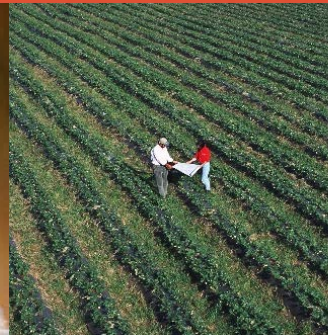




# National Organic Standards Board: Import Panel

**Paul Lewis, Ph.D.**  
**Director, Standards Division**  
**National Organic Program**

Agricultural Marketing Service





# Background

- The Agricultural Marketing Service/National Organic Program has determined that certain shipments of corn and soy, shipped from Turkey were fraudulently labeled as organic.



# NOSB Work Agenda and Import Panel

- Request for NOSB recommendations(s) on improving the oversight and control procedures used by AMS/NOP certifiers, and operations to verify organic claims.
- Today's panel provides Federal perspectives on the import of organic products.



# NOSB Import Panel

- Michael Durando – USDA/Agricultural Marketing Service/Marketing Order and Agreement Division
- Daniel Collier – Department of Homeland Security/Customs and Border Protection
- Matthew Farmer – USDA/Animal Plant Health Inspection Service/ Plant Protection and Quarantine Program
- Jennifer Tucker, Ph.D. – USDA/Agricultural Marketing Service/National Organic Program



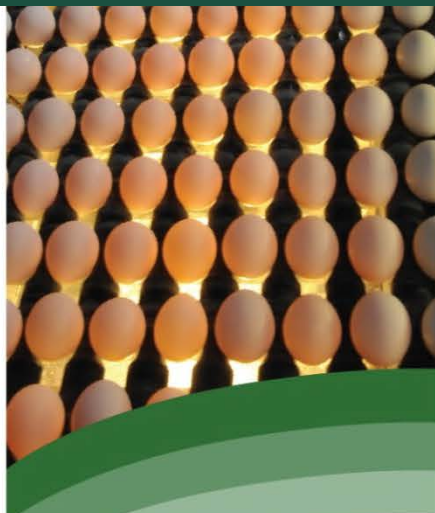
United States Department of Agriculture



# Agricultural Marketing Service

Creating Opportunities for American Farmers and Businesses

[www.ams.usda.gov/nop](http://www.ams.usda.gov/nop)



# **Imported Agricultural Products Regulation**

National Organic Standards Board

October 31, 2017

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# Key Points

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- Improving government services through cross-departmental information technology
- Complexity of agricultural import regulation
- Case Study: Streamlining AMS 8e import enforcement
- Critical elements for success

# ITDS/ACE

International Trade Data System  
Automated Commercial Environment

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- U.S. Customs and Border Protection (CBP)
- Customs Modernization Act of 1993
- Single, centralized access point for government and trade community
- Multi-billion dollar investment over 15-20 years
- 47 Partner Government Agencies (PGAs)

## Advantages:

- ✓ Coordination among 47 agencies
- ✓ Streamlined industry compliance
- ✓ Real-time government decision-making
- ✓ Reduced costs
- ✓ Reduced paper



## ITDS Board of Directors

- ACE development

## Border Interagency Executive Council (BIEC)

- Operations and Maintenance
- PGA development,  
modernization, enhancement

### **Departments:**

- Agriculture
- Commerce
- Defense
- Energy
- Justice
- Labor
- Homeland Security
- Interior
- Transportation
- HHS
- Treasury
- State
- Independent  
Agencies



# USDA Participants

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**AMS**



**U S D A**

# CBP Participants in AMS

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## Interactive Users

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

## Data Users

- Market News
- Research and Promotion Programs

# Section 8e Import Regulations

## (Fruits, Vegetables, Specialty Crops)

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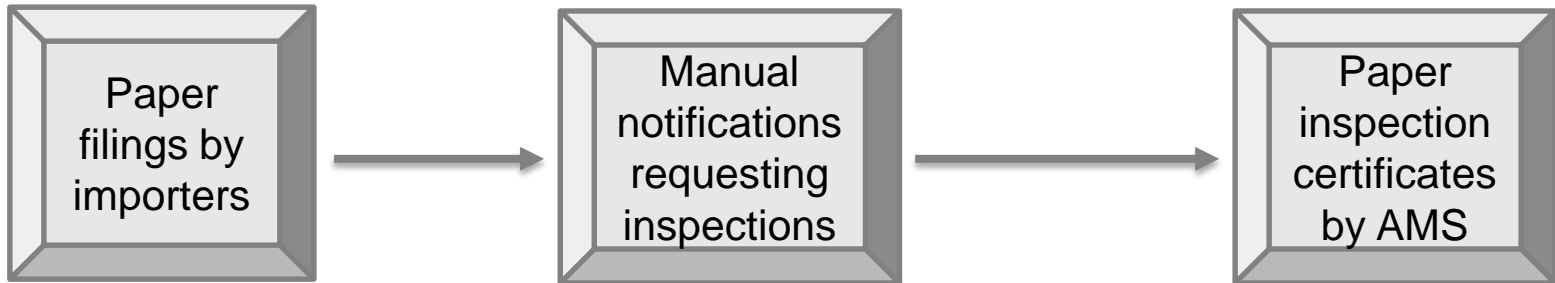
- Section 8e of the Agricultural Marketing Agreement Act of 1937
- Requires import enforcement of comparable standards (grade, size, quality, maturity) to domestic marketing orders
- Enforces inspection of commodities prior to release from CBP custody
- Approximately 250,000-350,000 entries per year

# Section 8e Regulated Commodities

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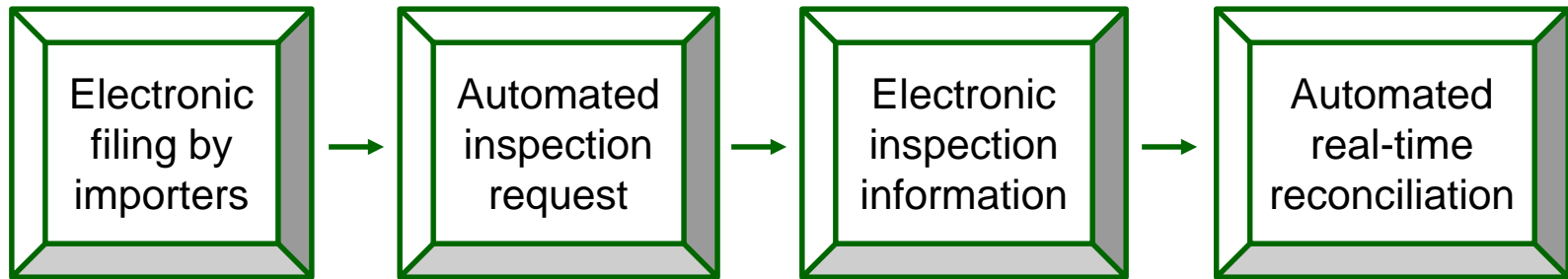
- Avocados
- Dates (not processing)
- Hazelnuts/Filberts
- Grapefruit
- Grapes (Table)
- Kiwifruit
- Olives (no Spanish-style)
- Onions
- Oranges
- Irish-type Potatoes
- Pistachios
- Raisins
- Tomatoes
- Walnuts

## Before ACE



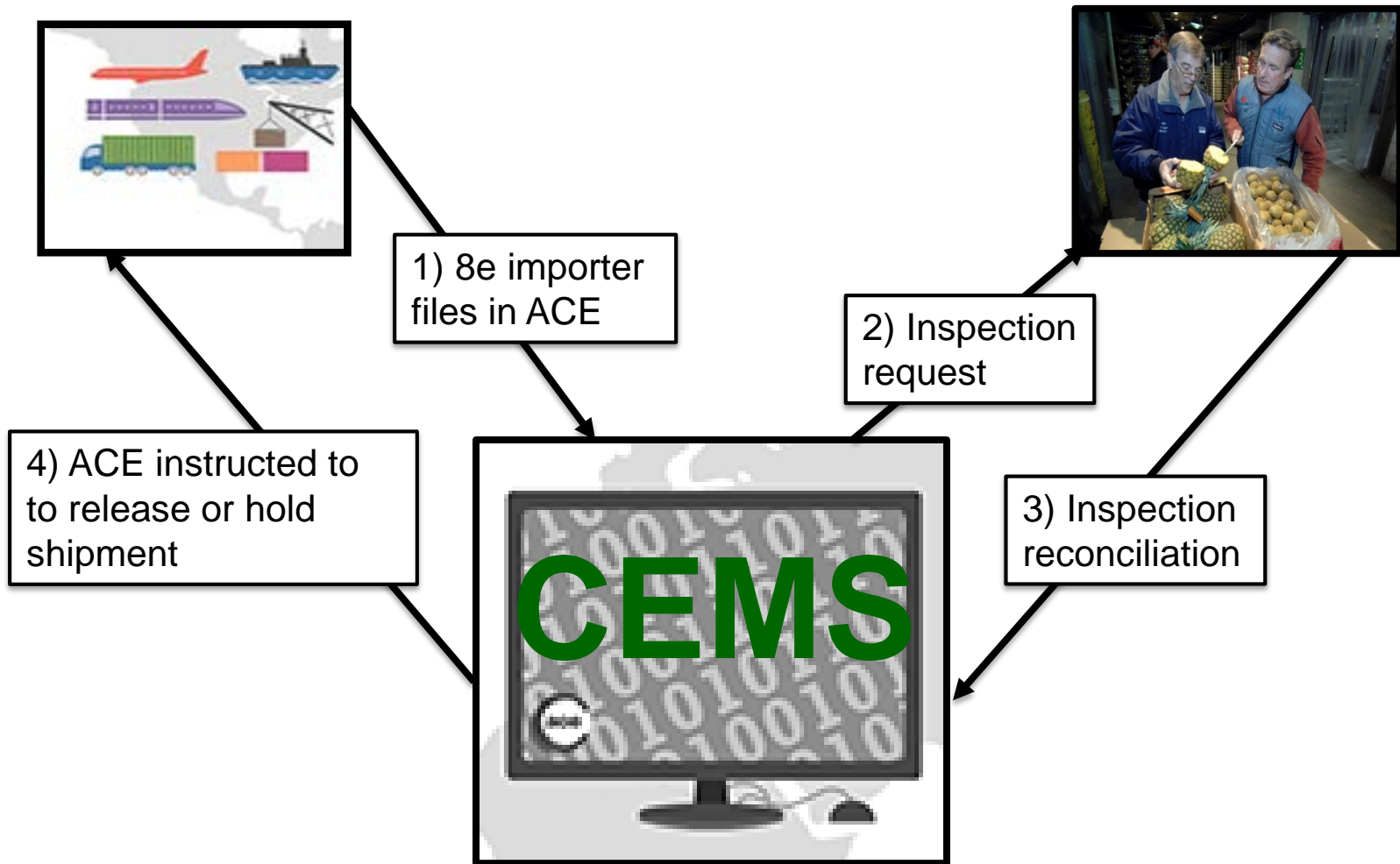
- Difficulty reconciling paper certificates with import data affected timeliness
- Automatic release by CBP after 30 days
- Weekly data transfer from CBP to AMS via CD
- Limited visibility of entries

## After ACE



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

# How CEMS Works





# CEMS Development

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

# CEMS Results

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

# Critical Elements

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

# Thank You

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[www.ams.usda.gov/moab](http://www.ams.usda.gov/moab)

Michael Durando

Director

Marketing Order and Agreement Division

[michael.durando@ams.usda.gov](mailto:michael.durando@ams.usda.gov)

202-720-2491



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# AUTOMATED COMMERCIAL ENVIRONMENT (ACE)



October 2017



U.S. Customs and  
Border Protection

# U.S. Single Window for Trade



## INTERNATIONAL TRADE

- In FY2016, CBP processed more than \$2.3 trillion in imports and more than \$1.5 trillion in exports, and collected approximately \$40 billion in duties, taxes and fees

## ACE / ITDS

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

## PARTNER GOVERNMENT AGENCIES

- More than 47 Partner Government Agencies
- Streamlines paper submissions and multiple entry systems
- Automates 269 forms required for imports and exports



Quicker data availability for Government - better identification of dangerous or prohibited shipments



Automated Agency interactions reduce paper, enable near-real time decision making by Government



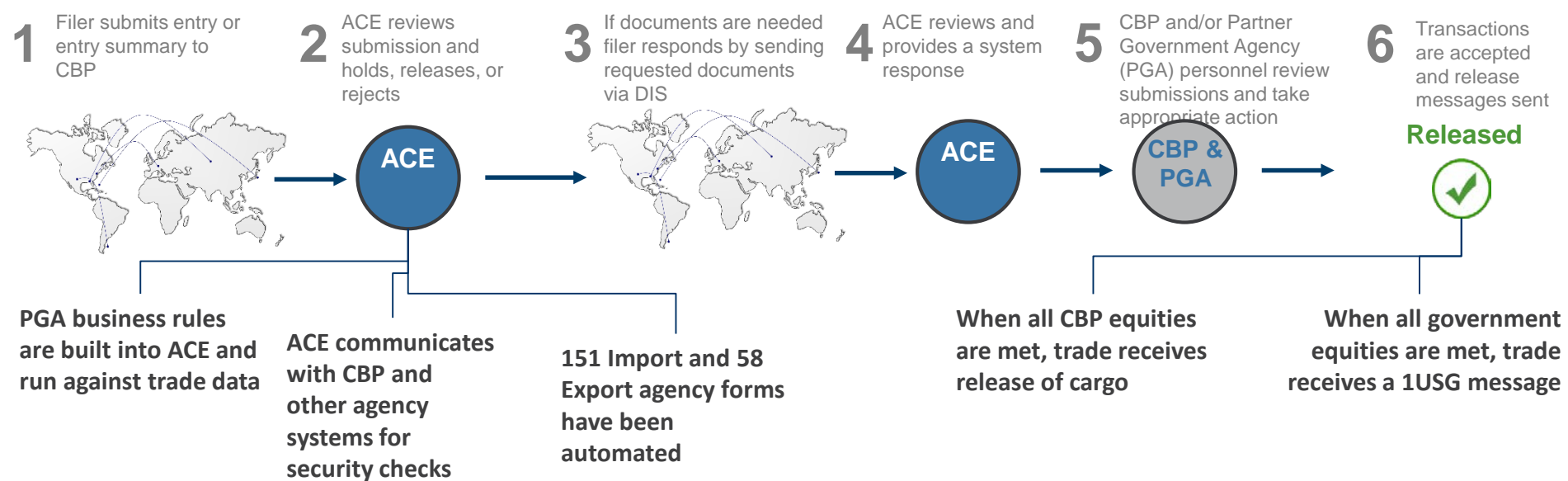
Easier for industry to comply with government regulations



Reduced costs for Government and industry

# One U.S. Government at the Border (1USG)

- The ultimate goal is to improve U.S. economic competitiveness through facilitation of trade, while enhancing PGA enforcement.



# Best Practices



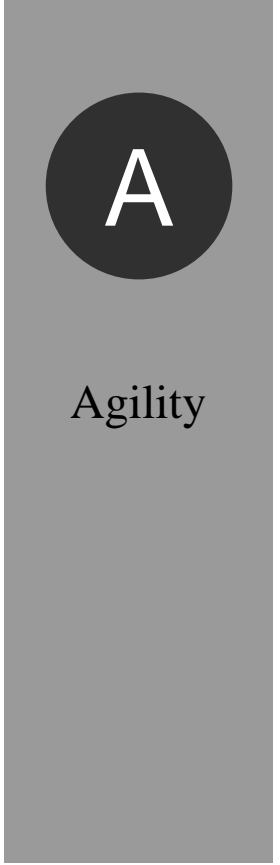
**P**  
Political Will



**L**  
Legal Framework



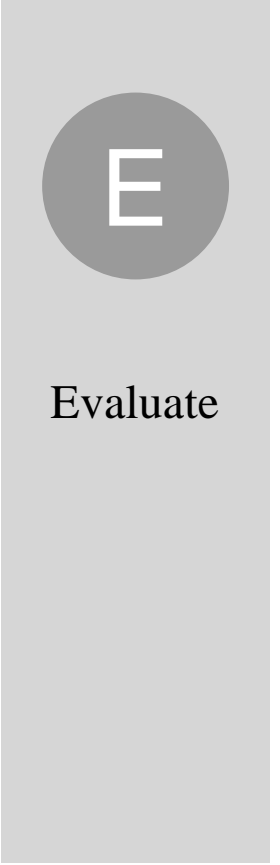
**E**  
Engagement



**A**  
Agility



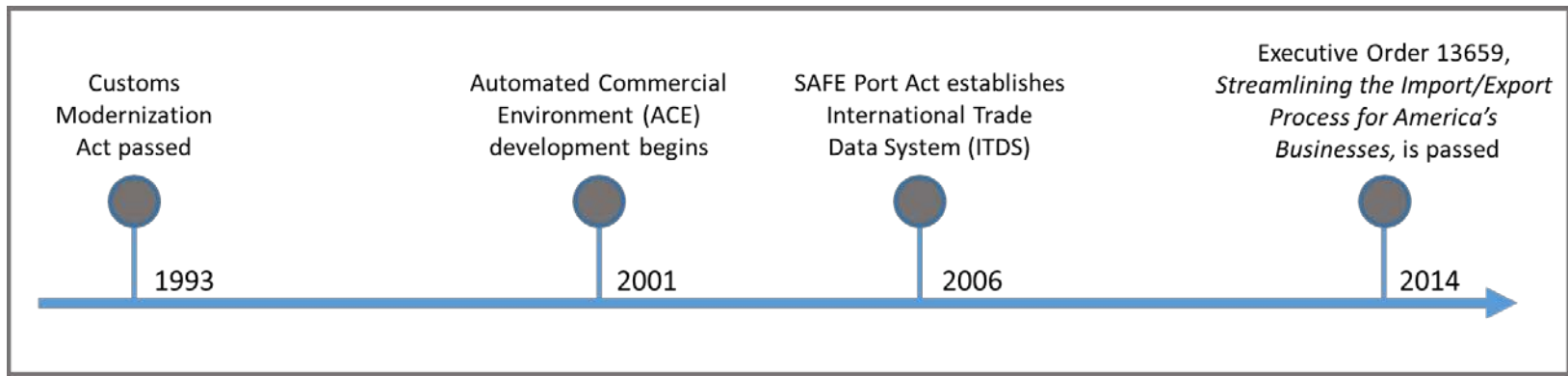
**S**  
Sharing



**E**  
Evaluate



# United States Journey to a Single Window



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

# Significant Legal Authorities

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

## Legal History

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



# Monitoring Progress

## 1 Strategy

- White House
- Congress

- National Security Council
- National Economic Council
- Office of Management and Budget

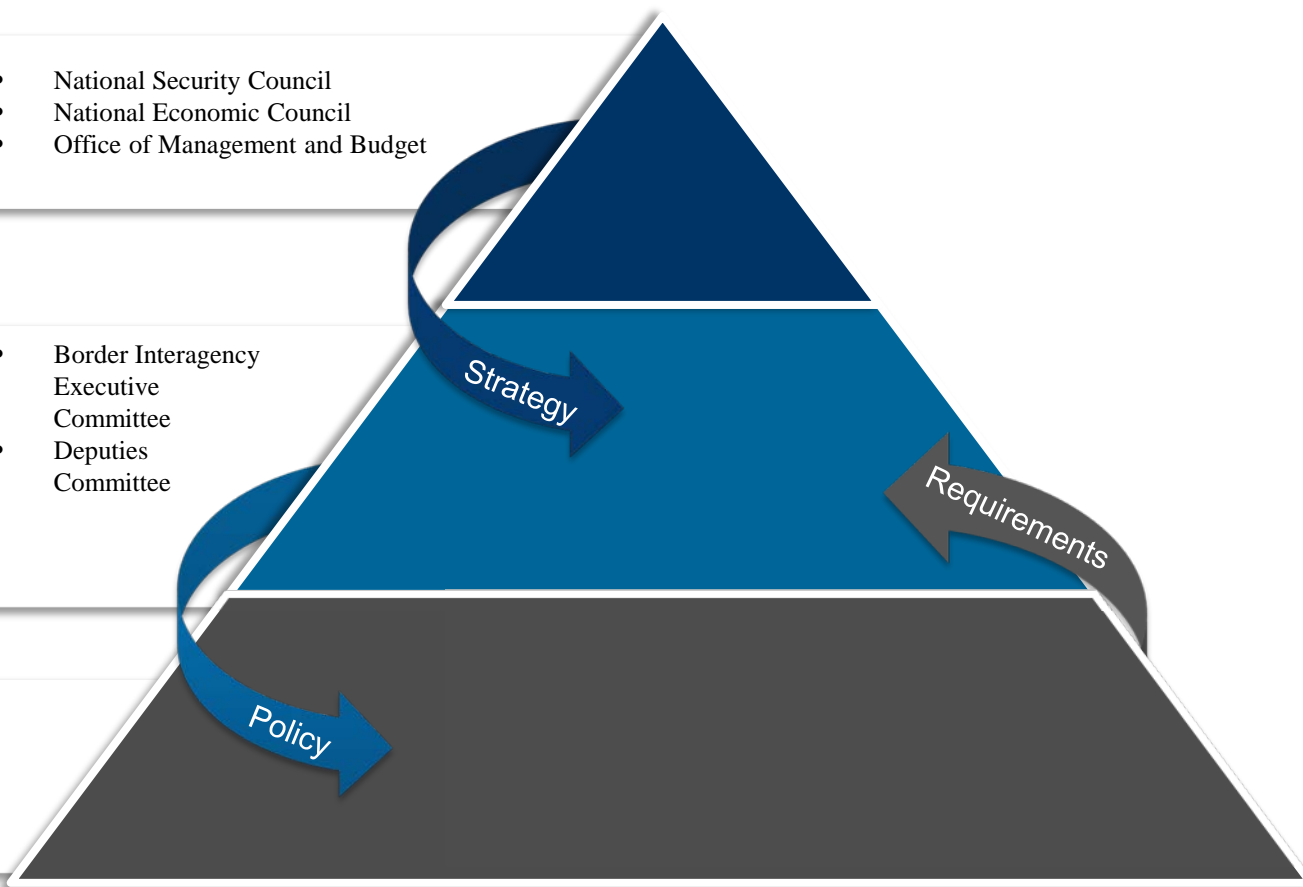
## 2 Policy & Process

- Trade Support Network (TSN):  
Trade Leadership Council
- ITDS Board of Directors
- Commercial Operations Advisory  
Committee (CCOAC)

- Border Interagency  
Executive  
Committee
- Deputies  
Committee

## 3 Technical

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



# Oversight: Stakeholder Engagement

## Strategic/ Policy Approach

## Automation/Tactical Input

Industry

**Commercial Operations Advisory Committee (CCOAC)**

20 members | 1-2 monthly calls | 4 annual onsite meetings

3 sub-committees work on ACE:

- One U.S. Government at the Border
- Modernization
- Exports

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

**Trade Support Network**

300 members (40 leadership reps) | Monthly calls | 2 annual onsite meetings

9 sub-committees work on ACE:

- Account Management
- Entry
- Export
- ITDS
- Legal & Policy
- Multi-Modal Manifest
- Supply Chain Security
- Transition

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

Partner Government Agencies

**Border Interagency Executive Council**

47 agency Executives | Chaired by DHS Secretary | 4 annual onsite meetings

3 sub-committees:

- Risk Management
- Process Coordination
- External Engagement

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

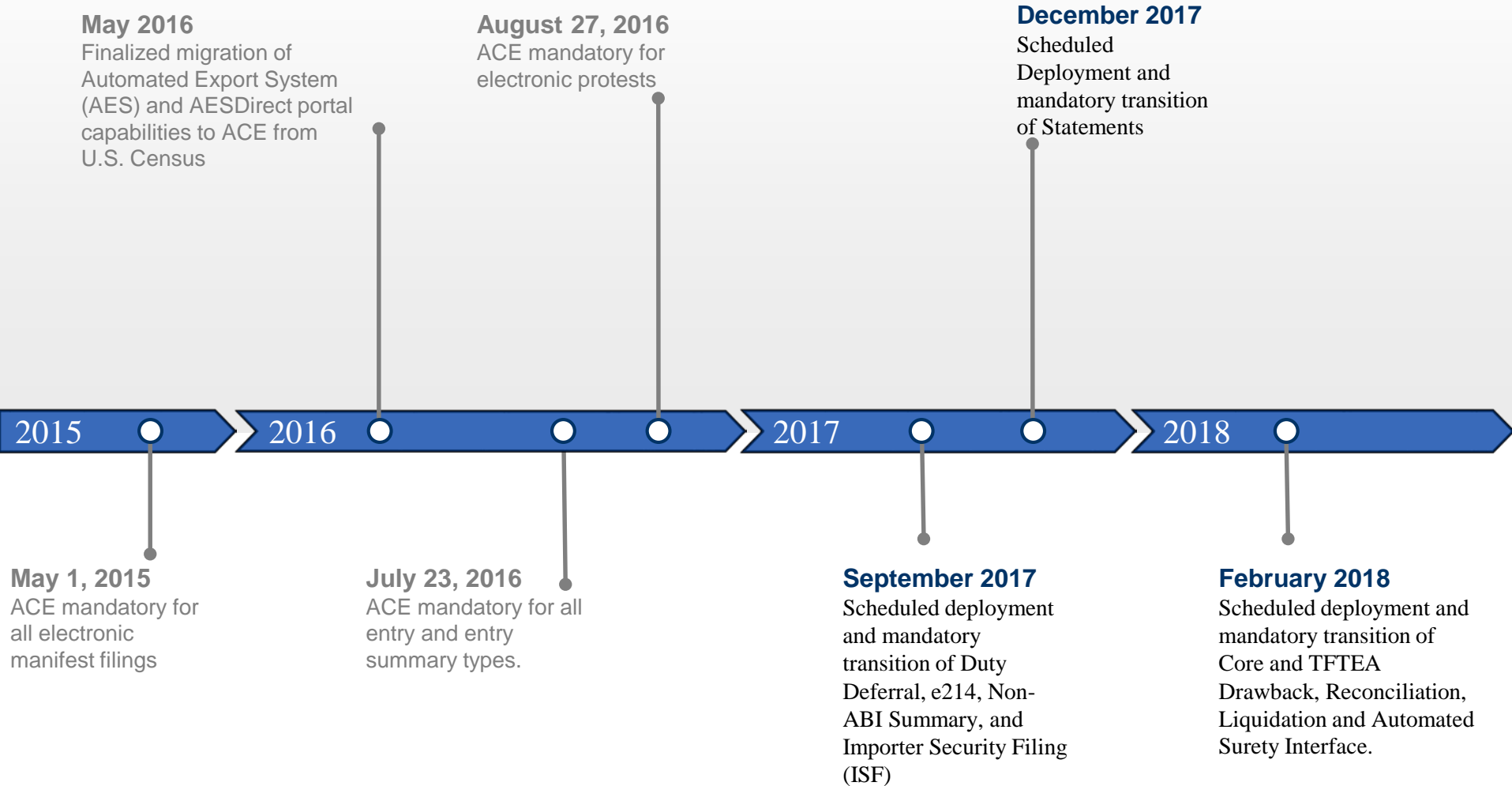
**ITDS Board of Directors**

Technical reps from 47 agencies | Chaired by Treasury Under Secretary | Monthly onsite meetings

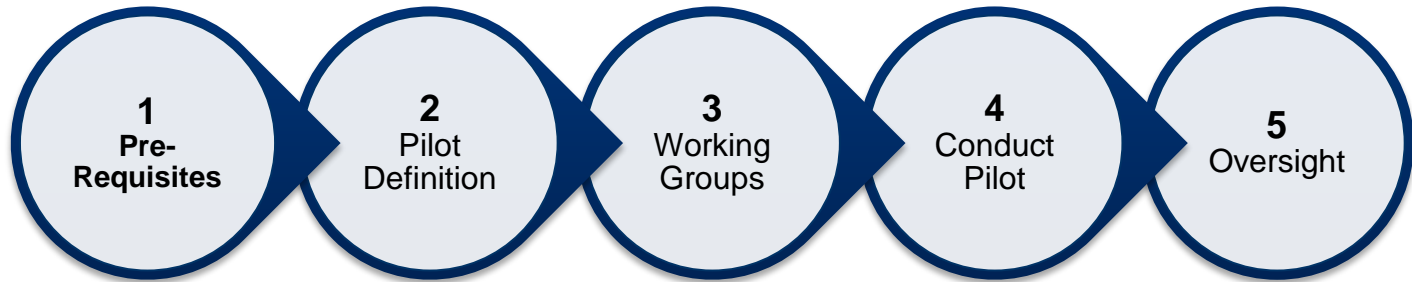
Works on all aspects of ACE integration. Forms committees and working groups as needed to address specific issues.

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

# Agile Implementation



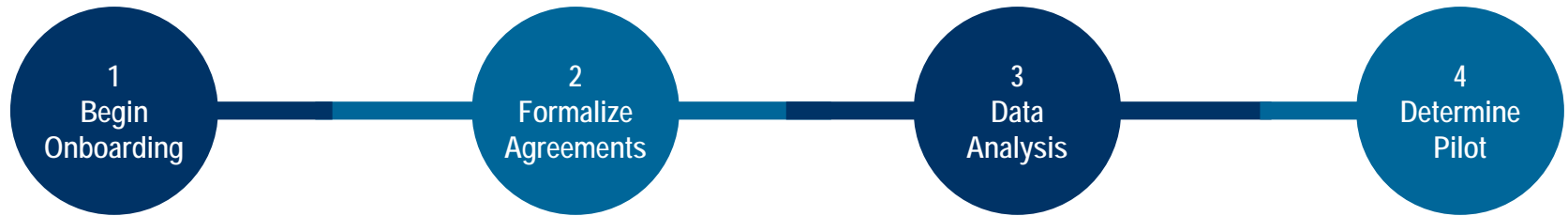
# PGA Integration Process



CBP established a process to facilitate and manage integration of PGAs into ACE

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

# Partner Government Agency Prerequisites



Assess individual agency needs.

Document the **scope** and **deadline** of the outlined work.

Catalog all **paper forms** an agency collects to facilitate the **import and export** of goods.

Complete coding and initiate a pilot.



# Key ACE Benefits for PGAs

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

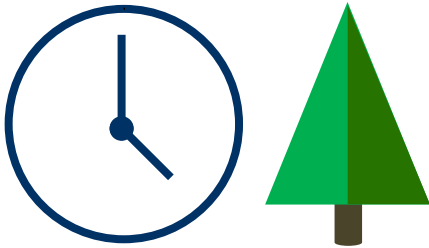




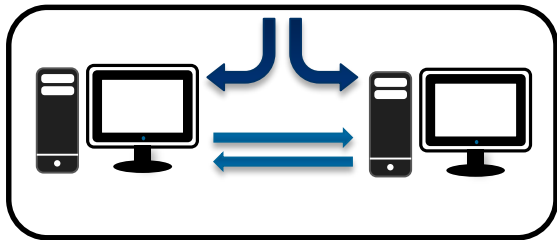
# Benefits of Filing with ACE



## Quicker Receipt of Data



## Reduced Time and Paper Costs



## Automated Agency Interaction

### Manifest Submissions

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

### Entry Submissions (Cargo Release)

- **Streamline** submission of data elements
- **Remove requirement** to file paper CBP Form 3461

### Entry Summary Submissions

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

### Exports

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

### Periodic Monthly Statement

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

# Lessons Learned

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

Pre-Implementation	Throughout Implementation	Post-Implementation	Resulting Outcomes
<ul style="list-style-type: none"> <li>❑ Baseline process/performance/outcome measures (i.e. time to release)</li> <li>❑ Define criteria for success</li> <li>❑ Identify necessary training, business process, and legal updates</li> </ul>	<ul style="list-style-type: none"> <li>❑ Agency Readiness</li> <li>❑ Partner Government Agency Readiness</li> <li>❑ Trade Community Readiness</li> </ul>	<p>Approach for future updates/enhancements</p> <ul style="list-style-type: none"> <li>❑ What methods are best to collect inputs from stakeholders?</li> <li>❑ How are requests reviewed and prioritized?</li> </ul> <p>Approach for cost sharing:</p> <ul style="list-style-type: none"> <li>❑ Should one organization be responsible for funding maintenance and upgrades?</li> <li>❑ Have other offices achieved a cost savings by relying on the single window?</li> </ul>	<ul style="list-style-type: none"> <li>❑ Impact on trade facilitation, enforcement, security objectives and economic outcomes</li> <li>❑ Return on investment for the trade community</li> <li>❑ Enhanced border coordination and risk management</li> </ul>

# ACE on CBP.gov

The screenshot shows the official website of the U.S. Department of Homeland Security, U.S. Customs and Border Protection. The page is titled "ACE and Automated Systems".

**1. Left Navigation:** A dark blue sidebar on the left contains a menu with the following items: "Basic Import and Export", "ACE and Automated Systems" (highlighted with a red box), "Getting Started with Automated Systems", "Technical Documentation", "ACE Features", "ACE Federal Register Notices", "Border Interagency Executive Council", "Programs and Administration", "Priority Trade Issues", "Rulings and Legal Decisions", "Stakeholder Engagement", and "Trade Facilitation and Trade Enforcement Act".

**2. Main Column:** The main content area is titled "ACE and Automated Systems". It contains the following text: "CBP automated systems facilitate the electronic importing and exporting of goods. By the end of 2016, the Automated Commercial Environment (ACE) will become the Single Window - the primary system through which the trade community will report imports and exports and the government will determine admissibility. Through ACE as the Single Window, manual processes will be streamlined and automated, paper will be eliminated, and the trade community will be able to more easily and efficiently comply with U.S. laws and regulations. Below you will find an overview and links to more information on: ACE, ACE transition efforts and mandatory dates, training materials, technical reference documentation, outreach efforts, and support resources." It also includes a section titled "Transitioning to ACE" with a sub-header "ace 2016 Realizing the Single Window" and a link to "ACE Mandatory Use Dates".

**3. Right Navigation:** A sidebar on the right is titled "Get Started with ACE" and contains the following sections: "Get Started" (with a location pin icon), "Apply for an Account" (with a document icon), "Log In" (with a computer monitor icon), "How to Stay Informed" (with "Sign Up for Email Messages" via CSMS, "Find an Outreach Event" via a calendar icon, and "Learn about the Trade Support Network (TSN)"), and "How to Get Support" (with "ACE Support" via a wrench and screwdriver icon, "Training and Reference Guides" via a book icon, and "Frequently Asked Questions (FAQ)" via a magnifying glass icon).

1. Left Navigation:
  - Getting started
  - Technical Documentation (CATAIR, IGs, etc.)
  - ACE Features (Detail on ACE capabilities)
2. Main Column:
  - Updated with latest news/headlines
  - Mandatory Dates
  - What's New with ACE?
  - Links to publications
3. Right Navigation:
  - ACE portal
  - CSMS
  - Outreach
  - Training
  - FAQs
  - Support



# Questions?



U.S. Customs and  
Border Protection





United States Department of Agriculture

# **APHIS Role in Import Process**

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

Matthew Farmer  
Assistant Director

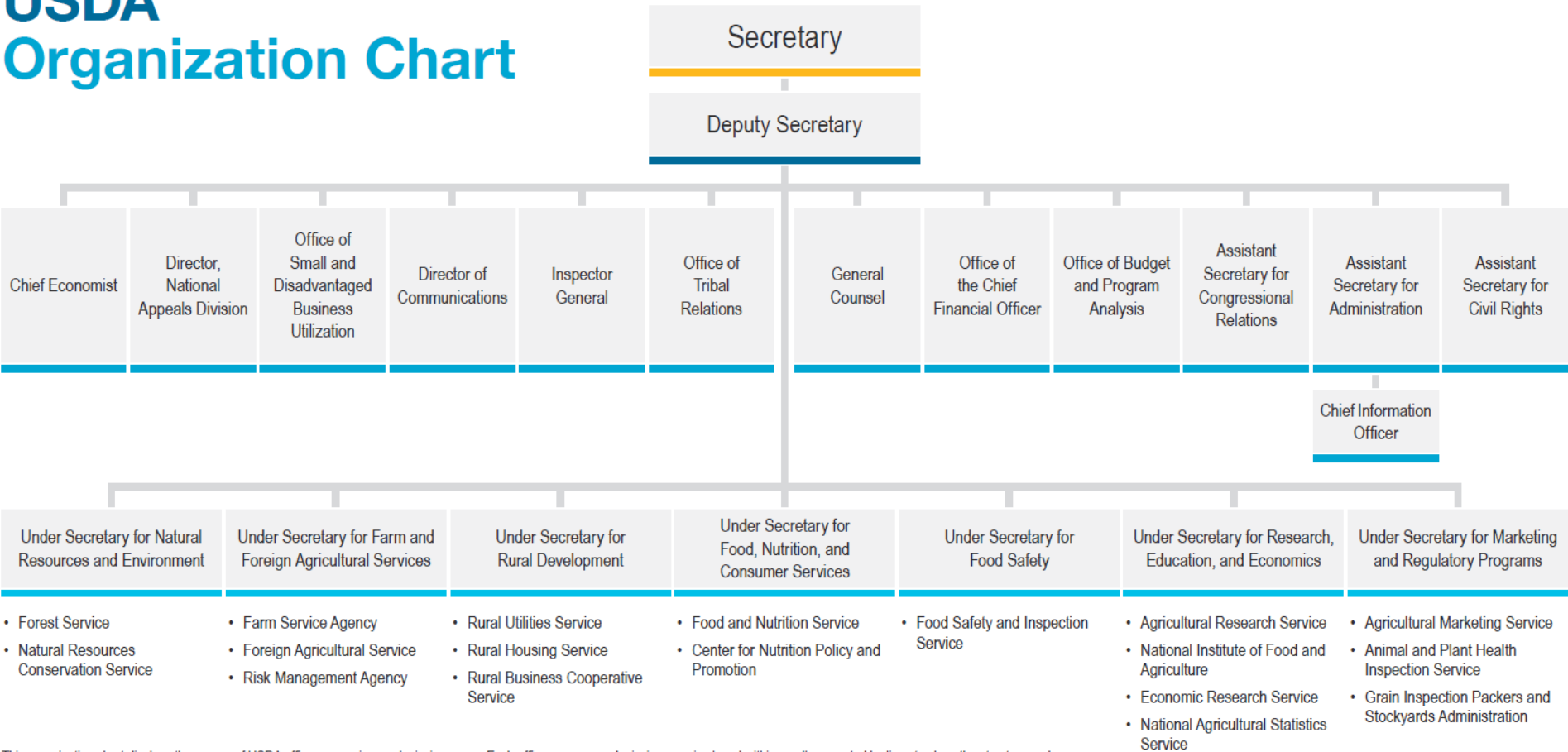
# Topics

- Org Chart/Mission
- APHIS Programs
- Safeguarding Continuum
- Market Access and Regulatory Process
- Agriculture Quarantine Inspection Process
- Initiatives
- Resources
- Summary





# USDA Organization Chart



This organization chart displays the names of USDA offices, agencies, and mission areas. Each office, agency, and mission area is placed within a cell connected by lines to show the structure and hierarchy (Under Secretary, Deputy Secretary, or Secretary) for which they fall under. An HTML version that lists [USDA Agencies and Offices](#) and [USDA Mission Areas](#) is also available on usda.gov.

# APHIS Mission

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



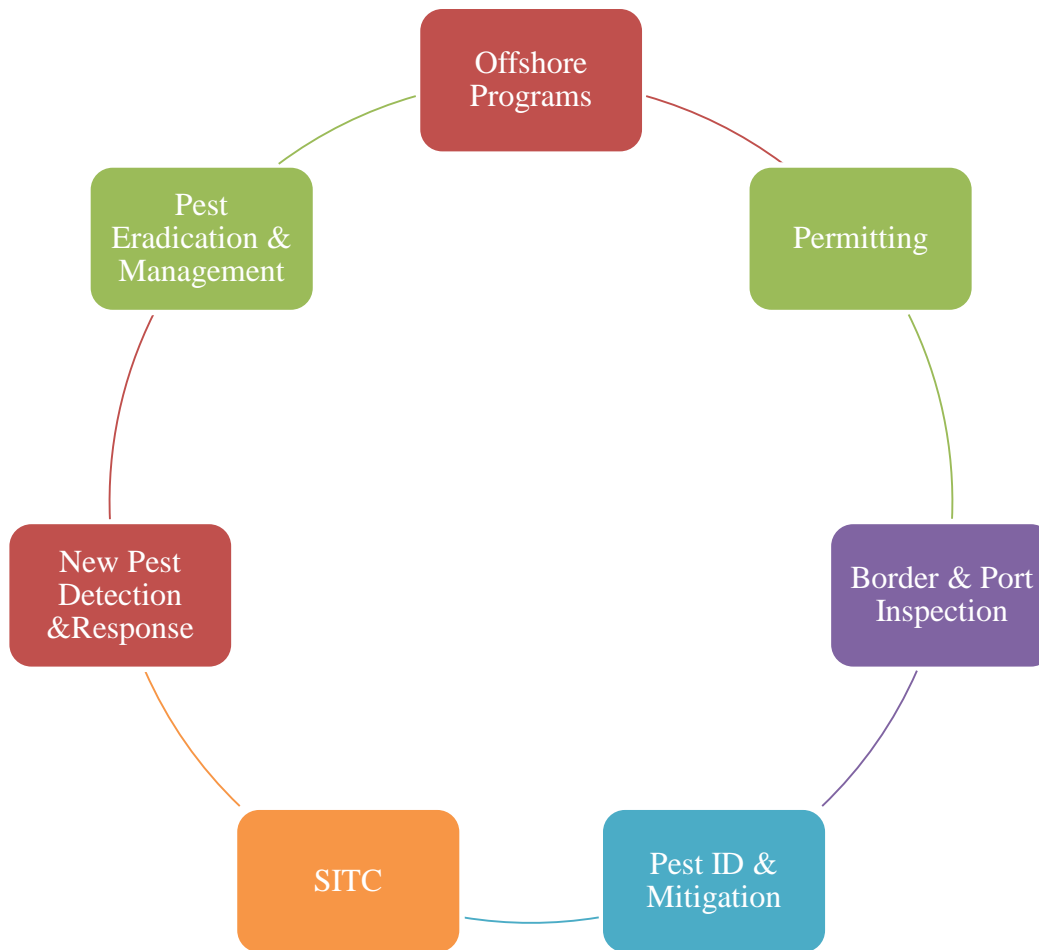


## Key APHIS Programs

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



# Safeguarding Continuum



# Market Access and the Regulatory Approval Process (Plants)

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



# Rulemaking

- The standard process
  - Time consuming
  - Several years before new commodities are allowed into the United States
- In 2007, APHIS developed the Notice Based Process (NBP)
  - Applicable only under pre-defined standards
  - Streamlined
  - Shortens the timeframe



# To Qualify for the Notice Based Process

- Subject to inspection upon arrival
- Imported from designated pest free area
- May require phytosanitary treatment (7 CFR §305)
- Inspection + certification in country of origin
- Commercial consignments only
  
- Full criteria to qualify for NBP ([7 CFR §319.56-4](#))

# Steps After Regulatory Approval

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

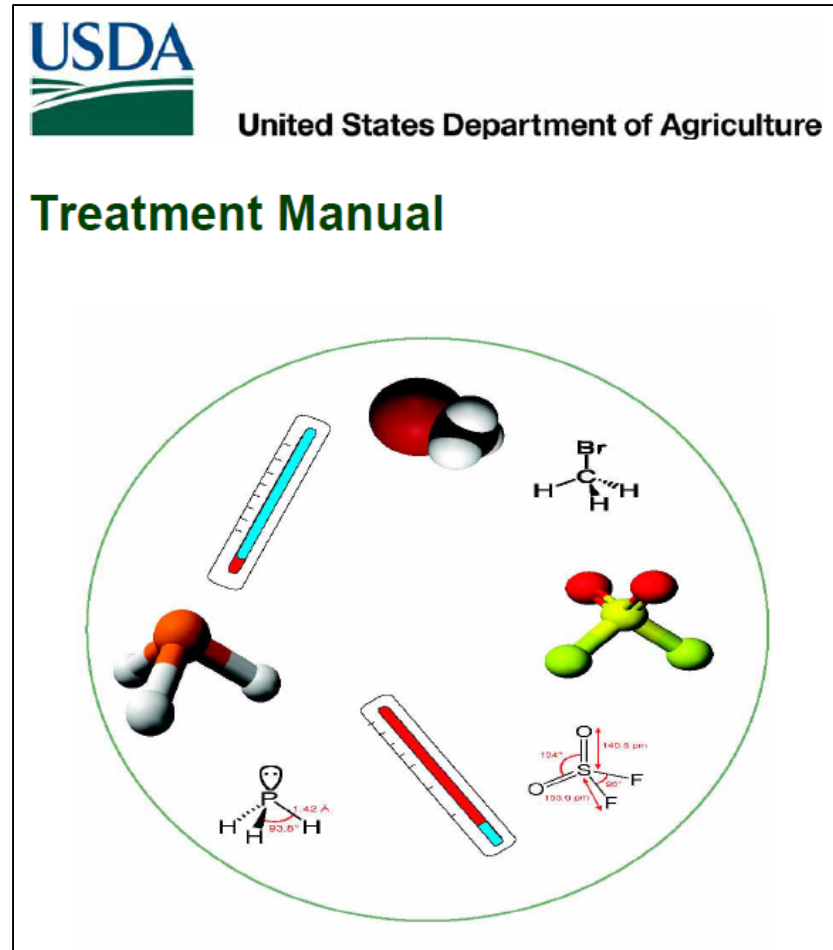


# Steps After Regulatory Approval

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



# Phytosanitary Treatments





# Agriculture Quarantine Inspection Process

## Commercial Importation

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



# Future/Ongoing Initiatives

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

## Resources

APHIS Stakeholder Registry

<https://public.govdelivery.com/accounts/USDAAPHIS/subscribe/new>

Fruits and Vegetables Import Requirements (FAVIR)

<https://epermits.aphis.usda.gov/manual/index.cfm?ACTION=pubHome>

## More Questions?

APHIS Customer Service

Call Center

1-844-820-2234

Monday – Friday 08:30 –17:00

<https://www.usda.gov/ask-expert>



# Topics

- Org Chart/Mission
- APHIS Programs
- Safeguarding Continuum
- Market Access and Regulatory Process
- Agriculture Quarantine Inspection Process
- Initiatives
- Resources
- Summary



# Concerns, Comments and/or Questions

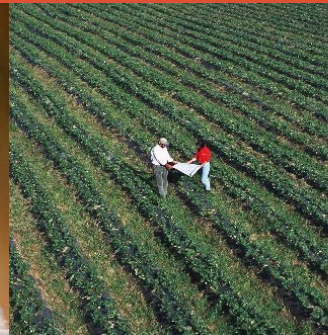




# Import Panel: The NOP View

Jennifer Tucker, Ph.D.  
Associate Deputy Administrator

Agricultural Marketing Service





# Current Work

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

# Upcoming Work

- Explore the development of an international supply chain traceability system
- Conceptualize Alternative Models:
  - Governance (Industry, Government)
  - Technology (Blockchain, Others)

# How NOSB Can Help

1. Propose roles for industry, certifiers, and NOP to protect the organic integrity of imports within the existing regulatory framework
2. Propose a Concept of Operations for full supply chain audits, in addition to certifier-specific audits
3. Propose governance alternatives for an international supply chain traceability system
4. Propose how certifiers can verify inspector skills in specialized audit activities, such as traceback and mass balance audits, through performance reviews



United States Department of Agriculture



# Agricultural Marketing Service

Creating Opportunities for American Farmers and Businesses

[www.ams.usda.gov/nop](http://www.ams.usda.gov/nop)

