspection and wind capability were able to get up and running right away, what could we do to utilize those since elevators wanted to start loading and get grain out?

And we had to collaborate with APHIS because if we were to waive the inspection weight

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

requirements, if there's no inspection, there might not be a fight from APHIS. So whatever we did had to be in lockstep with APHIS. So we issued some waiver guidance on September 17th.

That lasted until the end of September, then was renewed again for the month of October.

In total, we did 21 vessels covering about 650,000 metric tons and about 36 lots of grain. A lot of those are smaller lots, some big ones, some small ones, but about 36 over 21 vessels until that waiver period ended.

I do want to take a moment to give a quick shout out to our New Orleans staff who were so resilient through all this. They had families at homes. I think we had about 40 or 50 staff that had significant damage where they could never live in their home again. And they still kept coming to work and were tending to the duties here at FGIS.

So our assistant managers, Michael Malbrook, Quentin Joshua, Dhawan Moore, Courtney Trass, Dana Mitchell, Brandon Harness. And then

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

Andy Ping, our associate deputy administrator, he's not one to shy away from any challenge, he went down to New Orleans right after the hurricane hit plus with our recovery efforts and acting manager down there. So thanks to everybody down there that was able to get everything up and running so quickly and didn't miss a beat.

And appreciate -- and even nationally -- appreciate the collaboration. It was a challenging time for everyone. And we had so many offers of support. Thankfully, we didn't really have to take up too many.

But we had folks offering assistance in getting gas or getting shelter and getting places to stay, just fantastic and really appreciate that collaboration and support. So I don't want to say things are back to normal. But things are running more closely to normal in New Orleans.

We were down there a few weeks back and some places are still without phone service, for

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

example. So instead of using cell phone, we normally would use a house phone or something like that. And some of the -- flying in, you still see tarps over it seems like half the houses down there.

It's amazing, the recovery they're still going through and everything is back up and running.

So those are the highlights from FMD.

I'd be happy if there are any questions. Otherwise, I'll turn it over to next person in order.

MR. FRIANT: So, Tony, Nick Friant. First, I want to thank you and Arthur and the team for the collaboration, particularly after Hurricane Ida.

And I think a lot of folks in industry, there's probably some learnings, and I'll ask you about that in a second.

But I think the work that was done, and particularly the collaborative phase, as you mentioned, we certainly want to thank you for that, and that work that you also did with Industry to

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

get the emergency declaration and waiver procedures out there. So, thank you for that.

MR. GOODEMAN: Yes, sir.

MR. FRIANT: My question -- and maybe this is you, maybe it's Arthur, maybe there's more -- but any key learnings from that event that FGIS took away as agency, thinking about future events and contingency plans and preparedness? Were there any key learnings that you can share with us? Or is that something that you're still working on internally?

MR. NEAL: Yeah, if everyone wants to -- you can start.

MR. GOODEMAN: Well, I would say I was amazed by the resilience of everybody. And I think the things we can improve on better in the future is relying less on personal sacrifice of our staff, which was great, but I'd like to do whatever we can, infrastructure-wise, to lessen that burden, because everybody was fantastic, but had they not made such personal sacrifice and stepped up, we

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

would have been a bigger bind.

So, trying to make plans or make things easier among staff, a couple of things that did work well was, of course, that resilience and that dedication.

Our IT systems worked pretty well. Like, folks were able to evacuate to, like Texas, for example, or anywhere really, and they were able to still connect. And so, that was encouraging, outside of New Orleans.

Now, one drawback was that the connectivity of the cell phones. It took us like three days to get a hold of people in some places, because they had no cell phone, no Internet and no power. No power to charge a cell phone. So, that was a major challenge.

But I think the biggest takeaway is just trying to improve our infrastructure to support our staff, as far as housing, transportation, when things like this happen.

MR. NEAL: Yeah. And for the other

thing too, and Tony mentioned it, building up infrastructure just kind of goes to the conversation on seating with the GIAC and industry at this point, and what ways can we automate or leverage technology around some of the work that we do. That's one.

There needs to be, I think, maybe some failsafes in place. We need to have some additional options, should we run into these types of emergencies.

That's not a short-term fix. It's not included to the equipment. But who knows? Through dialogue, we may find that there are some quick fixes that alleviate some of the burden.

I think having a contracting option in place that we can leverage in such tight challenging times, and in this particular situation, like Ida -- I think everybody was impacted, including any potential contractor that could take on some of the technician functions that we're looking at -- but I think we have to be

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

prepared for such an incident, should it occur.

Tony mentioned the IT systems. In addition to people being able to connect, also having the FGIS distributed system where grading can still occur and not have to be online, and we can still facilitate work that was (audio interference) design by FGIS far before me coming onboard. So, that was validated, that we could still perform the work.

And making sure that we got housing instruments, contacting instruments, ready to go, which we were able to utilize fairly quickly working with GSA, in case we have a lot of employees that need some temporary lodging. So, that was another learning.

The other piece was working out the labor process the way that we did, in coordination with APHIS. Tony mentioned that. But having that template also kind of ready to go, in case we experience something like this again.

So, there are a number of learnings.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

There is still more that we can glean. It seems like there are so many issues that roll on top of each other, having time to adequately breathe is what we probably will need right now.

But we'll get through this next hurdle.

But I think that the collaboration just was another testament and learning, is that through effective communication and collaboration, we can make things happen well.

So, we want to thank everybody again for just communicating well during these tough times.

MR. FRIANT: Any other questions for Tom? Now, we'll turn it over to Byron Reilly, Director for our International Affairs Division, and I will say this before Byron speaks.

Byron was in high demand, in terms of folks wanting to hear an update from our International Affairs Division. So, Byron, we'll turn it over to you.

MR. REILLY: Hello and welcome. Today

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

I'm going to talk about international trade issues, give you some updates on what's happening now, and I'll talk about our international outreach activities. And I'll finish up with speaking briefly about our complaints this year.

So, Vietnam, FGIS has worked with APHIS in developing a program directed to identify Canadian thistle.

We've had a lot of shipments, which Vietnam has complained about finding Canadian thistle. So, we work collaboratively with APHIS to improve our method.

We've had issues recently with Thailand, with finding infestation in DDG containers. Prior to that, we've had issues Thailand finding infestation in wheat and soybean shipments.

So, we continue to work with APHIS and industry to come up with a process to improve fumigation techniques and to reduce the number of identified lots with infestation.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

We mentioned earlier about Japan and the phytosanitary requirements to take effect in 2023. Again, we're hopeful that we may have some breakthroughs with APHIS in negotiating on those.

Would also mention that Japan has always complained throughout the years of finding excessive BCFM in the corn shipments. We've met with them through the U.S. Grains Council and encouraged them to tighten their contract specs.

We usually buy U.S. number three or better. We suggested the U.S. number two or better, or even tighten a specific amount of BCFM.

But price was a concern, so there was no movement there. But all of the shipments that went over there met the grade limits for a U.S. number three or better.

We talked about China decree 177. Carla had mentioned this. We've been working with QACD and we sent out a notice to trade to all our stakeholders, stating that China has a four-year registration requirement for re-registering for

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

exporters, which will be in January of 2022, will be the anniversary.

We're working to get the word out to industry, encouraging them to register in a timely manner. Hopefully, we'll have a very good list available to submit to GIAC.

We are going to require every year along with our normal export, registration under QACD.

This will also be for registering for exports to China under trade 177.

We have been working with U.S. pulse industry regarding China's new decree 248, food safety. The pulse industry is working with the Food and Drug Administration to help facilitate the registration.

We've been in communications with U.S. trade representative and Foreign Ag Service. Foreign Ag Service has requested an 18-month delay from China, requiring the registration, because it's a huge task in a short period of time.

USGR said that they plan to make a final

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

decision whether or not to allow exporters in that to register through FDA at this point, because they're pushing back with China, saying this is not right.

But we have been involved with those communications, and trying to facilitate trade between the pulse industry and China.

Moving on, I'll talk a little bit about our international outreach activities. I've worked, back in 2019, with the Iraqi Grain Board and U.S. Rice Federation to get Iraq to accept the first bulk rice shipments.

However, although we came to an agreement back then, administration officials have changed over in Iraq. Since then, Iraq has relinquished importation of rice to a private sister company or organization over in Iraq, and we have successfully come to an agreement to accept sending bulk rice shipments to Iraq.

(Audio interference.)

We've seen the second shipment already,

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

which was a big breakthrough. And we are working with the Rice Federation to set up a rice inspection lab emulating what we would do in the U.S.

So, equipment has been ordered and purchased, and will be put onboard the next shipment of bulk rice going there.

We were also recently working with Malaysia government. They have set up three grain inspection laboratories in the country. We're taking a more active role in quality control, and particularly for grain imports.

They have very sophisticated lab equipment they've installed. I've been working with U.S. Grains Council there to help them with calibrating the equipment, getting docket machines, and more recently, accurate scales, to put in for their laboratories.

One part of our outreach, because of COVID, U.S. cooperators have gone to virtual meetings, which was really great, versus having to travel and conduct these grain grading seminars

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

in person.

So, working with U.S. wheat associates this past year, we've held 32 seminars. Actual grain grading, hands-on.

We also conducted four meetings with U.S. Grains Council, and we had four with USEC in Europe.

I've also had a meeting, a briefing with Foreign Ag Service. They have a lot of new people employed, as well as new people overseas. So, I developed a presentation to explain how FGIS works, and how we work together with industry and with USTR and Foreign Ag Service to help resolve trade issues.

And finally, I'd like to talk about our foreign complaints. Back in 2019 we had received nine complaints totaling about 200,000 metric tons that were involved.

Last year in FY20, we had only two complaints, which amounted for less than 20,000 metric tons. And for FY21, we had seven complaints

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

for about 164,000 metric tons, but the majority of those were due to Canadian thistle complaints from Vietnam.

So, less than 1/100th percent was involved in complaints. And any questions?

MS. COOPER: Byron, Hi. It's Janice Cooper. Couple of things. Are you hearing much about the buckwheat issue with Japan? We are hearing that from our side, but I wonder if that's something that's on your radar as well?

MR. REILLY: Yes, it is. In fact, I just to an email today from Foreign Ag Service and talking about the buckwheat issue. And I know we're working with FMD new management division to help address this issue, and providing the information that Japan is requesting regarding buckwheat.

MS. COOPER: Okay. Secondly, great job on the number of grain grading seminars. That's a really positive development.

We've seen the ability to deliver

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

information and training virtually, increase in certain areas. So, I'd like to share that with my board. Do have a list of those seminars that I could review and kind of reference?

MR. REILLY: Sure. I can send you more detailed information. I'll send that through Kendra, so she can distribute it.

MS. COOPER: And the question that we are all asking ourselves on training, is whether we will ever go back to the in-person, hands-on, training model. What is your best estimate or guess on when and if you might have to travel again?

MR. REILLY: Well, of course that's all dependent up COVID and the department lifting some travel restrictions. And of course, complying with the destination country's, their restrictions and requirements.

That aside, looking ahead, we hope that we'll be able to do travel, because we've already received requests for impersonal training in Central America, as well as in Malaysia.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

So, but we've managed to reach a much larger amount of participants in these seminars.

For instance, the one we had in Romania for USEC, normally they would only get maybe 50 or 60 participants. One seminar we had over 600 participants, from many countries.

So, whether or not, I guess depending on the outreach activity these cooperator groups have in mind, and they need to be in-person, such as helping to set up an inspection lab, which is another question I'm looking for a training to be done when the Iraq rice line is set up.

So, these are ones that are on the horizon, where we don't anticipate having to go there, but we can always come up with hybrid solutions of outreach, taking advantage of the cooperators in your country, to help with the actual hands-on part.

And then, I can virtually help out with these seminars.

MS. COOPER: Oh, final question on the

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

Malaysian grain inspection labs that are being set up. Is the focus on emulating sort of basic grain inspection and grading? Or are they also looking at broader chemical residue protection?

MR. REILLY: Yeah. I was asked by Grains Council to help out and to get them more in line with U.S. inspection procedures and factors that we do, such as providing them with the dockage testers, so they can include dockage.

We still want to convey to them the need to learn how to do test weights, because that is a very important factor to look at. But these laboratories have invested millions and millions of dollars in very sophisticated analytical equipment -- HPLC and numerous other methods -- to come up with residues, microbiological tests.

So, these appear to be very sophisticated laboratories that they're doing, but I am unaware of how they will apply that, and even if they will apply any method, to imports from the U.S. or other countries.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

MS. COOPER: Okay. Thank you very much for your report.

MR. REILLY: Sure. Any other questions?

MR. NEAL: Thank you, Byron. We appreciate the updates. Next, we'll turn it over, before lunch, to Dr. Ed Jhee, Director of our Technology and Science Division, also Director over the National Grain Center. Dr. Jhee?

MR. JHEE: Thanks, Arthur. Thanks everybody for having this opportunity to present some information and updates to you guys.

Over this past year, there were a number of positive efforts to improve processes and programs within the Technology and Science Division.

I do want to take a moment to definitely thank the entire team here at the TSD for their efforts related to our priority goals and our initiatives.

Today, I'm going to present an update

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

on four key initiatives that we took on. And the first one I think is going to be a broader topic of discussion later this afternoon, but I wanted to hit some highlights, in terms of introducing the technology evaluation program.

Under the U.S. Grains Standards Act, FGIS has the authority to develop a national program to improve grain inspection equipment for official inspection.

In September of 2018, the GIAC recommended that FGIS develop a comprehensive approach to identifying new technology priorities that may bring improved inspection results, greater efficiency, and/or lower cost.

FGIS is addressing this recommendation by the GAIC by developing a transparent review and approval process for new inspection technology that could be used in the official inspection system.

The draft user guide that was distributed earlier provides the criteria, some

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

of which includes an initial evaluation criteria that focuses on need and benefit of a new technology for official grain inspection.

Other criteria include detailed technical evaluation of the technology. Again, specific performance criteria developed by FGIS.

If the technology is approved, it would receive a certificate of conformance, which would allow for its use in the official grain inspection system.

I do look forward to hearing what GIAC has, in terms of their review of the user guide, later this afternoon.

The next topic I wanted to talk about is rice imaging. And that technology? FGIS official inspection locations in California, rely on a current instrument that has been discontinued over ten years ago.

The manufacturer no longer provides parts or technical support. So, if the instrument were to become damaged or become unusable, this

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

would lead to an increase in time and cost for inspecting rice. Primarily, the medium grain rice that is grown in California.

We've developed a Federal Register notice to invite manufacturers of automated imaging instrumentation to partner in development efforts to determine broken kernels, whole kernels, and milling yield. The FR notice is currently going through departmental clearance.

The goal is to have a commercially available instrument to provide official inspection results at FGIS field offices and official service provider locations.

We intend to enter into a cooperative agreement with the manufacturer, which would outline roles and responsibilities, suitable instrumentation, as well as technical expertise for instrumental algorithms of calibrations. And our hope is to kick off this effort in the second quarter.

The third topic is an update on the

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

Mycotoxin Test Kit criteria.

At the end of 2020, FGIS proposed changes to Mycotoxin Test Kit performance criteria in a Federal Register notice.

In summary, these proposals include changing the ranges required for various mycotoxins, tightening accuracy requirements, allowing test kit manufacturers to participate in FGIS performance studies, requiring three readers in performance and verification studies, and requiring one extraction method for primary and additional commodities.

In February 2021, we reopened a comment period based on stakeholder request. We've reviewed the comments received, and have submitted a Federal Register notice for agency clearance that responds to those comments.

And the last topic I wanted to update you guys on was the progress we've been making with LED lighting.

First, we want to acknowledge that the

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

LED field study was conducted in partnership with nine official agencies.

The objective of the field study was to determine if light emitting diode, or the specific LED lamp, and the currently approved fluorescent lamp, yield the same results in estimating total kernel damage in corn, soybeans, and various classes of wheat.

The LED lamps and instructions for the study was provided to the participating official agencies. The official agencies examined the grains under both LED and fluorescent lighting.

The results were then compared with the Board of Appeals and Review at the National Grain Center.

For this field study, which was a subjective assessment of total kernel damage, statistical analysis indicates there was no significant difference in meeting kernel damage scores for all grains. Thus, there was no difference between a fluorescent lamp and the test

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

LED lamp.

We did discover the current commercially available LED lamps tend to have some technical differences, compared to the official fluorescent lamps, especially for red and blue colors.

Taking a step back, for official inspections, our light standards try to re-create natural light, based off of 15 numbers that correspond with specific colors. For example, the fluorescent GE lamp that is currently in use comes close to natural light.

The LED lamp shows a different number for blue and red, compared to the fluorescent lamp. So, there's a gap in these color numbers.

Our next step is to find a way to address this gap. We do feel it's important to address this gap and the light numbers to ensure consistent and accurate grading.

The inspection instrumentation branch here at TSD is finalizing the data analysis for

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

a separate study that was conducted at the National Grain Center.

This study examined the ability to discern specific colors, under both the LED lamp and approved fluorescent lamp.

The objective of the study was to determine how well grain inspectors can discriminate 96 different grain and grain-damage colors.

We asked the question, can an inspector match the colors seen under a fluorescent light with the test LED lamp?

The outcome we're seeking is possibly determining a range of color numbers and other technical data that would help select future LED lamps for considering in the official grain inspection system.

As we continue with these efforts, we do hope to have additional information to present at the next GIAC meeting.

With that, I'd be happy to take any

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

questions. Yes, Mr. Williams.

MR. WILLIAMS: Yes, sir. Can you hear me okay?

MR. JHEE: Yeah. Got you.

MR. WILLIAMS: So, you mentioned that there's a gap that you're seeing with some of these colors. So, what specifically is your plan to address the gap, I guess is my question.

MR. JHEE: Well, right now the other study that was conducted was another subjective approach of taking a look at various hues and intensities of colors.

And they were examined by members of both DIOO and the Bar, under both the fluorescent and LED lamps.

We're hoping to be able to find an acceptable range, in terms of those numbers, the numbers that correspond to those specific colors.

If we can find an acceptable range that produces no statistical difference between LED and fluorescent, we think that there's an opportunity

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

there to be able to address that gap and see if there are bulbs out there that would meet these types of requirements.

MR. NEAL: Hey, Jim. This is Arthur.

And I want to highlight the reason why this is a concern.

Inspection for, let's say HVAC, or looking at corn that may have blue mold in it. If there's a difference between the LED lamps capturing red and blue, you want to make sure that we mitigate any potential impact they could have on the official system, and benefits to the exporters that's looking for us to make sure there's consistency across our grading activities.

So, we want to make sure that natural light that we're creating with our fluorescent can be as closely reproduced with the LEDs.

MR. WILLIAMS: I understand. Well, thanks for that explanation. I appreciate it. I have one other question regarding the rice imaging.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

So, and you'll have to forgive me for not knowing more about this topic, but is this machine that you're talking about that California uses, is this used in lieu of an actual inspection for rice? I guess I'd like to know more about what exactly this machine does.

MR. JHEE: It is used in the official inspection of rice. I believe, for total broken kernels, and milling yield, and my understanding is that it produces the time, in terms of being able to conduct those types of inspections, which obviously would relate to cost, and I think the challenge that we're facing is that it's just no longer supported by the manufacturer.

And we do understand that California has expressed concern that if this machine were to break, that there would be an increase in time and cost, which would then be parlayed down the supply chain.

MR. NEAL: Right. And it's going to impact the productivity, the ability to move rice

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

as they're currently moving it.

And we met with rice industry -- I don't know, maybe it was last week -- down in New Orleans for the Rice Outlook Conference. And in some of the production, this piece of equipment doesn't yield the same type of benefit, because there's so many varieties and different sizes and so forth, of rice in southern production, whereas in California, rice production is more uniform. So, they're able to utilize this type of technology there.

And it's that type of benefit we're seeking in the rest of our inspection efforts. If we can leverage that type of technology and gain efficiency, it'll help us too, in terms of increasing our time for -- well, it's just a small component of what we're doing.

If we can take out a little bit more human element and increase our productivity, I think it puts us in a better position.

MR. WILLIAMS: Thank you.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

MR. JHEE: Janice?

MS. COOPER: Also, a rice-related question. I've been thinking about this because I drive by the export facility all the time in the West Sacramento port. And most of the product that moves through that port is rice.

So, you have an instrument that is used there. And I think you might have answered my question where there was a similar instrument used in other regions for rice inspection. And I'm hearing no, because of the diversity of rice types that are moving out of the Gulf? Is that accurate?

MR. JHEE: Correct. The frequent varieties that are coming out of breeding programs, the different sizes of the rice, makes it a little bit more complex.

MS. COOPER: I see. And then, you mentioned that the rice imaging proposal was in review and you wanted to try and get that out second quarter. Any guesstimate on when that might come out for public consumption?

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

MR. NEAL: Yeah. Definitely second quarter. What month, you know, magic wand? I'd say January. But you can't hold us to it. It's been reviewed a couple of times.

There's questions, there's education that goes on. And just like you all are asking questions, we're answering questions internally too. So, the goal is early second quarter.

MS. COOPER: So, second quarter, it starts January 1? Just to keep my fiscal years correct. Okay. Thanks very much. Appreciate the clarification.

MR. JHEE: And once we have the Federal Register notice published, we're opening it for a certain period of time to allow manufacturers to submit proposals to us.

We would then be taking a look at the possible technology solutions, and then entering those cooperative research and development agreements with them, to work with those manufacturers, to see if we can come up with an

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

alternative solution.

MS. COOPER: And would you look at just one device? Or if you see promising equipment out there from multiple manufacturers, would you consider more than one, back to the whole competition in the market question?

MR. JHEE: That's a good question. I guess we will find out who submits proposals to us.

MR. NEAL: I was going to say, it's going to say it's going to depend on what's submitted and the ability to kind of move criteria that's going to be outlined in the request for proposals. And capacity is also a challenge.

The more you take, the more you have to -- when you don't have a huge staff. And the goal is not to give anybody a competitive advantage. It's to work out the technology -- what could work -- so that everybody can kind of be aware of what could supply or meet the need.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

MS. COOPER: Okay, thanks.

MR. KERRIGAN: Arthur, you just brought up a key term there regarding capacity.

And the technology updates. So, within FGIS, as has been discussed before, and it's always come down to a lack of capacity or a sustaining capacity.

Obviously, the COVID pandemic has changed the workplace, obviously with the IT document that's coming up a little bit later this afternoon, with maybe a little bit more resounding push to go with this.

But that capacity piece is still there and maybe a little bit bigger because of the pandemic, as far as where's staff working, how they're able to review, effectiveness, things of that nature, to get across that hurdle.

We may be talking about this later in the afternoon, but can you talk to kind of how you see maybe getting over that hurdle with capacity, for some of these technology reviews, on getting through that?

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

MR. NEAL: Yeah. Well, we're going to be hiring. Definitely hiring more staff in our inspection branch.

The reality too, is that there's also turnover. And so, as you hire, you bring in new people, there's still a training time period to deal with, which impacts capacity.

I think that how many people we'll have to facilitate the reviews, how many folks do we currently have in our IT?

MR. JHEE: Not enough. I will say that particular units, such as the NIR, the near-infrared technologies, as well as like the moisture meters and the protein oil analyzing plans, they're down approximately five people out of eight.

So, there's a significant need for active recruitment to able to get this staff fully onboard.

So, we do have some vacancies that are actually getting ready to be announced, and we're

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

going to try to take some more creative approaches at advertising these positions.

MR. NEAL: So, Matt, in short, it's an evolving situation. We're going to be hiring to build the capacity, as we've lost some. And we've got basically an almost new team then, so that there -- I wish I had a crystal ball there too.

But what we plan on doing it as we receive our requests for review, it's going to have to be a queue of what came in first and whether or not it's complete in terms of the package that was submitted, whether more from the back is needed.

The process will be kind of first-come, first-served. But at the same time, it's going to be whether or not packages are complete.

Some pieces of equipment may be more difficult than others. There's a lot of factors that's going to impact, quote unquote, capacity. It's a great question.

MR. KERRIGAN: Yeah. And I think

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

that's on the can-do-it. And I just want to make sure that the department is thinking about that capacity piece. Because from obviously an industry standpoint, if you're lacking capacity or not adding capacity to get through it, the more and more you add on, the slower everything goes. Right?

MR. NEAL: So, yes, you're right. And I will hold my comment. I was about to say something. I will hold that for a different type of conversation.

One of the things though I want to just -- there was a recommendation by the Grain Inspection Advisory Committee made in 2018, I believe.

We have a \$55 million cap that's placed on us in terms of our expenditures on grading programs.

And then we have appropriations for our quality standards development activities, international outreach, and out of our inspection

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

review work and methods development.

Our appropriations, the amount we have available to us will dictate how much we're able to do in terms of hiring as well.

MR. KERRIGAN: And I think that's fair.

But I'll also point to this facility lighting field setting, to where I think everybody -- which obviously there's a lot of nuances with that. And not to make light of it, of one goes into the different shades, the different colors on the spectrum there.

But this has been what, three or four years in the process. And we haven't moved too much off top of the center on finding a new light bulb. Right?

And so, when we start thinking about other technologies, more complicated technologies, I think that's where the concern is, is that if we're three to four years in and just trying to find an oversimplification here of finding a better, new light bulb, what is that going

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

to look like for other technologies that we may try and commercialize, put in place, things of that nature.

MR. NEAL: Great point. And from GIAC's vantage point, you haven't moved off center.

From FGIS's vantage point, we made a lot of progress on this LED issue.

Because initially, there was no field study conducted to help us reduce the assumptions concerning the difference in grading.

We've gotten that addressed. And the only thing now that we want to make sure of, because when we approve a piece of equipment, which LED light bulbs would be for the official system, we want to make sure that we've done it with the data that gives the assurance we've addressed outliers.

And right now, reds and blues are important because, particularly in the wheat industry, if we're judging that red, if the light's not capturing red similar to what we're currently capturing with fluorescent, and we approved it

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

knowing it, it's just something we want to make sure that we've addressed.

So, we're very close. I'll say that much. Far closer than what we were when we started this conversation when I came onboard in 2019.

We just want to make sure we get it right. But I appreciate that and I do understand where you're coming from. But I can honestly say we're making progress there.

Our goal is to get there. That's our goal. We just want to get there right.

MR. JHEE: And to further speak on what Arthur's talking about is, I think if we can get to the point of an agreeable set of specifications, the next step would be what kind of bulb is out there.

Any other questions?

MR. NEAL: Any other questions for Ed?

All right. Well, that concludes FGIS's program updates. I will now turn the meeting over to Matt.

We have, I think, done fairly well with

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

time if my clock is serving us correctly.

MR. KERRIGAN: I think you guys have done great on time, Arthur. You're really, really close to exactly as planned.

We've got about eight minutes here extra. Not enough to really start anything else, as well as another presentation right after lunch.

It would be my recommendation that we break for lunch here. We come back at 2:00 p.m. Eastern Time, which is about one hour and seven minutes by my clock. Okay? See everybody in a little bit. Thank you.

(Whereupon, the above-entitled matter went off the record at 12:53 p.m. and resumed at 2:01 p.m.)

MR. KERRIGAN: Okay welcome back everybody. I'm showing 11:00 a.m. Pacific Time, which I believe, doing the math, is 2:00 Eastern Time.

Looks like, Kendra and Arthur, you are both here. With that, I'd like to reconvene the

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

meeting. And it looks like, I'm assuming we have a presentation by AMS Transportation and Marketing Program.

MR. NEAL: Yeah. I see we've got representatives from Transportation Marketing. I see Jesse Gastelle, Peter Caffarelli, and I thought I saw Adam -- yeah, Sparger. I see Adam there.

I want to welcome him. I don't know if there's anybody else from the team with you.

But I want to welcome them to the Grain Inspection Advisory Committee Meeting. This is their first time.

Solid group that represents AMS on the analysis of all Ag transportation issues. We wanted to bring them in front of the Grain Inspection Advisory Committee, because we've heard their concerns about rail days, and things of that nature.

And this group, I'll let them tell you more about themselves, but I'm really proud of

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

them. But this group, they represent agriculture shippers on behalf of USDA, regarding all Ag transportation issues. And so, we thought it would be good for you all to hear from them, what they do, the data analysis that they provide day-in and day-out. So, I'll turn it over to them now.

MR. SPARGER: Thanks, Arthur. And glad to be here with you all today. I'll give just a brief overview. I think also, Jesse and I are doing a demo of our Ag Transport, if that's part of the gen -- okay, so I'll just sort of set him up for that. That's kind of the main show. So, I'll just be brief in my remarks.

So, I'm Adam Sparger. I'm Director of the Transportation Services Division. We're a small group, economic analysis. We do Ag transportation, covering major modes of transport, rail, trucking, barge, maritime shipping, including bulk and containers.

We wear a lot of different hats though in that role. We provide periodic micro reports.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

Probably the one you're familiar with is our weekly grain transportation reports.

We have several other sort of ad hoc and quarterly reports that we do. We also sponsor research with academic partners, we do regulatory representation on rail, chalk and ocean issues, we also do technical assistance and outreach to stakeholders.

We serve on a lot of different advisory boards across the federal government, such as the National Grain Car Council, and then the Water User Board.

And we have the Marine Transportation System, Rail Energy Transportation Advisory Committee, several others.

I guess, going back about six years ago, we started looking at a better way that we can take all this data that we've collected over the years through our reports and our research, and how we can put that in the hands of our stakeholders, and have a little more impactful use of our data that

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

we've just kind of been either putting out through sort of static pdfs, or in Excel files that are sort of scattered around on our website.

And we started looking into different platforms we could use, and we started using a Socrata platform, which is what we used to get up and running.

Had to jump through several hoops with the USDA, but we finally got it launched in 2019.

And we did a major expansion of it on 2020. And then this year, in 2021, we did a third major expansion that's even, I would say, bigger and better than it has ever been at this point.

So, yeah, at this point I'll just turn it over to Jesse, who's going to kind of see you through that. But a lot of the focus in the platform is on rail, and probably has some hopefully useful things for you all as well.

MR. GASTELLE: There we go. Is that better?

MR. NEAL: Yep.

MR. GASTELLE: Yep, okay. Sorry about that.

I guess I would just start off by saying thank you all for giving us your time. We are really excited about this platform. We think it's a great product for our stakeholders so we are glad to get to show it to you and get your feedback on it. My plan today has been to just go over some of the stuff that we've made and show you what's available, and then also cover some of the features.

The thing is I'm not 100 percent sure what is of the most interest to you all so my plan is to leave, you know, 10 minutes or so for questions, but I encourage you if there is something you want to see on the platform if you have questions, if you want me to slow down or go in a different direction, please interrupt, just let me know, and we can do that.

I'll start by showing you our homepage. You can go to our agtransport homepage at

agtransport.usda.gov. Everything that you're seeing today, and everything on the platform, is totally publicly available. It's all free. You don't even have to sign in.

You can sign in if you want to, and I'll show you throughout the demo that there's some work you can do on the platform and save your work over time so you don't have to keep doing the same stuff and it's really cool. But you don't have to sign in. Everything you'll see today is from like a non-signed-in view.

You'll see right at the beginning of the homepage we have links to different modal data on the platform so we have a number of different datasets up here from truck and rail data to barge and ocean data. My plan today is to mostly focus on the rail data.

As Adam mentioned, we've gone through a couple of iterations of this platform, or a couple of upgrades. One of the first things we feature up here on the homepage is featured content from

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

our latest June upgrade so I think that will be an interesting concept to all of you.

Featured further down we have dashboards and interactive transportation reports shown as well. There's a feature on the platform called story and the idea with the story is it's just kind of a webpage where we can bring together tables and charts that we've made on the platform, add some text, and tell a story. We've kind of taken this in two directions.

One direction is towards dashboard where it's very text light, a lot of charts. It should give you a very quick update into the market, whichever market you're looking at, whether it's rail or barge or truck. And it's the kind of thing you can come back to every single week to see the latest data.

Then our interactive reports kind of go in the opposite direction. These tend to be a little bit slower to update like monthly or quarterly or annually. It has lots of text. They

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

tell more of a story, kind of provide a bigger picture view of the data and what goes on in that aspect of the market. I'll show you one of ours from the role of rail transportation.

So let me jump over first to a couple of dashboards. The first one I'll show you is just our straight grain rail dashboard. This shows grain rail data from a variety of different perspectives and, again, should just give you a quick update as to what is going on in rail.

So the first thing that you see are shots of the latest data. On the left we have carloading. The little bars here show you like what the normal amount of carloadings for that railroad for this time of the year. Then the blue bars show you what their carloadings were. We can see like BN and UP carloadings are quite high for this time of year in contrast like Norfolk Southern stands out as kind of being a little bit low right now.

On the right you're seeing auction

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

market data so this is really useful data for indicating like service disruption. If you're not familiar with the secondary auction markets, railroads will bid railcars out -- sorry, railroads will offer railcars out and shippers will bid on those cars.

It's essentially kind of like getting FedEx express service when you bid for it so you get a kind of like tighter more guaranteed window of when you're going to get service. Shippers will pay extra for that when they are more worried about the timeliness of their railcar deliveries.

We can see again kind of the same thing.

It looks like BN is sort of on the high end. It really looks like UP bids right now are high as well so I would suspect that a lot of that is driven by ongoing buy chain stuff and shipper concerns about the timeliness of their service.

We have more data on carloading. We can see like seasonable carloadings. All rail loads are pretty high right now like on par with

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

last year when those were really high. We have tariff rate data showing the price you're going to pay, the publicly-posted price that shippers will pay for service in a number of different origins and designations.

Then we have a bunch of service metrics.

I'm going to go kind of quick here because we have another service metrics page that I want to show you. I just want to highlight that there's like maps on the platform and this is one of our -- one of those maps. It says terminal dwell time.

This is like the amount of time that your car is going to sit at the terminal yard before it heads out to its final destination. Each of these dots is sized by the number of hours it's going to sit at the station and then it's colored by what is an unusually high or low number of hours for that yard.

You can see like the Jacksonville one stands out as a big yard, lots of hours. Then also it's orange so it's especially high for that yard.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

There's a number across the country. There's one in Iowa, too, that stands out. There's a full map that you can explore.

There's other service metrics on this page but I want to just jump over to the second dashboard here on agricultural rail service metrics. This data all comes from the Service Transportation Board. It's all publicly available, but what I really like about this page is the collected data is from railroads every single week.

They collect a ton of different metrics, something like a thousand different data points they get every week. It's really cool that they do that but they don't, in my opinion, make it the easiest to get access to and start using and visualizing.

At the very least you're going to have to kind of like go through this up-front cost of setting up stuff to look at it in a chart and you don't want to have to do that every single week

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

when the latest data comes in.

What we've done is typed this data into our platform and made the story page so that you can quickly get a sense of what's going on in rail service metrics. Again, we have carloading data.

You can select fertilizer, carloads, or by highest in the red line, food and kindred and grain mill.

The other neat thing about this is we don't just have ag data up here. We also included all the none-ag. Some of that is directly relevant to agriculture so we include like the total traffic on the non-ag traffic on the rail system.

Like intermodal is especially relevant now to include like coal and petroleum because of like the rail crisis that happened in 2013/2014 when we saw coal and petroleum that had come back on the rail line right around the same time so we can keep track of those.

What is also neat is that all the other commodities are there, two. Each of these charts is interactive. If you want, you can choose a

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

different railroad. You can choose different commodities. I like to show the motor vehicles, as an example.

Not obviously relevant to ag but it is just a good chart to see the effect of the pandemic and how bad it was for motor vehicles almost immediately. The point being that everything is interactive that you can start slicing and dicing these charts and data down to the stuff that is relevant to you.

So there's lots of metrics here. I won't spend a lot of time on each of them but train speeds, there's dwell time, the number of cars on line, origins dwell time. We saw terminal dwell time earlier.

Another one that's worth mentioning is this manifest grain car order fulfillment. This is when a shipper puts in an order and the railroad hasn't fulfilled it yet it will show up here in this data broken out by whether it's greater than or less than 10 days that they haven't filled that

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

order.

What is specially neat about this data is that it's broken out by state. Otherwise, like outside of the platform state-level data is pretty hard to deal with because there's just so many ways that you can do it.

What's really cool about the platform is, again, you can just filter data down to specific data that's interesting to you. Let's say I pick Kansas and then we can see that like right now Kansas their unfilled orders are actually quite high for the time of the year. Sometime to keep in mind.

One other thing I mentioned on this page is that it does have this global filter that you might have seen follow us around as we scrolled up and down. What's really cool about that is that you can pick a single railroad and it will just filter all the charts automatically to show that railroad.

For instance, recently we've heard

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

reports that Norfolk Southern having a especially bad service. You can see there Norfolk Southern's grain carloadings over the past couple months has been particularly low and they show a number of service metrics like low train speeds recently and things like that. Again, it's really easy to just dive down to that railroad that is of interest to you.

The next thing I want to show you is not a dashboard but it's one of the interactive reports that I mentioned. Instead of being the type of thing that you're going to come back to every single week to see the latest data, it's the type of thing that you would use to explore the rail data and try to get a bigger picture understanding of what is going on in rail. This one relies 100 percent on the public waybill data.

If everyone wouldn't mind muting your mics, please.

This relies on the public waybill also

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

from the service transportation. Again, like the service metrics data, this data is really great data. It's transaction level rail shipments so you can see things like where a shipment went between different regions of the country, which commodity was involved. There are hundreds of commodities in there.

The only problem with this data is that it's really hard to use. It's a giant data set so you have to know how to work with pretty big data. Just in general it's hard to read in and get to know.

If you wanted to ask a question like, say, how much grain went from two regions of the country -- between two regions of the country over time, that question could essentially take you hours to answer if you just started from scratch.

Again, what we did is just typed this data up into our platform and then made this story around it. We look at things like what are the

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

top commodities moving on the rail system. You see like corn, wheat, and soybeans there are the big ones.

What's neat again is that these are all interactive so --

Mute your mics, please.

So you can start filtering down to specific like origin destination areas and quickly see what's moving between there. There's a lot of show you on this page. Lots of things to dig into.

One thing that's worth just highlighting is we do have maps on here that show where ag products go on the rail system so you can see like the routes of corn, or you can see like where wheat is produced and where it's moving on the rail system. Pretty neat. This actually comes from S2B and we were able to embed it in the platform.

Then there's just a number of like trends shown down here so you can see, for instance,

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

shipment distances have gotten longer on average over time. We can see like shipment sizes are getting bigger and switch to bigger car types and things like that. Like I said, the data set is huge. You can spend days exploring it and it's all very easy on the platform.

So the last story I wanted to show you, again not being totally sure if this is relevant to you all or not, but it's definitely relevant at the moment and very timely. This is our U.S. Agriculture Report Profile page. This page is cool for a couple reasons. One is that we have always done a PDF report of this profiles.

It was a big PDF with lots of sections and each section on the report had a bunch of charts in it. You can kind of imagine this data on a big PDF may not be the easiest to use. What's really cool about this page is that now in one page you get the whole thing, the whole PDF report. It's just a single like interactive page.

The other cool thing about this is that

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

the analysts who build this, April Taylor, she worked with the data source provider to get a much more disaggregated data view than we had ever put out publicly before. I think it's actually a better view of the data than you'll get -- of like container data than you'll get publicly anywhere else as far as I know.

So the story starts off with breakdowns of like what are the top ag exports and imports.

Breakouts of like container versus bulk, refrigerated versus dry, and the top commodities.

I want to skip down here to the bottom half that gets into the actual report profiles. Again, it relies on the global filter that we saw earlier so you can select any one of these filters and it will filter all the charts below it.

We have breakdowns of bulk versus container and the different top commodities like how much is moving out of the ports and to which designation countries throughout the year. Then, finally, like are the top bulk and containerized.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

I said designation but it could be origin or designation because they have both export and import.

Again, what's really neat about it is we can just pick a port. I'll just pick the first one, New York. Then let's say we want to look at imports like what is being imported through New York. We can see like the top countries, origination countries; Brazil, Canada, Malaysia.

The top export countries -- sorry, top import containerized countries, Italy and China. Pretty neat. You can see all the commodities that are being imported into New York. It's a lot of grocery items and things like that.

Again, like I said, I don't think there's any other data set out there that's container related that is this aggregated. The platform itself makes it really easy to slice and dice through all the different ways of seeing the data. It's really cool.

So moving on from stories I wanted to

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

show you some of the features of the platform, just things you can do on it. The first one is that you may have noticed this blue bar following us around. One thing to mention here is there is a lot of how-to content that we've put up here.

Some of it is just general stuff like what the platform is and how it works. Some of it is very specific like how do you sort the datasets, how do you create a map, things like that.

If you're using the platform, I think you'll find all of that very useful.

There's another link on here to the data catalog which is the page we're looking at now.

The data catalog is essentially just an interactive list of all the stuff that we have on the platform so it makes it really easy to find anything that you're looking for, and maybe even things that you didn't know you were looking for.

You can filter down to the modes like if you want to look at rail data. You can filter just specific types so if you just want to look

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

at the data that we have, you can filter the datasets. You can filter just charts.

You can see just maps or just the stories. We've also created some tags down here and a bunch more that you can filter to try to capture other aspects of the data like performance, or grain, things like that.

Then you can just search the page. If you search by rates, you'll see the first thing that comes up is vessel rates. Maybe that's what you're looking for. What's really cool about it is that it also shows all the other rate data that we have so you can quickly get kind of an overview of all the rate data that's available. It makes our data, I think, really easy to find.

Once you do find the dataset that you're looking for in the data catalog. That link will take you to what is called the meta database. As an analyst, I think this is like the coolest thing on the platform.

The meta data page is just a way for

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

us to provide descriptions of the data. You will see like general information up here, what's in this data set. You'll find like links to other things that are using the data around the platform.

You'll find information about the source and how often it's updated.

You can contact me if you have questions about this dataset. There's definitions of all the columns. To me that's like the best feature.

There's nothing worse than finding a dataset you think is useful to you but then you don't know what some of the -- one of the variables or the data mean. This page helps us preemptively answer those questions and avoid some of those frustrations.

From this page you can start creating your own visualization. Maybe you like one of the carloading charts that we made but it's not exactly the way that you wanted to view it. From here you can quickly start building your own stuff so it's really easy to say I want to look at like carloading

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

over time.

Then, very quickly, you can see like carloadings, all the carloading data that we have over time. This is all carloading so maybe you want to filter it down to a specific commodity like grain. Again, that's all available and really easy to do.

There's really a lot you can do with these charts like adding in different groups. There are different kinds of charts that you can make from bar charts to histograms to also maps which is really neat. I always think of mapping as being like the purview of like special GIS analysts but if it's GO coded data, then you can make a map from the platform. That's pretty neat.

Like I said, you can sign into the platform. To create an account you just need an email. Once you've created an account and signed in, then any work that you make on the platform like, say, a chart that you make here, you can save and publish, if you want, or just save.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

Then that way when you come back to the data a week later, your charts will be updated with the latest data that we've put into the platform so you never have to make it again and you always see the latest thing.

Once you've made a chart, or maybe you just really like one of the charts that we've made, it's really easy to share stuff on the platform.

You can send somebody this link to the chart page, or you can click this little share button down here and it will give you another more consolidated link to the page. Then you can also embed the chart into pages around the web.

Some of our customers have like grain newsletters, for instance. What they've done -- what we've seen them doing is embedding the chart into their newsletter so that then their customers also have an interactive chart and it's something that stays up to date over time and it's super easy to do. Very convenient and then we get traffic back from it. Very easy to share.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

Then the last thing I want to show you is just this data page. If I back up a little bit, go back to the meta data page, all you have to do to see this page is click the view data button.

It will take you to this data set page where you kind of get this view of how the data is structured.

It looks like a spreadsheet, like a flat file. There's a lot that you can do on this page.

I want to show you two things. One is the filtering and roll-up capabilities. You can really easily start adding filters to this data set and customize it to things that are relevant to you. We're looking at the carloading data. Maybe you don't care about received carloading, you just want to look at originated. It's really easy to create a filter and just look at originated data.

Maybe you only care about the grain data. Again, it's really easy to filter out all the other stuff in there so that you have your customized originated grain table just for you.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

Again, it's same as the visualizations. Once you are signed in, you can save all that work so that your custom table is saved over time and you never have to rebuild it.

The other thing to show you on this page is the expert tab. This tab applies whether we're looking at a custom data set that you've made for yourself whether it's one of the datasets like our raw source data. All the datasets come with a lot of options for exporting. You can export it in pretty much any format you want, but there's also geospatial formats if it's geo-coded data.

Even better, I think, is that the platform comes with odata endpoints. If you use Excel or Tableau or something like that, like a similar software, they often accept an odata endpoint. Like with Excel instead of downloading the data from our site and then loading it into Excel and having to do that again every time that you want to see the latest data, just give Excel the odata endpoint and Excel will automatically

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

bring in the latest data average when you open up the workbook.

It's crazy convenient. I have access to the data. Some of these data are on my shared drive for work and it's easier for me to go to the site and use the odata and tweak them to like read the data in correctly.

That's how convenient it is. Then the other -- the last thing to show you is just that every data comes with an API. If you're not familiar with API it's a programmatic way of interacting with the data. In this case it's kind of like a sequel query.

It makes it really easy to like automatically type the data into, say, like statistical software, if that's what you're wanting to do, or maybe like NICA web app or cell phone app or anything like that. Again, this applies to all the datasets on the platform, whether ours or a custom one you've made. They all come up with the API endpoints so it's pretty

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

neat.

So we've seen through all this like the stories and the visualizations and sharing and the data catalog. We've made our data much more useable, much more shareable, much more discoverable, much more accessible or, as we like to say, much more USDA.

In general we just think -- all jokes aside we think this is a really cool platform. We're really excited about it and it's gotten a lot of great feedback so we're really glad to get to show it to you and we're looking forward to getting any feedback or questions that you have in the next few minutes.

MR. SINNER: Jesse, I've got a question. You alluded to, you know, all the issues going on with intermodal. That's a big issue for us. You briefly demonstrated the loadings on a port basis. Can you filter that down to an IPI or inland ramp basis? And how do you extract that data?

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

MR. GASTELLE: I'm not sure I'm going to answer the question exactly right. You can filter the data down to the port level but I don't think you can filter it down to like a terminal or a ramp.

MR. SINNER: Like a Minneapolis ramp or a Chicago ramp. You can't filter that down?

MR. GASTELLE: It would be more -- these ones would all be like export and import ports.

MR. SINNER: Okay.

MR. GASTELLE: I don't think we'd have anything on Chicago or --

MR. SINNER: Okay.

MR. GASTELLE: If you did want to export the data, there's a number of different ways you could get to the page. For instance, from the story, we could follow the view source link. For me right now that's the easiest way to do it.

The other way would be to go through the data catalog. From here I showed like you can

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

export through the data page. You can also just export here. It will give you like a CSV really easily for connecting PIs and things like that.

MR. SINNER: Thanks.

MR. GASTELLE: Sure.

MR. KERRIGAN: Jim, go ahead with your question.

MR. WILLIAMS: Yeah. Hi, Jesse. Hey, they is Jimmy Williams with Missouri Department of Ag. I appreciate you showing us this platform today. It was really interesting, but I have a question. Has there been any analysis been done to look at timeliness of shuttle train arrivals?

For example, you know, just looking at the initial ETA and then capturing the actual time of arrival at customer locations.

MR. GASTELLE: We haven't done any analysis like that sheerly for lack of data, but we are very interested in following along with ongoing STV, proceeding right now looking at first

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

biometrics.

Personally I'm hopeful that some kind of data like that will come out of the proceeding that will track things like on-time arrival. As far as I know, it doesn't give us any publicly available data like that.

MR. WILLIAMS: Let me follow up with another question. I don't mean to put you on the spot. If you don't know, it's fine, but why is it that the railroad companies in this country are so reluctant to share realtime data with their customers?

You know, the reason I ask that is I was doing some research a couple weeks ago and I saw that in Europe, for example, railroad companies do this routinely. I mean, I went to

-- I visited the French National Railway Company. I went to their website and I was able to pull up all the trains that they have going on right now.

I could see all those trains in real

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

time. Obviously I'm not a customer. I'm just, you know, just part of the public and I was able to access that information. I just wondered if you have any idea or any thoughts on why that information is not more readily available.

MR. GASTELLE: No. Honestly I have no guess. To be honest, I thought shippers did have some access on some railroads to be able to see and track like where their train was but I'm not sure. We certainly don't have any kind of access like that to data.

The railroads wouldn't share it with us so it's a little unclear to us whether like the expense when they share if it occurs at all. I don't know. I don't know why that data is not more readily available.

MR. SPARGER: I'll add to that. We've always added in our comments that we do the Service Transportation Board on behalf of ag shippers for more transparency in the data. Like every chance we get we're always making that comment. It is

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

a problem.

MR. NEAL: Jesse, Adam, are there any -- are there any requests that you would have of the Grain Inspection Advisory Committee to help you in your work as you file comments and share perspective with the Service Transportation Board on behalf of ag shippers?

MR. GASTELLE: Yeah. I think in general we feel a little bit -- we're like at 60,000 feet and these comments on first mile and last mile are very much on the ground. It's sometimes hard for us to know exactly what kind of data would be most helpful for shippers. We have in mind some general ideas about like what was mentioned before like on-time arrivals and measuring how delayed trains are and things like that.

Certainly those would be helpful to us and like being when disruptions show up, but hearing more from shippers about what kind of data would be useful to you and what the railroads can provide either directly to you or through the S2B

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

that would help you -- well, two questions. That would help you, but then also we would like to know how it helps you and how to use that data or our data to make decisions. Yeah, I would just love to hear from you.

MR. NEAL: One of the things I'm hearing is that perspective on impact to operations that are relying on rail would be helpful for you guys in view of your economic impact of these types of data gaps and delays.

Say, for instance, if Jimmy's got 15 employees and he's got to pay them overtime, and things of that nature, because they are at a location waiting for rail but two months at a time the rail cars are delayed by six hours, that's costing him X amount of dollars. Having that insight is helpful is helpful to you?

MR. GASTELLE: Yeah. I guess I picture it being helpful to know what Jimmy, in this case, would be looking for in data. Right? What does the -- what kind of data would be most

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

helpful to him like specifically we have lots of data on light train speeds and things like that so we know in general that those don't capture the kinds of like first-mile and last-mile issues that Jimmy is facing. How exactly to capture those issues in data would be really helpful to know.

And just in general I think as issues show up, just letting us know that they are there.

It's not that we can typically do a whole lot about it right away, especially if we don't have data that we can use to like back it up in a letter, or something like that, but just knowing that those issues are happening would be helpful.

MR. WILLIAMS: Yeah, absolutely. That would be great. We'd be happy to provide some additional insight into what's going on. For the last 12 months our department we've kind of been doing our own little research projects for the last 12 months looking at shuttle trains and how often the arrival times change.

Over a 12-month period that ran from

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

September 20th -- I'm sorry, September 2020 to September 2021 we tracked all the shuttle trains that we worked in our program. According to the data, nearly 80 percent of the time, eight out of 10 trains, the ETA changed. The time of arrival changed.

Start times actually changed multiple times 70 percent of the time. I mean, there were many cases where, you know, the arrival of the train, the time that we were told to report to work changed five or more times. I mean, it's definitely a problem. Again, we'd be happy to provide some additional insight if that would ultimately lead to better information for the entire official grain inspection system.

MR. GASTELLE: I would also encourage you -- I mean, it's kind of last minute now but the STB does have their ongoing first-mile last-mile data, like a supplemental notice of proposed rulemaking, where they are asking for that exact kind of information, what kinds of problems

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

our shippers are facing, like how can they capture that in data.

It's last minute because it's due the 17th, I believe, so Friday. I would -- I am certain they would really appreciate that kind of data.

It would be really useful and really useful to us, too.

MR. NEAL: I think Chad had a question at one point.

MR. CHAMBERS: Yeah, I did. Thank you, Arthur.

Chad Chambers. So I was going to ask a couple -- actually, one of the questions, or statements, that Arthur made and then that Jimmy followed up with. I'll keep it very general. I don't want to point a finger at a certain railroad. It wouldn't do any good.

In my experience over, I don't know, eight different states, different locations, every major railroad, it seems there's a common theme where there has got to be accountability at the

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

higher level because when there's limited opportunity for competition where you are only served by one railroad, you've got one option.

If you don't like it, then don't use it. That's kind of the attitude. There's got to be higher accountability where you at least do what you say you're going to do. There's got to be some reliability. If I'm unloading a shuttle train and I don't get it done in a certain amount of time, I don't get the incentive. I don't get this. I get docked. I get so much per car. I get merged.

If it's the other way around, I'm just stuck with 12 guys paying the overtime and waiting to work and it's very much a one-way street. Again, it's not a bashfest, it's just I think it's an industry-wide frustration that I see manifest and not improve over the course of a 25-year career in agriculture. Again, there's got to be accountability at a higher level where just because I only have access to one railroad doesn't mean

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

I shouldn't get the same service.

MR. GASTELLE: Yeah, I would say this certainly isn't the first time that we've heard very similar complaints so I would -- I definitely don't think -- I definitely agree it is a system-wide issue. I would encourage you -- so there is a number of proceedings going on in the Service Transportation Board right now that I think are really relevant to these issues.

There's the first-mile last-mile data one just tracking these issues. But they also have the proposed like small rate case arbitration procedures that could potentially -- we think other shippers have been supportive of some of like the final review process.

Those proceedings are also holding like a competitive switching proceeding in March. You mentioned the merge issues. I think like the National Grain and Feed and a couple other super groups have one right now on being able to charge the railroad itself fees when they hold their --

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

when their cars don't move for the same reason, right?

The railroads always say like they charge to merge to shippers and shippers don't move the cars because it's to maximize the efficient use of the railcars. But shippers now are saying, well, what happens when the railroads don't move the cars and they just sit on the rail system?

Shouldn't we be able to charge fees to the railroad because we want to maximize each railcar. That's another proceeding that's going on at STB right at this moment. They accept comments from the public so the more that shippers go in and say these are the problems we're facing.

I think more of that needs to be done.

MR. CHAMBERS: Perfect. Thank you very much.

MR. SPARGER: Chad, I wanted to ask you mentioned you hadn't seen any improvements in 20-some years, but in the past four or five years have you seen it actually getting worse with like

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

PSR? That's just a general question. Maybe the whole group here on the call, have you seen service deteriorate or --

MR. CHAMBERS: I think the deterioration in service, I would say, is localized. I'll use UP. There are locations we would have excellent service with UP. When I was on the West Coast in PNW working in Portland, that was one of the worst terminals I ever worked with.

Norfolk Southern, again, I've had very good and very bad localized. Some of the best work we've had as far as partnerships have been short lines. Obviously that's a little different issue, a little different beast, but they are usually very willing to work with us, very willing to help accommodate the transfer of cars from mainline to us.

I don't know that I have -- even Texas Gulf it was the same thing. It's just not been reliable. I don't know that it -- I guess to answer

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

your question, Adam, I don't know that I could tell you there was a marked change one way or the other in the last five years.

I can just tell you that as a whole, I've never been overly impressed with rail service and it's just kind of been -- it's the anti-Burger King. You don't get it your way. You get it their way.

MR. CHAMBERS: Thanks for sharing that.

MR. GASTELLE: Also anti-McDonald.

MR. CHAMBERS: Roger that.

MR. KERRIGAN: Any other questions for the AMS team?

Thank you very much for the presentation. There was a lot of good information. Obviously it's something that we have all noted whether internally or externally and, you know, being able to find some of the information a little bit more readily is great as we all just talk and discuss trying to find options

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

for improvement. Thank you.

MR. GASTELLE: Thank you all for your time.

MR. NEAL: Thank you very much.

MR. SPARGER: Thanks for having us.

MS. ENGEL: Very good presentation. Thank you.

MR. SPARGER: Sure. Thanks for having us as well. Arthur used to be our boss when he was over in Transportation Marketing so always glad to see him. He's been a big supporter of our group and our platform and everything.

If any of you have questions in the future, please feel free to reach out. We lot to talk transportation and rail issues so I'm always happy to connect with stakeholders.

MR. CHAMBERS: Adam and Jesse, I want to add that doesn't take away from the website. I do really like that page.

MR. SPARGER: Thank you.

MR. GASTELLE: Thank you all.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

MR. SPARGER: We'll sign off now.
Thanks.

MR. KERRIGAN: Moving on to the next agenda item here. We have a couple of industry issues we would like to discuss. The first one up goes back to FGIS regarding the -- we mentioned this just before lunch -- the Proposed Technology Review Process. I believe that there's a draft document out there regarding trying to formalize the review process.

Arthur or Dr. Jhee, I'll turn it over to you.

DR. JHEE: Thanks, Matt. I'm hoping that you were all able to take a chance and review the document. It was a collective approach in terms of all of the senior leaders here at the Technology and Science Division kind of putting their thoughts together on what would be a transparent, yet thorough, approach in terms of evaluating new instrumentation and new technologies that could be used in an efficient

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

system.

It's by no means final. I think part of the public input process was definitely to get input and information from GIAC in terms of how we could further refine this process, but also make it robust enough that it would add value to the industry.

MR. NEAL: So at this point, Matt, the time is designated for the committee to kind of discuss the draft that was shared and have dialogue around the contents and kind of generate feedback for us.

MR. KERRIGAN: Sorry about that. Does anybody have any initial comments here before we kind of get into a couple of these sections? I don't want to hold anybody up who has had a chance to review this draft on the committee.

Not seeing any hands moving furiously.

One question I had is it seems to be very, I won't say poignant, but more -- it seemed to be a user guide for manufacturers to submit items.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

Will this be a similar process, I guess, if FGIS chooses to review something on their own to go out for submission? How would that actually work or am I reading too much into it, I guess, by being a user guide for manufacturers?

DR. JHEE: Really good question, Matt.

One of the things that we discussed internally was given an opportunity where the agency identifies a need that is non-existent or needs to be replaced in the industry, we should, and will, follow this process as well in terms of being able to address what the purpose and need is.

I mean, I think if there is a void in the system or if there's something that needs to be addressed in the near future, we already have kind of a need and we would probably want to engage GIAC and other stakeholders in terms of what kind of value it would bring. At that point it would be working with the manufacturer or organization to be able to collect the data, the technically-based data that the document

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

describes. We would sort of follow the process ourselves.

I think something similar to that would be -- what I mentioned earlier about the rice imaging technology. There is a difference, though. What we're looking for with the rice imaging technology is more research and development in order to see can we get something from R&D to fit for purpose.

When we get to that transition of fit for purpose for use in the industry, then it kind of starts meeting all these criteria in the ITE process. In a nutshell that's just kind of what our position is with that perspective. Does that help, Matt?

MR. KERRIGAN: Yes, it does. Yes, it does.

DR. JHEE: Also with that, I mean, the Section A really is -- what I go to which is that in this review criteria, which is a lot of the meat of it, to where the manufacturer providing the

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

information and data was really where that question was driven from because, you know, on who creates that. It's not manufacturer driven but need-based with that. Thank you.

MR. KERRIGAN: You can see this also as almost a living document, but obviously I don't know if those are allowed in the government process but given that this is, you know, new technology obviously and is ever evolving and different criteria would change.

If this is adopted by the agency, how would that work as far as review and update if, like I say, as you get into this if there are changes that need to be made, is this a pretty set in stone type of document or is this more of, I don't want to say on the memorandum side, but open to interpretation just to make sure that it's not too loose that certain manufacturers can skirt the system but not too tight that it's impossible for the agency down the road to actually adhere to it?

DR. JHEE: Good question. I'll

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

probably turn the second half of my response over to Arthur. Matt, to your question, I would perceive this being sort of a living document. Following, I guess you would say, the Administrative Procedures Act, I think our next step is to go out with notice and comment in terms of the overall structure and content of the document itself.

I would say once we get to the point of implementation, we will probably learn new information and new ways to take a look at these criteria looking at some of the specifics such as quality control, calibration and standardization.

We did our best to capture what we thought would be the critical information at this juncture.

We may be able to make amendments to the document, you know, version two, version three, etc. I would probably foresee us going through the FR notice process to make sure that the public's aware of identified areas of improvement.

MR. NEAL: And so one of the topics of

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

conversation that we're having with general counsel is kind of process what goes into the Federal Register. Also, what goes into the regulations because I want to make sure that this document is living and that we -- as we learn through this more transparent process, if adjustments need to be made, we can do those. We can make those adjustments in a transparent way with everybody knowing.

However, we also want to maintain some level of flexibility where it doesn't take us two years to make the change. We're trying to balance that out right now so I can't tell you exactly how it will be and look but we're trying to make sure that it's a living document where changes are made.

Those changes are not done without full knowledge.

It's a level of engagement. We're working all of that out through conversation with general counsel.

MR. KERRIGAN: Obviously, you know, the initial discussion kind of talking about the

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

pandemic, you know, world of future state. How do we look at staffing, how do we look at items and work with them, but then also think about everything that comes into play with everything from LED light bulbs to computer systems and things of that nature.

Do you feel that this is too focused on the act of grain grading and less on some of that supporting technology, or do you feel that this document has the flexibility for all encompassing technologies, I guess?

DR. JHEE: Great question. Tim Norden, if you're on the line as well, feel free to open your mic. My initial gut feeling is that we tried to write this document so that it would be as much all-encompassing as possible in terms of being able to address the flexibilities that are going to be needed in terms of the evaluation process, and then ultimately making sure, as Arthur said, we are consistent in the way we approach these types of processes, evaluation processes.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

Tim, that was kind of the approach that we took in piecing this together, right? We wanted to make sure that we didn't box ourselves in. We wanted to make sure we didn't box the manufacturers in as well.

MR. NORDEN: Yeah. So we did try -- so if you look at section 4, you'll see additional requirements for specific technologies. In that section we tried to include everything.

If you see something in here, you know, we are certainly interested in feedback but when you talk about things like sieves, manual sampling devices, test weight, you know, things like that, a lot of those things are approved by dimensions and specifications that we already have and they are already documented.

But if you see something in here that we've missed then, of course, we really want to hear about that but we did try to include everything we could think of.

MR. KERRIGAN: And more of where my

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

mind goes, you know, especially after reading section 4, this thinking about the barge storage inspection cameras or, on the export side, the AWMS systems, there is a lot of technology that goes into that that is part of the overall system that requires significant manpower and significant cost.

As that technology is changing so quickly, even on the industry side, you know, having that flexibility to be able to adopt new items because of either the potential savings or just because everything else is outdated and at the end of its service life to keep what we have running.

MR. NEAL: So I think I hear where you're coming from and that's a great question.

Official grading equipment versus some tools that we may use such as a camera for storage exam, are they the same thing is kind of what I'm hearing.

Or should they be considered in the same manner.

Great question.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

I think the process we've used for the storage exam pilots -- Tony, you all correct me

-- may be a little bit different than kind of official equipment and inspection, actual grading component, that was there. What do you think about that?

MR. GOODEMAN: Yeah. I mean, it's not like we put the camera in and then it gives us a green check or red X if it was pass or fail. It was really just the inspector using that as an aid and the inspector was making a determination based on what they saw in the image.

I don't know if that answered the question. But, yeah, it's not like they put the machine in there and it did something and then it said "bing" you know, you get the green light for pass. That would be nice.

MR. KERRIGAN: I'm not saying that it should or shouldn't be in this document. I'm just more asking if it is or not in this document, right?

MR. NEAL: Great question. Great

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

question. Clarity can be provided there.

MR. NORDEN: So I think that in that case, what Ed described earlier in terms of research and development, I think it falls right there because it was something that didn't exist before and it's not quite fit for purpose so there needs to be some development done. I think it's slightly outside this process so FGIS would identify it as a need and then we would work on that need to make it happen. But it wouldn't quite, I guess, fit in this process.

MR. KERRIGAN: Understood.

Any other comments or questions regarding the document at hand from the committee?

MR. AYERS: Yes. Dr. Jhee, David Ayers with Champaign, Illinois. When they brought up the topic of scales, last year I believe they came out with a new scale that was self-calibrating and was much more accurate than what our weights would allow us to check custom for.

We actually bought some and sent them

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

back because we couldn't use them. Is this included in this document, something like that?

I know FGIS bought some, too, and they were having a problem check testing them.

DR. JHEE: Right. That's a good question. Maybe Tony and folks from FMD can help chime in as well, but I think what Tim was mentioning earlier in terms of Section 4 of this document, you know, we've got policies and processes currently in place for scales, for testing of scales and test weights as well so that would probably fall within existing processes.

Tim, it kind of falls under Section 4, right?

MR. NORDEN: No, I agree. I mean, so the scales need to hold that NTEP certificate of conformance. I think there's some work going backwards to try to make everything harmonized and aligned with all of that. I think once that's taken care of, I think that issue will be solved.

DR. JHEE: Does that help? Dave,

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

you're on mute.

MR. AYERS Thank you.

DR. JHEE: Oh, sure.

Thanks, Tim.

MR. KERRIGAN: Jimmy, I think you had your hand up there?

MR. WILLIAMS: Yes. So I have a question regarding No. 3 when it talks about the process summary. So when I read the paragraph it sounds like -- correct me if I'm wrong but it sounds like as far as what the process actually looks like, there's the initial evaluation that will be conducted by FGIS.

Then following that there's a more detailed evaluation by FGIS. Then the manufacturer would presumably need to provide validation data backing up the fact that this product works. Then FGIS has to verify that the data is accurate. Then after that there's a certificate of conformance that would be issued if the data was verified.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

I guess my question is during the initial evaluation would it be possible for FGIS once they've done the initial evaluation to see what they're looking at, would it be possible for FGIS to then provide a time table to the manufacturer and say, look, we've looked at this -- we looked at the preliminary information and we determined that we can -- you know, the detailed evaluation will take X number of days.

Therefore, you will need to submit your validation data by this date. Then we're going to take so many days to verify. I guess, again, what I'm asking would it be possible for you all to provide some kind of time table so that it's not just kind of broad? Does that make sense what I'm asking?

DR. JHEE: It does. It does. I understand where you're coming from, Jimmy. I think one of the challenges that we will probably face in the near future once this program is implemented is what is the specific type of

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

technology, what is the purpose of the instrument.

For example, is it an instrument? Is there -- are we comparing a new instrument to something that's already deployed in the field?

What we foresee is somewhat of a fluid and interactive process between the agency and the manufacturer in terms of data collection and information transfer, and then being able to work with the manufacturers to come up with an acceptable time frame by which we also balance our internal resources to make sure that we're doing a thorough validation and verification process.

I don't know if I can answer your question about can we say X number of days.

MR. NEAL: Yeah, and just kind of chiming in. Because this is fresh, Jimmy, I think it's going to take us getting into it first before we can really estimate what that looks like considering it's going to be such a potential broad deviation between the types of instruments we're looking at, and the level of engagement that may

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

be required to get what we need as we're starting out.

The number one goal, though, is to ensure that we're communicating with the applicant so that we've got clarity and expectations once we've had an opportunity to receive and renew their submissions.

MR. WILLIAMS: Understood.

MR. KERRIGAN: Ms. Cooper? Oh, I'm sorry.

MS. COOPER: I have a couple of questions. Some of them might be a little bit kind of too far out there to even answer.

But, kind of -- well, first of all, let me say I'm of course thrilled with this initiative.

Something that the Committee has been in favor of for a long time.

And I think this really brings us forward a lot. So, I want to certainly let you know that I have a positive reaction to it.

Arthur has stated today and in our

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

meeting here in the PNW a month or so ago that the FGIS recognizes the need for automation to help address future staffing issues.

So, have you as an agency, as you develop this, and maybe I've missed it in here already, but as you develop this -- this set of guidelines, did you actually look at kind of the A to Z of all of your operations and identify areas where automation would be particularly helpful or desirable?

In other words, do you have kind of a target list for pinch points?

MR. NEAL: So, short answer, and it is a little mixed. Earlier efforts by FGIS and Lee Capper let some of this, and we looked at FGIS kind of operations in ways, you know, we can kind of automate some of our functions to increase -- increase efficiencies.

However, from a systemic inspection and weighing perspective across the entire efficient system, we do not have a short list of areas where

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

we need or either would like to start.

That's why we want to engage industry around that conversation, because we have to have agreement one, that this is where we want to focus attention.

Any time you're talking about modernization and technology, it costs money, of which right now, our reserves are already low.

So, it will limit what we'll be able to do FGIS wise. But, from an industry standpoint, if you can focus on something that we know is realistic, we may be able to discuss and figure out a way how to accomplish that within a reasonable amount of time.

So, that's a mixed answer to your question. But the short answer is no, we do not have a short list.

MS. COOPER: And then kind of looking at a more specific point in the process, again referring to Section 3 on the summary of the process.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

If a company receives a certificate of conformance, then it allows for its use. But, is there a process to make that information available broadly through the system?

In other words, let everybody know that this technology has been approved. And then thinking of the example of falling number and shake-o-matic.

For years, the official system allowed both hand shaking and the use of the shake-o-matic, ultimately as you know recently required the use of shake-o-matic.

So, is there a thought if the new technology or a new device, if there is one, really improves the accuracy of the testing?

Is there a thought that that new technology might become a requirement in the official system? Or just an option?

MR. NEAL: Another great question. I'm not the scientist, but from a practical standpoint, and Dr. Jhee and Tim, I think that as

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

we look at granting certificates of conformance and then implementation, that there will have to be some discussion around implementation and what's best for the official system.

And similar to any rulemaking and standard development that occurs that require massive changes across an entire industry, that's typically a transition period.

So, things like that will probably have to be discussed as we're looking at implementing a potential new piece of equipment that may improve efficiency or productivity. Things of that nature.

So, I think all of that will be considered in this process. But, I'm going to, you know, this is hypothetical talk right now. We've not gotten that far.

But, Tim and Dr. Jhee and others --

MR. JHEE: Arthur, I think you're on the right track there. You know, there's going to be a number of variables in terms of what sort

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

of grace period there would be, or implementation period there would be.

I would foresee engaging the industry in terms of what kind of impact there would be.

And then adjusting the time frame of implementation based on that impact.

One of the impacts could be cost. It could be really cost prohibitive at the very beginning to purchase and to implement a new instrument for official grading.

So, we have to respect that as well, in terms of, you know, we can't just flip a switch.

I think that's the issue.

MR. NEAL: And there's an assumption that it would be required. It may not be required, but a permissible instrument.

An instrument that's allowed for use, but not necessarily required for use. So, it could vary.

But, whatever the resulting decisions may be, and whatever issues we're trying to

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

resolve, is going to dictate that implementation practice.

MR. JHEE: And then alongside, I think Janice to close out the back half of your question was, you know, after certificate of conformance is issued, how do we communicate that?

And we could go a number of ways. We could go notice. Not necessarily notice and comment. I don't know what it would take, or what kind of notice we would go.

The other one would be what we normally do in terms of issuing a policy issuance, such as a program notice or a program directive.

It could be part of that type of roll out as well. A number of directions.

MS. COOPER: And if I could just make one -- one final comment on kind of the role of the industry.

Often, I think what is going to come forward, is technology that is being used unofficially for internal streamlining of testing.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

So, does the -- do the guidelines, I'm sure they allow for it. But, do they encourage that kind of input from industry so that you can benefit from experience in the private sector with some of these potential devices?

I just want to make sure that industry is being fully engaged in any evaluation process.

Because, you know, customers know whether something works or not.

And I think that would be valuable input.

MR. NEAL: Right. Right.

MR. JHEE: Well, so --

MR. NEAL: Well, let me just -- and this is a short answer. So, one of the criteria that we're putting out there, is a proposal has to address need.

And so need, I believe, is going to be tough to demonstrate if you don't have industry input on the need for whatever it is you're proposing to evaluate. Because it's industry that

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

has to use it.

So, industry will definitely have input. Should have input on whether or not there's a need for the piece of equipment.

Also, through the process, we'll be sharing what we've received and asking industry for additional input on what's been requested. Because we don't want to waste our time and resources on reviewing something that industry does not feel we have a need for.

Because resources of time are a valuable commodity right now. And we need to make sure that we have agreement.

Ed, you were going to comment. I apologize.

MR. JHEE: No, no. You got it. That was it.

MR. KERRIGAN: Hey Chad, I believe you have your hand up?

MR. CHAMBERS: Yeah. It maybe cart way before the horse, and a rabbit hole.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

But, I'm just curious, especially with foreign buyers, do they care how we arrive at the grades, as long as the grades are accurate?

MR. NEAL: Interesting question. I -- so, let me step back. We govern ourselves according to the U.S. Grain Standards Act.

And so what we do and how we do it, we do according to standards that are agreed upon by this industry.

How negotiations occur with foreign buyers, we facilitate those kinds of dialogs in partnership with Foreign Ag Service and things of that nature.

But, and ultimately, most countries agree that -- agree to the official system that we employ here in the United States.

There may be conversations that go on around other topics around, you know, such as what we were talking with registrations and things of that nature, that could impact the flow of exports.

However, for the most part, if our

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

standards cover the inspection and weighing of the commodities, typically we don't have much of an issue with our processes.

So, for us, we want to make sure that what we do, and how we do it, is in accordance to the grain inspection standards.

And that includes whatever pieces of equipment that we use, they have to be approved in order to be used in the official system.

MR. CHAMBERS: Excellent. No, I'm all for being pioneering and efficiency and use of technology.

I just didn't know if that had been asked or if we'd even gotten any feedback or input.

Or if it even mattered as long as we approve of it as a whole, and it meets the -- the standards.

MR. NEAL: Thanks for the question, Chad.

MR. KERRIGAN: Any further questions on this document?

(No audible response.)

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

MR. KERRIGAN: I'm assuming that given the comments that you don't -- aren't looking for anything formal.

I was more an industry discussion as far as checking the pulse for your next move for potentially putting out there for comment after revision.

Is that correct?

MR. NEAL: Well then, it does not have to be anything formal. But, if there is any feedback from the Committee as a whole, we appreciate that.

And this is our opportunity to engage the Committee around this, and just was a recommendation. But also, just to have a broader discussion about the process.

So, if the Committee feels like, you know, there's no need for anything formal to come to recom -- you know, by way of recommendation, that's fine.

But, this is an opportunity by, you

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

know, by which we could have this dialog, and the Committee could discuss the document and share whatever feedback they wanted to collect, if they so choose.

MR. KERRIGAN: Well, you --

MS. COOPER: Would it be --

(Simultaneous speaking.)

MR. KERRIGAN: Sorry, go ahead Janice.

MS. COOPER: Well, I just wondered it would be helpful to have a recommendation just endorsing the process and encouraging you to move forward expeditiously in making this happen?

I don't know. If that would be helpful, and if that's allowed under our rules, I certainly would be in favor of that.

MR. NEAL: It is. It is helpful, and it is allowed.

MR. JHEE: I would think that it would be helpful, especially in terms of what our next process may be in terms of getting this plan out for notice and comment.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

MR. KERRIGAN: Well, it would be my recommendation that we take that discussion up tomorrow and hope that we have a quorum that could potentially make a recommendation.

Otherwise, we'll be sitting here, I don't want to say wasting everybody's time, but using everybody's time without an outcome.

MR. ENGEL: Matt?

MR. KERRIGAN: Yes?

MR. ENGEL: This is Curt.

MR. KERRIGAN: Yes?

MR. ENGEL: I believe that we should make a recommendation. From the contents of this document and in the conversations that we've had, this is, at least to my knowledge, new ground.

And I think this group should be commended for the work that they've done. And this is a difficult proposition to maintain the integrity of the system as it is today.

You know, it takes a great amount of rigor to, you know, not allow any of it to be

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

compromised.

And what I read in here, and I've read this and it causes me as many -- well, it causes me to ask as many questions as it provides answers.

But, it does -- it does appear to me to be a platform that is flexible enough to, you know, encourage the innovation we've been talking about, and do it in a manner in which the industry and the suppliers can provide some of the direction, some of the answers.

And engage a little competition to see if people can then come up with a better solution.

So, I really like it.

MR. KERRIGAN: Thanks Curt. Okay. Well, I think we will -- we will definitely add it to our discussion tomorrow.

Like I say, it is going to depend a little bit on making sure that we do have a quorum.

But again, because the GIAC did have some support recommendations from a couple of years ago, I think that we do have a basis that we can

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

start from for motioning that support as well.

MR. JHEE: Thank you. Appreciate it.

MR. KERRIGAN: Okay. Anything else on this topic?

(No audible response.)

MR. KERRIGAN: Okay. With that, we'll move onto another industry discussion that we've talked about a couple of times regarding Average Inspection Flexibilities.

Really, we've been discussing not only in the GIAC, but I think we also touched on it again at the PNW forum here a few weeks ago.

And you know, there were a couple of comments here today that actually piqued my interest a little bit, being the one to bring this up a little bit.

You know, what this is really about is, you know, the handbooks that are out there, and as they're worded currently, there are some customers that request grade requirements that do not fit either the average or the cusum, depending

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

on the specification.

That then requires the loading facility or shipper to use what we would call elevator instructions, to watch the outcome of the grade from the official agency.

And then kind of self-regulate whether it fits within -- in those guidelines. And that's what started this initial discussion.

You know, there was a lot of discussion about, you know, can we -- can we get our customers to do one or the other?

And I think that if we could, we probably would have by now. I will -- I will also point to the comment that Byron made, you know, even about Japan and corn BCSM.

You know, that they aren't really happy with it. But they didn't really want to pay for number two, they really wanted to pay for number three, right?

And so I think that -- that kind of ties into what's at stake here. Right. Is -- it is

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

some of our customers are looking for something that is in that middle ground.

That doesn't really change the actual grading or the integrity of the grade. But, more how it's been reported to the -- to the loading facility.

You know, either what could come into play with that is also, is there a reinspect process depending on what -- if there was something that was changed in the handbook.

If it was just an indication or flagging system to have an extra set of eyes on it, because most facilities have had times where lots have made it aboard the vessel that -- because they met the definition of the FCIS handbook, but not what a customer was asking for.

So, there's been a lot of commentary.

As far as what the back story is, last time we spoke I think there's also several handbooks that this would -- could potentially touch, and several sections as well.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

And it's kind of still out there for discussion, I guess if, if there's an easy way.

If there's any thoughts back from FCIS, how the rest of the Committee or industry thinks about the actual need for continuing down this process.

So Tony, I guess I ask on FCIS' behalf if you'd like to make some -- some kind of initial comments, and if you've had any more thoughts on this as well?

MR. GOODEMAN: Yes, definitely. I appreciate the opportunity to talk about it.

So, when we had spoken last time at the PNW matter, or last meeting, we talked about a couple of the options.

And one of them being just trying to have some guardrails in place, or flags, or alerts, for everybody involved, including the loading elevator and staff, so they know if one of these self-imposed limits might have been exceeded. And having some -- somewhat initial conversations with Lee, our Chief Innovation Officer.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

My dad was in the car business for a lot of years. And he'd go to the auto auctions all the times.

And if there was a really rough car that would come through, we really -- the local auctioneer would say, ladies and gentlemen, there's nothing wrong with this car that money can't fix.

And so, it is very possible, very possible to make a modification to our inspection testing and lane application, ITW, and I suggest online.

To make it flag, or turn a different color, or put an asterisk by things that are off or different, you know, outside different limits, but not necessarily eligible for material portions.

That all is certainly feasible. But, it sounds like that would be a pretty big change to the software, and therefore a cost and priority.

And so that's -- that's the initial

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

take. And Lee can help correct me if I'm way off base there.

But, it unfortunately wouldn't be an easy fix or a setting change or something like that upon our -- on our initial review.

So, a couple of the other things, and so that warrant more discussion, you know, depending on the impacts and the priority and the interest in the industry, you know, pretty broadly.

The second thing is, it doesn't look like -- it doesn't look like most folks use, you know, subplot to exceed.

And it seems like the average and then elevator maintained. You know, subplot limit is -- is preferred.

And that's okay. But, that could be a potential benefit, is if you went, you know, subplot to exceed like in some of the examples. And heat damage, if you want to have an average of zero but no subplot to exceed .2.

You could potentially set it up as, no

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

sublot to exceed .2, and then you at least have the option for a reinspection if you exceed that limit.

Now, you'd still have to then maintain in the average of zero. But, -- and these are probably things that folks have experimented with before.

On the protein side, kind of the same deal. If you do have a no subplot to exceed, you are eligible for re-inspections if you violate that.

It's just if you go straight average, you're not, because if it's average, it would say it meets the loading plan requirements and moving on.

If there's anything else that we're missing as far as the displays in the ITW program, ITW application, as far as showing an average, or running average.

Or, if there's any more outreach or education we can do on options, or what -- how the

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

system works as far as, you know, when a subplot is loaded aboard.

Or, how the calculations are -- are entered, or when the calculations occur, we can certainly do that.

We'd be happy to do any kind of more training our outreach or look and see how the current system is reporting.

Also, on the -- wheat of other class, so there was some discussion about wheat of other class where like a subclass.

We do allow average quality on those things. And that originated from, you know, not wanting to have an entirely different subclass of wheat being loaded once.

You know, if you have like for western white wheat, if you already loaded enough club wheat to have an average of like 15 or 18 percent, and all you're looking for is 10, you get to the last couple of subplots, you don't have to load any of that club wheat on there.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

And if you didn't want to have different classes or subclasses of wheat going onboard in those cases.

However, the example you provided was for 25 percent western white wheat, where the limit is 10, that I think from a policy standpoint, we might be able to look at more closely.

Because while you could have some variability, so long as you're meeting the subclass, you know, again the intention behind that restriction was so that you don't have a bunch of different classes or subclasses all throughout the ship.

If you want to have some flexibility within a subclass, I think -- I think we might have some room to work with there from a policy standpoint.

But, that's the initial take. And those are the things I wanted to report out on, is the potential challenges, because of the way the system -- the program is designed.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

It would be a pretty big change in order to have any kind of flags or alerts built in, aside from the -- what we have in there now for material portions.

Second thing was, the opportunity for any kind of outreach or training on the program itself. We'd be happy to do that. That's something we are very open to.

And then thirdly, receptiveness on the subclass average within the subclass. And I do want to defer to Lee if I messed up on the quick take on ITW.

MR. CAPPER: No, that's correct, Tony.

I mean, it's a -- if we start maintaining multiple sets of criteria about the specific factors that we're not currently set up for.

And quite frankly, we would need to understand how would then collect that information in a more rigorized way. Currently the load order process is fairly nonstandard.

And so there's a lot of interpretation

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

required by APHIS personnel in even how to configure our systems based on how these load orders come in.

Perhaps as we may explore in the future some more standards there, there might be an opportunity to include this type of input as some of that information we might collect.

MR. KERRIGAN: That was actually going to be my next question. Is, obviously as the systems age and while the policies behind it don't change quite that frequently.

But, I mean, is there a known plan to upgrade or update so that that's on the horizon for the Agency in general?

Whether it be just system maintenance so that we could, you know, that this could be something added to, or that we could discuss at that time, versus a one off to shoot for?

Or is that more of an ad hoc on a major need basis?

MR. CAPPER: I'll defer back to Arthur.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

But, just due to kind of the financial constraints that we have with the use fee cap, we've not been able to employ and pursue, you know, enhancements that we would otherwise have considered.

And we've had to table a lot of internal initiatives just due to that.

MR. GOODEMAN: But this -- and something that I learned just talking to Lee, like we were talking a little bit about buckwheat earlier.

So, that's like adding a count for 1,000 grams for buckwheat. That's a very, very minor change.

I think Lee and his team did that, you know, in a matter of minutes or hours. And it's going to be pushed out in the next routine update.

This is beyond that. This would be a more substantial programming change. It would be much bigger.

MR. NEAL: And so Matt, just from an internal perspective. Any changes to our IT

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

system at present, we've undergone a lot of changes inside of USDA regarding what we can do internally to our IT system.

It has to go through full blown board reviews and things of that nature. We have to have a dialog about what that is. What it would look like. What type of resources would it take.

And as Lee mentioned, because we do have the use of fee cap, right now we wouldn't even probably be able to take on any new type of developmental projects that relate to IT, because they're already really at the cap as it pertains to just covering service, providing services.

We will definitely have a conversation about it. And figure out what's kind of the best course of action to address if we can.

MR. KERRIGAN: So, I can appreciate the type of change being -- being an export lead for two major AWMS systems.

The certifications and what that takes, to not only do the initial write, but all the bench

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

testing and then follow through of, you know, the system itself.

You know however, I will, you know, just kind of point out that these type of automation updates, you know, is something that we in the industry see.

And when we talk about technology enhancements, you know, just on the grading side, you know, it's these types of enhancements on the backside that have a similar, if not larger impact as well on manpower going forward.

And if you get too far behind and then the update gets so big, right. So, like I say, I definitely can appreciate it.

I actually figured honestly, Tony, that this was going to be the first comment 18 months ago when this topic came up, because you know, in discussing with others it seemed like it was likely a technology, I don't want to say a hindrance, but system capability items more so then the handbook, as we had originally discussed.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

You know so, it's not an item that happens every day. But, you know, like I said, I'm willing to back down from it because of the limited times it's used, other than just the, you know, when updates are needed.

That is a big concern on my end about the, you know, how -- how the Agency and Department is going to view enhancements, you know, and the technology going forward with the previous topic that we just talked about.

Is that there's some big limitations there. And it's not getting any cheaper any time we do anything.

MR. CAPPER: We can certainly keep this as part of an overall requirement request going forward. Especially as we talk about, you know, we have done some initial work on standardizing the collection for load orders.

And so, accounting for this wasn't part of that. And we can certainly include it in our plans.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

And, as we engage with you on our future there, you know, and different priorities, we can certainly speak to that then.

MR. KERRIGAN: Yeah. And --

MR. CAPPER: We would also like to move forward. We're just kind of hamstrung.

MR. KERRIGAN: Hey, like I say, I know what -- I know the costs. And I know how difficult it is.

I mean, like I said, of being on the opposite side of trying to get a system that conforms, right. You know, there's a lot of moving parts to it.

You know, and like I said, I'm a little bit surprised, you know, by the lack of consistent load orders across facilities.

And it's something that I probably hadn't thought about, you know, just in general as part of that notice.

But absolutely, I appreciate it. Anybody else --

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

(Simultaneous speaking.)

MR. CAPPER: And this --

MR. KERRIGAN: Have any discussion?

Oh, I'm sorry Lee, go ahead.

MR. CAPPER: Just one final thing. So, we are -- extra has considered part of the national script lens restructure.

And so, all these changes go through, you know, critical infrastructure boards and reviews. And we recently completed a, you know, DHS review of our system.

And so, there's a lot of kind of security certifications that go along with these systems as well.

And so, you know, as we go forward through these different steps, those will also, you know, take place in the future as well.

But, we did go through that process.

And there were not any critical findings recently.

MR. KERRIGAN: Okay. While we're actually talking about this, and we are on a little

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

bit separate issue to this.

But, in just kind of talking about the AWMS program, export facilities. You know, as far as the system as a whole, are we expecting any, any other changes when you talk about the actual infrastructure of the system?

Either to the regs, the application requirements, things of that nature?

MR. GOODEMAN: I don't know if Ryan Seapy is on here in our policy staff. So, we had a couple of folks that were very much involved in the automated wing program, Nelson Buck and Lima June, both of them retired in the last several years.

We did replace -- replacement of that for now. Ryan Seapy, he's an engineer that was actually a grader before coming to the policy staff. He was out of our League City office. He now resides in New Orleans, in the New Orleans area.

The program and the requirements are probably stale. So, I don't want to say that, you

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

know, there's no changes coming. I don't think there's anything eminent.

We're looking at, you know, we've got a few outdated directives like close circuit television systems. The Wang handbook is going through a routine update.

I think we're pretty cognizant of the fact that if we do make any changes there, that they're pretty high impact.

We also want to make sure that the existing systems are functioning properly and are sound and are secure.

So, I think that's where our focus lies.

Again, I would defer to Pat or Ryan. But, I think -- I think we'd want to make sure our existing systems are working the way they're supposed to and that they're secure.

MR. SEAPY: Tony, this is Ryan. Do you want me to -- you said it all or?

MR. GOODEMAN: Yeah, especially if I'm way off base.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

MR. SEAPY: Yeah. That's pretty accurate. Right now we're just, you know, getting everything -- making sure that we're following everything that's currently established and set in place.

There are some pieces of the automation that weren't -- we weren't like 100 percent following the guideline as states.

So, we're working on getting those all really dialed in, automating some of it where possible, so that we don't have to be relying on, you know, people checking it every 12 hours.

We need to actually have an automated system do that for you. Once that's in place, there's some things that we're looking at.

But, nothing -- no solid plans for any updates other than just getting everything really dialed in and reducing issues as they currently happen.

MR. GOODEMAN: The only thing I could see coming up is like if an elevator made any

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

changes. And any of those changes were not in agreement with the current instruction.

It might feel like a big change if we were to come out and did review or noticed something and said hey, this isn't -- this doesn't comport.

And you say, oh, this is a big change and a big upgrade that we have to do. But, I hope we won't see much of that.

I hope I answered the question.

MR. KERRIGAN: Yeah. And like I say, it was more of a, you know, just trying to make sure that there wasn't anything on the Department side.

MR. GOODEMAN: No.

MR. KERRIGAN: Because as was said, when you talk about funding to --

MR. GOODEMAN: Right.

MR. KERRIGAN: To change a system across the board, you know, it's one piece of software.

MR. GOODEMAN: Yeah.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

MR. KERRIGAN: But, you know, we are obviously undertaking, you know, that piece for each facility. Which turns into, very easily, a multimillion dollar endeavor, you know.

MR. GOODMAN: Right.

MR. KERRIGAN: Anybody else from the Committee have any questions on this discussion, issue as discussed?

(No audible response.)

MR. KERRIGAN: Pretty quiet group for 66 people being on here. So, we will -- we will move along then.

Arthur, do you want to keep moving on given that public comment is next? Or do you want to take a short break?

We're about right on time. Any thoughts?

MR. NEAL: I would assume folks need some type of bio-break or something. We can take a break and then re-engage for public comments.

MR. KERRIGAN: Okay. Let's take 17

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

minutes here if we can. And let's come back four o'clock eastern time, please. Thank you.

(Whereupon, the above-entitled matter went off the record at 3:45 p.m. and resumed at 4:00 p.m.)

MR. KERRIGAN: Okay. I appreciate everybody coming back. We're now onto the public comment section of our agenda.

I see that we have 56 participants anxiously awaiting to -- to discuss, well, I guess whatever topic they'd like to for that matter.

Kendra or Arthur, is there any way we want to do this, as far as do you have a set of comments that's been received?

Do we go with a simple hand raise? How would you like to proceed with this?

MS. KLINE: I haven't received any requests to address the Committee. Usually they come to me, and I haven't received any.

MR. KERRIGAN: Okay.

MS. KLINE: So, I don't know, Mr.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

Chairman, if you want to open up the floor for any comments?

I mean, it's your right to do so.

MR. KERRIGAN: We've got a little bit of time here. I just thought I'd ask, is if anybody on here would like to address, if you have any comments, raise your hand within Zoom.

I'd at least offer that opportunity up.

(No audible response.)

MR. KERRIGAN: Wow Arthur, you have done a tremendous job over the past year of addressing everything that everybody has had a question about.

MR. NEAL: Wait a minute. No, that's not the case. I think, you know, it's a process. You know, folks probably do have questions.

It's just some questions have been asked and there are -- there's still answers waiting to be, you know, conveyed.

And so, you know, I think it's just that -- I think at least we're communicating.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

MR. KERRIGAN: That's a fair statement. Anybody else on the Committee have any topics that would like to discuss during this time?

MR. FRIANT: Matt, this is Nick. And I was thinking about this earlier during the -- during the technology review process.

And I wasn't real sure if it was appropriate. But, I had noticed that it looked like previously some technology providers had been on the call.

Is this an opportunity for any of them to make -- share thoughts on the technology review process?

If any of them have thoughts that they want to share.

MR. KERRIGAN: I think they can. I don't know that they've seen the document at this point though.

MR. FRIANT: Okay.

MR. KERRIGAN: That would make that difficult.

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

MR. NEAL: We did post it along with the agenda --

MR. KERRIGAN: Okay.

MR. NEAL: On the website.

(No audible response.)

MR. NEAL: I think that the good thing about it, is that this won't be the only time people will have an opportunity to see it and -- and provide input on it.

MR. KERRIGAN: Okay. Well no one -- oh, Jimmy?

MR. WILLIAMS: I just had a question. So, is the purpose of this discussion this afternoon to talk about what resolutions the Committee wants to put forth tomorrow?

Or are we going to have more discussion along those lines tomorrow?

MR. KERRIGAN: So, what I was going to suggest is we don't have our quorum today. And that there's only a couple of recommendation, potential items here that we talked about, was to

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

wait to see if we had a quorum tomorrow to further that.

Because if we don't have a quorum tomorrow, I don't want to say it's a waste of time.

But, there's nothing that we can do in that public setting to actually make a recommendation.

So, that was going to be where I was going to go with it. Is you know, this is good for open discussion for a potential question with FDIS, you know, with the Agency and other members, maybe topics that we want to get out in the open to -- for potential future agenda items for instance.

And if nothing, my recommendation was going to be to -- to break, or I guess, further adjourn for the day, and see if we can call to order tomorrow to go through recommendations if we have a quorum.

Okay. Well, hearing nothing, that is my plan, is to adjourn the meeting for the day.

We have scheduled another full day tomorrow,

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309

coming back and calling to order at 11:00 a.m.

Where we will discuss one of the items, the FDIS FDA MOU discussion that the subcommittee had worked on a recommendation already.

We have another potential recommendation out there regarding the support of the ITE document as well. And any other recommendations that may have come out of discussion earlier today that I have not noted.

With there being no further comments, we'll adjourn and we'll see everybody tomorrow.

(Whereupon, the above-entitled matter went off the record at 4:06 p.m.)

NEAL R. GROSS

COURT REPORTERS AND TRANSCRIBERS
1716 14th STREET, N.W., SUITE 200
WASHINGTON, D.C. 20009-4309