Public Meeting on: Seafood Import Monitoring Program
Date: **July 13, 2017, 12:00 pm CT**
Location: **Long Beach, CA**
Presenter: **Laurice Churchill, Office of International Affairs and Seafood Inspection**
Facilitator: **NWX-DOC CONFERENCING**

Coordinator: Welcome and thank you for standing by. Your conference will start
                   momentarily. Today's conference is being recorded. If you have any
                   objections, please disconnect at this time. At the time of question and answer,
                   if you'd like to ask a question, you may press Star 1. All lines are in a muted
                   fashion until that time. Thank you.

(Celeste):   …transcripts online to make sure everyone has access to the information we
                   covered here today. For that purpose, if you do have a question during the
                   Q&A portion, we just ask that you wind up at the mic, state your name. if
                   you're comfortable, state your affiliation when you ask a question, so we can
                   keep that record. One other thing, if you saw a little bowl of USB drives here
                   at the entrance, we have our outreach materials in English in those little USB
                   files. They're also all available on our Web site which is
                   www.IUUFishing.NOAA.gov. You'll see them in presentations. But just to
                   make sure those are available to you.

                   Another is this little machine behind me is from the Hilton. They have it for
                   parking validation. If you haven't already, you can slide your parking receipt
                   in there and you'll get a discounted rate for the parking. A couple of other
                   notes - so restrooms are, if you turn out of here, make a left, down by the
                   elevators - opposite the elevators are men's and women's restrooms you can
                   use. And in the event of an emergency, we have doors in the front, in back of
                   this room. Right behind this room is a stairwell that leads down to the outside
                   area. You can go out to the parking lot. That's their emergency evacuation
                   procedure for here.

                   With that, I'd like to turn this over to (Laurice). Thank you again for coming,
                   and we'll talk more in the Q&A session.

Laurice Churchill: Thank you (Celeste). Can you all hear me okay? I've got different mics so if
                   I step away you should still hear me okay. If that's going to work. Okay. So
                   I have to wear a different hat today. normally several of you may know me
                   through the seafood inspections program. All right. Today we're talking
                   about NOAA's new seafood import monitoring program. I'm getting a little
                   feedback but I think that's - he'll adjust that up back. Anyway, so what is the
                   purpose of what - how this all came about?

                   A little bit of history in the beginning and then we'll go into more details of
                   the specifics. So as this slide points out, the driving factors for this are the

illegal, unreported, unregulated fishing and seafood fraud, which threatens all of our valuable resources, both domestic and abroad. It's law abiding fishers and seafood producers here and abroad, both at a disadvantage. Everybody knows that the US market is a valuable market.

This number is $96 billion is the value of the US fishing market. So the point or major thrust of the seafood import monitoring program is to insure that products are [not] the result of IUU or illegal unreported unregulated fishing, do not enter or stay out of that $96 billion market. So just a brief history - the development of this program started in 2014 with presidential memorandum and has moved forward. It went into effect - the rule is in effect as of January 9, 2017, with a compliance date of January 1, 2018. Therefore, this is why we're doing these outreach programs. We've had a variety of webinars. People have traveled globally to try to introduce and inform those that are going to need to provide information or submit information and be in compliance.

So what is the Seafood Import Monitoring Program? So permitting, data reporting and record keeping. These are what the rule has established as requirements that will apply to a list of certain priority species of fish. Okay? Eventually this can be expanded but that is the focus with the rule now, is 13 species that have been identified as being particularly vulnerable to IUU fishing and seafood fraud. So I'll start with which species are we talking about. So today we're going to - we have a list of single species and a list of also the grouping of species.

And so the purpose for anybody that's on the phone, that' listening to this as a webinar, I'm going to read these through, in case they're not looking at the slide online. So for single species we have Abalone; Atlantic Cod; Atlantic Blue Crab; Mahi Mahi or dolphin fish; King Crab, also referred to as red crab; Pacific Cod; Red Snapper; and then for the species group, Grouper of which I think there are 127 species, something in that number range. All right? Sea cucumbers; sharks; shrimp, swordfish; and your tunas, which include your Albacore, Big Eye, Skipjack, Bluefin and Yellowfin.

Now there are two species here - abalone and shrimp, that are asterisked. These are saved. They've been - their implementation has been delayed at this time. a little bit of the reasoning behind that is in order to have basically the same or similar reporting that we require of everybody for this program, the US wanted to make sure that there was the equivalent or similar was determined to be similar domestically. And that still - that has not been determined or hasn't been completed. So for abalone and shrimp down the road, when they are ready to be added there will be a federal register notice that would say yes, you've got to do this for these species now. They're yes. Okay?

So three primary focus things we're going to talk about today, is the permitting - who needs to be permitted, who gets permitted, what's the permit, what the date of reporting is, so there's entries that have got to be done in a system, an electronic system, in order to enter the market as we export the imported product and record keeping. And record keeping refers to traceability and the paperwork that's going to happen that will show where that fish - that product from the time it was harvested to the point of entry in US commerce. Okay?

Next slide. So importer of record, the US importer of record will be the person that will obtain the International Fisheries Trade Permit. It's a $30.00 permit. It's available online. It's good for a year. And a point about this is that it must be held by a person of or a US - have a US residency. I think there are a few more details here we can fill in later about that, if you have questions on it.

Here's that importer of record is going to enter information about the harvest. Okay? And they're also going to retain data or records that show the chain of custody of the product which could be such as, you know, what happens when it's being shipped. Where was it reprocessed? Maybe where was it warehoused? What - how do you show traceability from the point of progress to the point of entry into US commerce? Those are those documents. Okay? And you're going to hang onto those. All right? And that importer of record is going to be the primary contact for down the road.

Let's say you entered your harvest information into the electronic system before it comes into the US, all right, with - sometimes within the next two year period, you could be contacted as the importer of record and said okay, you're being audited, please provide us with it can be electronic or paper copies of the chain of custody paper trail that showed where that - where their product went from the point of harvest to when it entered commerce. So three things - permitting, data entry, multi-harvest events and the chain of custody paperwork.

So what is that data reporting, that harvest information that needs to be put into an electronic system? So you have the species of fish; product form at the time of landing - whole, gutted, frozen, whatever, or that kind of thing; quantity and weight; what's the date; the point of first landing; and the area of wild capture or if it's agricultured or farmed or whatever, the name of the place; and the name of entities to which the fish was first landed or delivered. So first responsible person harvesting them.

And they're also in terms of the harvesting or producing entity, going to report the name of the vessel or the flag state of the vessel, evidence of authorization of fish, which is usually a license or a permit number. If there is a registration, a unique vessel identifier, the type of fishing gear used and if it's

a farmed product, the name of the farm and entity. And that review has required similar harvest reporting information at least the last five years. And the only difference here being the US is asking for the fishing gear type. Next slide. Oh yes, okay.

So during the comment period, when the rule was being developed there were a lot of comments taken and to address that on the small scale fisheries (unintelligible). So there were adjustments made so for fishing vessels that are under 12 meters or old, so a 12 meter length of less, or 20,000 gross tons or less weight, or agriculture deliveries of 1000 kilograms or less, okay, they can be aggregated. That - so let's say I'm a buyer and I'm going down to the beach or I'm going to this place, and (three) local boats or something, I can collect all those and I'm going to say I collected from three people. But I'm the primary person that's - I'm the main that's reporting that information.

So he's going to talk about the number of deliveries and the other data elements, but that's the person that's responsible, not the three small individuals, because they don't have to do that. And there is an example harvest report on the Web site now, that people could view, look at, use as a template if you wish. It's not required, but you can wish to do that. And it also applies to one collection point in one day, so they're all coming to one dock or one location or one beach or something.

So this was a change. It was a good one and it applies to the small, small harvesters. So we talked about permitting, data entry for when the product enters the US and record keeping regarding the chain of custody records, be audited to show traceability down the road. So what are the five key points we're going to - we're trying to really get you to know well here? The seafood import monitoring program applies to seafood imports, seafood entering the US. This also includes reimported products. Importer of record must hold or must be - hold a US residence and hold a current International Fisheries Trade Permit, IFTP; good old government acronyms.

There are two types of traceability processes going on here. One is the harvest and landing information which must be reported electronically at the time of import. And the mechanism - if anybody is already importing goods to the US system, you know that you've got to go through customs and border protection - national trade data system. This was part of that same system. Okay? And the second part of the traceability is the chain of custody records which the importer of record is going to retain for a minimum of two years. Okay? Back to you - we can request that information.

There's no strict records or logs or things like that, that are required for this. It's whatever you deemed will provide proof of where that has been. Information entered into the ITDS system is confidential. The people that are going to have access to that are folks like (Bill Jones) who is here with us

today, that work directly with it. I can't get at it, (Les) can't get at it. It's not - that doesn't happen. January 1, 2018 is the compliance date. So if you've got product that is being processed now, being harvested between now and January 1, you want to start collecting the data and the records to document the chain of custody that you do want to enter it because you're getting a lower rate on something after January 1.

Tariff codes and whatever is going to know, money is important here. You want to have that information ready to be able to enter into the system and have available as requested. So how can you prepare? This is one of the reasons we have (Dale) here today too. And we're going to talk about the data, get a little more into the detail of the data entry. So you have your harvesters and processors and shippers. They're going to be collecting the data that you're going to need for the compliance. You're going to want to get that information to your importer of record. Your importer of record wants to hold their - needs to hold that International Fisheries Trade Permit and it is possible to conduct a sample audit of record, by getting in touch with (Celeste Leroux) here.

You can have that. You can run a check and balance on what you're doing, make sure you've got it all, you know what you're going to need. And the entry filers need to develop or have the software developed so that they're - if you want to do it electronically with your system, it can talk to the ITDS system. I'm the layperson in these IT departments here. So - but that's why we have (Dale) and (Celeste). And it is possible they're going to have pilot testing to make sure you're (unintelligible). That is in pilot testing. Right?

The way I said that - (Celeste) is making sure I say that correctly. There is pilot testing. It's not - yes, it is available. So the - one of the things I just want to point out is that we are developing a commerce trusted trader program to try to streamline all the flow of data. It isn't there yet, but when it is, it will be announced in the federal register. I would encourage you - you all have these flash drives. If you take home nothing - IUUFishing.NOAA.gov. Go to that Web site. There's an opportunity to register, but you can receive updates on anything and that way you would know when this is - when any changes come along or new things are available.

So the pilot cluster testing that we're just talking about here - essentially this is again, (Dale) can go into further detail with you individually, or if you've got questions when I wrap it up here, but there is - you would have your software folks or however you're going to do this, electronically, talk with - be able to talk with the system so that you can get the information in there. You're going to enter the three digit FAO codes for the species and the HTS codes as of - I think they are posted. Most of the HTS codes that are already flagged in the system, there's around 100 of them, are already there.

They will pop up as you're doing your entry. And then it's also possible that once you know that your system talked with fictitious trade data you can then actually do real time product level testing to make sure what you have is going to work in the system. So this goes into much more detail. You'd be confirming your software is working. You're going to work directly with a client representative, with your company and with folks like (Dale) here, and make sure that customs and border protection, the system, can accept it; it's the correct information and then you would know.

So this would be making sure you were talking to the ACE, Automated Commercial Entry environment. So the reminders - what are we taking home here? January 1, 2018 is the mandatory compliance date. Remember shrimp and abalone are stayed at this time. So there leaves 11 priority species we mentioned. The US importer of record will enter the data and you're going to retain the chain of custody documents that show traceability of where the product has been from the point of harvest to the point of entry into the US commerce, and pilot testing is available.

This Slide - we'll leave it up here. So this is the www.IUUFishing.NOAA.gov Web site. And again, take the flash drives with you, if nothing else it'll remind you that there's a place to go. (Celeste Leroux) is here today to help answer questions. And if you go away, email her and (Dale Jones) the same. Is there a primary lead dog on the - getting the IT and the things connected with everybody. So open it up for questions. We have a question over here. And if we could, could you come up to the mic please?

(Woman):

So one of the Slides said that - it mentioned the US resident importer of record. Okay? Right now we have - we buy shrimp, I know it's delayed, but I'm getting prepared, from overseas. And a lot of our foreign suppliers act as the importer of record. Does this mean that they can't continue because they have to be a US resident, or do they - are there certain requirements they have to meet to get the permit, even though they're a foreign company?

(Dale Jones): Yes. This is actually a little bit different definition of the US importer of records. And not to confuse things - the Customs and Border Protection have a certain definition of who the US importer of record is. Specific to this program, under this (NMFS) regulation and rule, the US importer of record must be one and the same person who holds the International Fisheries Trade Permit and as was pointed out, they must be US residents. So in some cases, customs requires the status of a US representative for trade here in the United States.

That US representative could in fact be the IFTP permit holder. But the important thing to remember is that if they do and if they agree to that as part

of their role, they will be the person who is required to assure that all of these records are kept and retained on the traceability pursuant to the requirements of the program. So that is really the key here, is to make sure that that IFTP permit holder is the person who is - or the agency who is going to take on that responsibility for the importer.

So for example, if you have a Canadian company that's doing imports, they want to file through a broker and bring it into the United States, they have to have that International Fisheries Trade Permit before they're ever going to be able to file that entry. And to get that it would have to be that person who is a US resident or that company.

Woman: Okay. So I have another question. On the chain of custody. A lot of times it might leave - the product might leave the plant and be put on feeder vessels or several feeder vessels that go to the main vessel that enters the United States. Do we have to keep chain of custody and have information on every single one of those feeder vessels?

(Dale Jones):   Technically yes. It's my understanding the way - and again, you saw the rule that was posted earlier pertaining to aggregation. So if you have small vessels under certain tonnage and a certain length in meters, then you do not have to account for every vessel that aggregates it and puts it on the first collection vessel. So from that point on you would have to actually keep that in your records and in your paperwork. So every chain of custody can be different and it really is not prescribed by this program how you keep that information. It's just that you have to have it in paper and retain it.

Now at the time of filing, through the ACE system, through the ITDS as (Laurice) referred to it, this requirement there is to assure that you have really two key points of information. There's going to be information about the actual original harvest and where that occurred and what kind of gear was used and what the flag vessels of that harvest were, what country harvested it. So that's with regard to the wild capture. And then for the aquaculture, again unless it's a small aggregation of a situation, you'll have to designate where it actually came from.

So that's the first thing you'll have to report through the entry filing at the time of the entry. The second one is the first place of either trans-shipment or offloading of that product. So if a larger tramp or vessel, if you will, fishing vessel offloads to a larger tramper, that's going to be the first point of offload. Or if they take it to shore and offload there that'll be that first point of offload. So that also is collected under the rule. So those are the two key points of information. So I hope that's responsive to the question.

(John):   (Dale), this is (John). Can you hear me there?

(Larese):	Yes.
(Dale Jones):	Yes. Loud and clear (John). Go ahead.
(John):	Thanks. I - just building on what you said, I would like to reiterate thanks to everyone that's joined us for this meeting and walked through the rule. But to talk a little bit more about commingling of products - so as I understood the question it has to do with tender vessels that deliver to a larger vessel and whether that is part of the chain of custody. There are other obviously, within the supply chain, there are other instances in which product is commingled and the way this rule is structured, is that all of those sources of product must be part of that chain of custody.
	So if you have let's say a total of half a dozen tenders that are delivering products to one larger vessel, yes, that information has to be recorded. That said, the rule does not require that there be sort of a mass balanced accounting on a tender by tender or delivery by delivery basis. So those elements in the chain of custody are essentially additive as there is more commingling. But at the end of the day, when that product or I should say at the end of the supply chain, when that product enters US commerce, there is not a requirement that you be able to identify okay, so this product came off of Tender A and this product came off of Tender B. We just need to know what all of those chain of custody events were.
	But we do not need to have a direct tie between the final product that is delivered into the US and individual suppliers when commingling took place.
(Dale Jones):	Okay. And again, just to reiterate, (John) thanks for joining us. And (John) is the director of our Office of International Affairs and Seafood Inspection, so he is really taking the time to hear what you have to say here today, and help to assist us in answering these questions. So we appreciate it.
Woman:	Okay. And another question - so the sourced in that whole international trade permit is the one that has to have the ACE system?
(Dale Jones):	Not necessarily. So that can be an entirely different person. All they have to do is provide that permit number to the person that has the ACE system. So again, for those of you - and I know we have a real mix of people here in the room and I won't go into details, but effectively you have some of the supply chain people and you have the importer, then you have - the importer usually puts their shipment of information together and they - some of them do it themselves, but some of them have a broker. And the broker is the key person responsible for importing the data into the ACE system with the United States Customs. The broker could be at an international location or they could be here in the United States either way.

But they're going to have to have that International Fisheries Trade Permit from a person who is a US resident. And then also the other critical person is the software developer. So as you know, if you work - if your brokers or work with brokerages, usually whoever you're hiring to do that software to assure that through customs you can have what's called an ABI, Automated Broker Interface. And that ABI is really the software that's used to keystroke this data in that's required at the time of the entry filing. So those are really the people in line and that again, is not necessarily one and the same as the trade permit holder versus the broker.

Woman: So if we do employ a broker and they have the ACE system, we could have them input through their system, our information?

(Dale Jones):   Yes, that's correct.

Woman: Okay, thank you.

(Dale Jones):   And again, any of these questions you want to follow up with me on through email or send me an email and I'll call you or whatever, feel free to do that. I'm happy to work with you on that.

Woman: Thank you.

(Roger Clark):   (Roger Clark), (Williams Clark) Company. A question regarding commingling. Finished products, a good example, canned tuna, which would have let's say yellowfin species and skipjack combined into one finished product coming into the United States, how will that be reported within the system?

(Dale Jones):   Yes. I'm going to touch on that and (John), if you want to add after I've finished, please feel free to step in on that one. But essentially, we have three current monitoring programs in place. Two of those involve requirements for tuna. One of them in particular, is what we call the 370 program or the tuna tracking verification program. So those are regulations that have other requirements in addition to what will go on here. So you could have a commingling of product as Mr. (Clark) is describing, and in that particular case you would have to provide data for two programs if it involved canned tuna for example.

And you would have to have 370 program information and you would have to have program for the simple as well. And what would happen then is your - as your broker or filer is keystroking the information in, the list and there's a previous slide, some of that stuff would be entered at the same time. That's what we're going to rely heavily on and we have in the past for the other programs, your software developers to help limit those number of keystrokes and what has to go in, to add that information. So as this product is

commingled, if there are two different types of product there, then you would have to provide the information on both types of product and for - actually for both programs, for the 370 program and for the same program.

So the specifics of that - I'm not going to go into it in too much detail because we would have to have examples on the board, to show you how that works. What we typically do is we create grid examples and show you sort of how that data would be entered. So again, that's the process we'll be working with from here forward, as we go into it. But that's a very general high level answer. (John), I didn't know if you wanted to say any more about that or not.

(John):   Thanks (Dale). It's my understanding that as part of 370 - the form 370 program, there is already a good amount of trace back for a product back to specific landings. And so to the extent that those are already captured those would be the same sort of data that would be provided under the SIMP rule.

(Roger Clark):   The second question - maybe you can go into a little bit more detail on your enforcement activities. You said there would be an audit that would be done. What type of validation will you be doing of the data that's been transmitted? Would that be at the entry level or will that be further on down the level? And what responsibility or what action will be taken should that data not be found to be correct, even though the importer is receiving this from the shipper and is assuming that's correct?

(Dale Jones):   Okay. And that's a very good question and again, when you say enforcement actions that can, you know, really bring to mind a number of different possibilities. So there's - this is considered a program that will be - a monitoring program. But there are provisions for enforcement through our office of law enforcement, who could follow up if there were fraud or, you know, extensive compliance issues with this program. So that's kind of on the other far end of it. But when it comes to auditing and following at that level, the real specifics and details for how the program will be audited, have really not been totally formulated.

Because again, this isn't a prescriptive sort of a program. And in that, to actually say here are the details and everything we'll look at, at this point it's pretty difficult to say because many of these supply chains are different. But the idea will be that if an auditor from our seafood inspections or our international affairs office who are engaged in this program, ask for information on a particular import, they'll go first to this importer of record, the person who holds the permit, and they'll say we need to see the paperwork on this.

They'll take a look at the paperwork and then that in and of itself will detail how the process goes backward from there, in terms of tracing the product

back to the original supplier and how they validate what that paperwork looks like and who the people are involved. So it could involve contacting agencies or entities all the way back to supply chain. And it could go to that level of detail. So I don't know if (Larese) wants to say a little bit more about it.

(Laurice Churchill):   I wanted to add a little bit there. It's just remember it's traceability and was it caught legally. That's really where the audit is coming in. But also remember, when the product is entering commerce, when it's first coming to the port, if the data that's the harvest data isn't all entered correctly, or is missing, it's not going to enter.

((Crosstalk))

(Laurice Churchill):   (John)?

(John):   Yes. I'd like to expand on that a little bit. Because it's a really important question and, you know, so first of all it's important to keep in mind that this is essentially a record keeping - a permitting, record keeping and reporting rule as (Laurice) described. And so the first level of scrutiny is really, has the importer of record met these basic requirements? Have they obtained the permit; have they reported the information that's necessary to report at the time of entry; and have they maintained the records? We do not intend, and frankly do not have the capacity, to do real time screening of entries, so that we would essentially look at the chain of custody records and determine sort of on the spot, prior to entry into the US commerce, whether or not this is a - represents legal landing, etc.

So a great deal of enforcement as (Dale) mentioned, will be after the fact, through auditing and verification. And (Dale)'s description of how we go about that is quite accurate. The seafood inspection program already does similar audits in support of our issuance of catch permits to the European Union, as part of their IUU program. And we, in our agreement with the EU, go back and do audits periodically of specific shipments, to make sure that the chain of custody records actually bear out that the landing records are correct and that it was a legal harvest, etc.

While, as I said, the primary means of monitoring will be through after the fact audits, NOAA does have the authority to ask Customs and Border Protection to hold product if we have reason to believe that a shipment does contain IUU product. As (Dale) mentioned, we have an enforcement office that already gathers good intelligence on trafficking of illegal products. If we have reason to believe that we should verify the origin of the product prior to allowing entry into the US, we have the ability to hold the product and actually look at those records.

That said, we certainly do not intend to allow this rule to slow the flow of commerce, of product coming into the US. So and that's - the scrutiny of that data includes the information that is provided through the automated broker interface through the automated commercial environment. It will be checking to make sure that all of the information has been provided. But we will, through the audits, determine the accuracy and the validity of that information.

(Dale Jones): All right. Let me add one point real quick and then we'll take the next question. I appreciate your patience. It was suggested that I just outline for you what the other programs are and sort of what the overlap is and I'll do that very briefly. In addition to this program, which we call SIMP or Seafood Import Monitoring Program, the current programs that are already in effect and have been since last year, are three specific programs.

One is highly migratory species, HMS program. That program covers primarily (unintelligible), swordfish and to some degree shark fin. The next program is the AMLR program or the Antarctic Marine Living Resources program, which primarily deals with Antarctic Toothfish or what many of you may know as Chilean Sea Bass if you see it on a restaurant menu. But that product comes from the Antarctic and is regulated separately. And there's virtually no overlap with the AMLR program and any of these other three programs that we're talking about.

Antarctic Krill is involved in that program as well and there's a very, very limited number of people that import or work with that product. So then the last program is the - is known as the NOAA 370 program or otherwise the Tuna Tracking and Verification Program, TTVP. That program is actually run out of Long Beach here. And that program is primarily in place for dolphin safe tuna, to protect dolphins. So that program tracks very carefully how tuna is harvested in the Eastern Tropical Pacific Ocean and what happens with the various tunas there.

So there is quite a bit of overlap though in terms of species, between the HMS program and this new SIMP program and to some degree with the tunas and the 370 program in this new program of SIMP. It is possible that if you are harvesting and importing some products such as frozen big eye tuna, you could actually be covered by all three programs - HMS, 370 and the new SIMP program. So - and again, we'll be working out those filing processes as we get into the weeds and the details of the technical end of things, probably not appropriate for detailed discussion here today. So thanks for your patience. Go ahead.

(Peter Lamoy): Hi. (Peter Lamoy). I represent harvesters. And some of our fish is sold for example, into the EU, some of it is sold into Canada and then reimported into the US. And so I'm wondering - before there was a phrase up there that

talked about fish caught in the US. What does in the US mean? Does that mean in US EEZ? Does that mean by a US flagged vessel?

(Dale Jones):   It would mean - and again, I'll ask (John) to jump in if I miss some of the detail here that should be included. But it would mean caught in the US by a US vessel or caught in international waters by a US vessel. In other words, harvested by a US flag and then exported to another country as you're indicating, if it was offloaded in Canada or exported to Canada. Let's just say it was sent to another country such as China, for processing, and brought back to the United States.

At the time that it comes back to the United States, it would in fact be under the obligation of this particular program. And that traceability all the way back to that US harvest in the US EEZ and that vessel, would be part of that traceability paperwork that would be required in the process.

(John):   That's exactly right. Imports are imports in the context of this rule. And so whether the original raw material was harvested in the US EEZ, outside of the US EEZ by a US vessel or in - on the high seas or another nation EEZ. If it's being imported and it's one of the species to which this rule applies, these obligations are in place. So we - in addition to tuna, there is quite a bit of Pacific Cod for instance, that is harvested in the North Pacific that is exported and reimported and a few other species to which this will apply in the form of imports of previously exported product.

(Peter Lamoy):   So a lot of times the buyer is not sure where the fish is going to end up so I just in practical terms this means that every buyer of for example, US albacore, is going to have to have all this information on file, even though it's caught by US vessels.

(John):   That's a safe assumption I think.

(Dale Jones):   Yes. Go ahead (John).

(John):   I think, you know, to the extent that they consider the US market to be a potential destination of the product, they certainly should be either holding the information or know that they can get access to that information should the importer ultimately need it, because the product is going into the US. I mean obviously there is no obligation for them to have that information unless the product ends up as a US import. But it certainly will facilitate the process if they are either collecting it or making sure they have systems in place to obtain it in instances where the product goes to the US.

(Dale Jones):   Yes. I think, you know, the dynamic nature of the seafood industry, whether it's US entities such as you're referring to or some of the things that happened internationally, I think that's going to be an ongoing part of the processes

really trying to assure that the potential for product coming to the United States just as they do now with the EU, if it happens to be a good possibility it's going to come to one place or the other, they'll have to track and keep this information. And if they don't or don't have it, then they probably won't be able to import it here into the United States, is my understanding.

(Laurice Churchill): All right. I just want to point something - come up to the microphone. I just want to make sure - one thing we forgot to mention is as of today, the ACE compliance guide has been posted on the Web site.

(Dale Jones): Yes. Yes. It's on the Web site. It's referred to on these Slide and in the thumb drive that you'll get, with our international office. That's the implementation guide which is the technical requirements for the entry level. So customs post those for us and they distributed that through a CSMS message, from customs today. So if you receive those regularly you should have that sitting in your mailbox. But if not, you can pick it up online.

Also online I appreciate (Laurice) reminding us of that, there is the - recently posted is the list of the HTS codes. There are actually 97 at this point, HTS codes that will be tracked and flagged by customs under this program, to require a message set at filing. And there is also a list of the three alpha codes which are the scientific names of the species that will identify specifically, what is being imported. Do you have a question? Yes.

(Mike Conner): Yes. My name is (Mike Conner). I am here on behalf of Apex Wild Seafoods, an importer in San Diego. We sometimes purchase fish that have been wild caught pen raised. And I'm wondering if - it's not outside the realm of possibility that they're going to have more than one standard feeding in just a single pen. So how would that be impacted by this?

(Dale Jones): Well again, that's traced back in terms of the paperwork for where it was originally harvested and then when it was penned. You know, that starts - when you commingled in those pens and raise them for X number of months and feed them, I'm not exactly sure, but at some point there's going to be some level of data that's collected on the wild capture harvest when they were put into pens and probably what pens they were put in. I think the industry keeps pretty careful track of that information.

But to actually tag those fish or number them coming out, I don't know that it gets that specific. So in that case, you know, what fish was taken out of that pen and then where it goes from there will be part of the trace. And the entry level requirements, we require and you'll see this implementation guide just referred, we require an either/or. Either you identify it as wild capture harvest or as aquaculture. In this case that you're describing, that would be originally described as wild capture harvest. And the other aquaculture harvest is if it

was harvested from the time of spawning, in an actual aquaculture facility. So that's how we distinguish it.

So the pen raised after wild capture would still be considered a wild capture fish.

(Mike Conner): I guess my question would be though, if you're trying to drill down to the actual name of the vessel that harvests the fish that you're buying, that might be difficult in such a situation where you have more than one vessel feeding a single pen.

(Dale Jones): Yes. So again that's one - because, you know, I don't know exactly how that's going to shape up, but part of this frankly we're saying in the industry, you're going to have to help us solve these problems and identify what you're going to track and how you're going to track some of this information. So we'll have to look at that at the time. Maybe ultimately, they'll be looking at total numbers aggregated what's coming from what pen and what they say is harvested.

But I would still believe that in the scope of the process there are records of how much fish was harvested by different country, what their flag vessel was and that were put into those specific pens. And I would think that the person of aquaculture, harvesting from there, would have a pretty good idea, at least by volume, what's coming and going. So whether it's specific fish tied back to a specific vessel, I don't know.

But we do similar stuff now in the canning markets with the 370 program, where they track that coming through and they have ways that they can follow through to show us when they report it imported in the United States, even though it's canned, process tuna, what vessels that came off of and what country those vessels were from that harvested it.

(Mike Conner): Thanks.

(John): So - and just to add on that a little bit - the more highly refined the tracking is, as (Dale) was saying, the less data would be required, because you would presumably be able to say oh, these fish happened to come off of container A and container B. To the extent that those things are not tracked that closely and there are more sets represented in a particular pen, in that case it would make sense that all of those sets would be reported on the presumption that any given fish coming out of that pen and delivered to market, was coming from one or another of those sets.

So, you know, there are a couple of ways of going about it, depending on the level of granularity in segregation of product that you have within your business model.

(Laurice):   Any other questions? We have a gentleman coming.

(Dave Memzig):   Clarification on the permit holder. For instance, the woman back here brought up the fact that maybe a Canadian company is the importer of record, but they're not a resident. They can't hold a permit.

(Dale Jones):   Correct.

(Dave Memzig):   What happens?

(Dale Jones):   Okay. So the Canadian company is the importer of record by customs standards?

(Dave Memzig):   Correct.

(Dale Jones):   What would actually have to happen is another importer of record under this program, would have to be created, whoever that is.

(Dave Memzig):   So it could be me.

(Dale Jones):   It could be you. So a broker could do this, a US representative could do this. I mean you could hire any number of persons to actually get a…

((Crosstalk))

(Dave Memzig):   …the permit.

(Dale Jones):   You would hold the permit.

(Dave Memzig):   Vancouver Seafoods brings in the fish as the importer of record. We file it under my permit number. I keep all the records?

(Dale Jones):   Correct.

(Dave Memzig):   Okay.

(Dale Jones):   Keep them or have responsibility for having access to them. Take on that responsibility.

(Dave Memzig):   Even though I'm not the official importer of record.

(Dale Jones):   Yes. Right.

(Dave Memzig):   (Dave Memzig).

(Dale Jones):   Yes. You have it right.

(Laurice):   You end up - the permit holder ends up bearing the responsibility ultimately.
                     She didn't put it back up there. Okay. So if - if you want to sit and ask any
                     specific questions or something, let us know. Otherwise, both (Celeste) and
                     (Dale)'s email addresses are here. Do contact them if you've got any
                     questions. And especially, we can't encourage you enough to try to test the
                     system. If you are involved with this make sure you get the permit, get the
                     process set up so that your system will talk to the ITDS system. If you aren't
                     already. And understand the daily - and participate in the pilot program.

(Dale Jones):   Yes. Let me say - since we have a few minutes, let me say a little bit about
                     the pilot testing that was put up here earlier. Again, we have software persons
                     working with brokers primarily or with filers, to develop the software that will
                     allow this to be keystroked in through the ABI system, the Automated Broker
                     Interface to customs. This all has to be tested to be sure it works. Customs
                     right now is doing the programming weeks to assure that it's all programmed
                     into their ACE system. Then they'll open this up for certification testing.

                     At that point certification testing is with entirely fictitious data. It's just a test
                     environment only. There's no real data and no real shipments in there. But
                     they'll set stuff up and test it to make sure that everything is working properly.
                     And again, this is not just to test the filer stuff, this is to test customs stuff,
                     what we have in it, the whole process. Once that particular filer is certified
                     with the certification process testing, cert level environment we call it, then
                     they can actually go to production testing.

                     And we'll open that up - we typically do that on a one by one basis, and at
                     least for a while until we're sure everything is working right. So we'll get a
                     call from ABC broker to say we'd like to do testing. We test it in the cert
                     environment and it works. And what we do is we get a group of people
                     including myself, representatives from customs, representatives from
                     software, the brokers, the importers, we get everybody on the phone all at the
                     same time, and we're all looking at our computer screens and we say okay, hit
                     the transmit button and we see what happens when it goes in.

                     And the filer will say well I got a reject because of this or I got an error
                     message because of this, so then we start looking at it to try to figure out what
                     happened. And we'll do that two or three times with the same filer, just to
                     make sure it's all working. And that's an actual shipment that's coming in
                     that we're testing, to make sure that that goes through and works. And so
                     we'll do that with a number of different filers and a number of different actual
                     shipments in the production environment.

                     When we're sure it's all working, then we'll open the production testing to
                     people, with everybody in general, just to start trying it out. Mr. (Clark)?

(Roger Clark):	Again, (Roger Clark), (Williams Clark) Company. As a broker, I'd like to clarify something. Number one is programming has just been developed right now. The guy just came out today. It's going to take three to four months for any of the software companies to develop the programming for this, test it with the known system, get it out into the field into the brokers' hands and have that tested. Now again, a broker cannot test anything unless the importer furnishes all the data for that importation. And again, there are costs involved in this. A broker is going to be spending quite a bit of money to implement this programming, which has to be remunerated some way.
	Secondly, there's going to be additional cost in filing all of this data. There's a vast amount of data at the end. The importers have to be willing to help pay for some of the cost of doing this. If not, the testing will not go forward. But a broker is not going to take it upon themselves to expend a lot of resources and test a program unless they're going to have some way to recoup those costs. Secondly, we have to have that information from the importer. So again, even if we come up to December and we're able to test without having the importer stepping forward and furnishing all of your required data in the format, there's no way we can test the program.
	So I want that to be clear that this has to be a mutual agreement between the importers and the brokers. And again, I think it may be some discussion brokers and importers are going to have to have on this. So the importer is going to have to start going and gathering that information now to furnish us the information within four or five months, to make this all work come January 2018.
(John):	Thanks very much for those comments. You know, I think you've hit the nail on the head with respect to the real key to successful implementation and - of this regulation and compliance with the regulation. And that is establishing those systems and those relationships within the supply chain, to insure that the importers of record in the context of this rule that is those people that are obtaining the permit and taking responsibility to provide that information, are creating the avenues if you will, for that information to get to whoever is going to be providing that data. With respect to the cost of implementation, I would encourage…
(Dale Jones):	Hang on one second (John). Just wait a second and say that last part again. You're breaking up a little bit.
(John):	Oh, I'm sorry. So I was just saying that ultimately it is going to be critical, as you pointed out, that the importers of record, the holders of the International Fisheries Trade Permit establish the systems within their supply chains, to get that information. You are absolutely correct in that observation. I also wanted to just suggest that with respect to the cost of implementation, that is

addressed extensively in the response to public comments on the final rule. And if you haven't had a chance to look at those comments, I'm sure that (Celeste) would be able to provide you with…

(Dale Jones): You're breaking up again (John).

(John): Oh, I'm sorry.

(Dale Jones): I think the rule (unintelligible) that (John) is referring to, so I'll let you pick it up again there (John), right when you said about the rule published.

(John): Yes. So anyone interested in reading NOAA's response to comments with respect to the cost of implementing the regulation, should look at the final rule publication. (Celeste) can help with the URL for locating that document.

(Laurice): Do you have another question? Thank you.

(John McPherson): Hi. (John McPherson) with (Frequent). We're a software provider for traceability solutions. And my question has to do with the certification testing program (unintelligible). We need a (permanent) number to participate.

(Dale Jones): Not necessarily for the cert environment. We actually (unintelligible) fictitious permit numbers there and I don't know if you've worked with customs, but Customs has a process. You contact (unintelligible) with their ABI system and they'll set you up as a tester. So you're probably familiar with that and (unintelligible) already. For those of you who might not be aware of that, that's on customs that they basically write them a letter or send them a note. They open up the testing to you, give you certification for ABI and then work with it.

And they have a published list of software developers and people that they have authorized to do this type of filing into the ACE system.

(Laurice): All right. We'll do a last call. Any questions? If there isn't - oh, I think I see someone coming. One more. Would you state your name again?

(Dave Memzig): Yes. (Dave Memzig) with Seabreeze Seafoods. (John), you mentioned that regarding the cost, we could look it up online. Can you give us a thumbnail of what that says?

(John): So what we did is we - I don't have the document in front of me and so I am going to describe it conceptually as opposed to giving you specific numbers, because I don't want to get them wrong. But what we did is essentially looked at for a low estimate, looked at similar costs for existing programs. So (Dale) was describing the tuna tracking and verification program and we did some

extrapolations based on the experience of implementing ITDS for tuna tracking and verification program.

With - we then did a sort of high side estimate and we relied on some information provided by National Fisheries Institute. And again, did some extrapolations based on assumptions of the number of harvest events associated with particular entries, looked at average number of entries for the species that are included, that sort of thing. And so this is looking at initial costs and then ongoing costs associated with reporting and record keeping and auditing processes.

So in general, that's the approach that we took. But I would encourage you to look at the document for the - in terms of the actual numbers. I'll look here in my office. If I can get my hand on it quickly I'd be happy to jump back on here, but otherwise it's available at the federal register, which is online.

(Laurice): Thank you (John). There's a follow up question coming.

(Dave Memzig): Thank you for giving me that. So if - it would appear based on the information that you've just given me, that this is going to cost $8 million to $10 million additional. Is that correct? Based on this.

(Celeste): (John), this is - I handed him a hard copy of the (FRFA), so he's reading off of that.

(John): Thanks (Celeste). Great. So that is…

((Crosstalk))

Man: Maybe that was a secret. I don't know.

(Celeste): No. It's a public document. That document is available on our Web site. I'm happy to share a specific link with you if you'd like it. But you can easily find it on our Web site. I'll do another call for questions. Anybody? All right. If there are any more questions - feel free, if you'd just like to talk to one of us independently, to come up after. We'll be here for a while. You're also welcome to contact either (Dale) or myself any time you'd like. Again, just a couple of reminders, if you'd like any of our outreach materials get a USB. There are - the bowl over there has a few still.

And then the machine behind me can validate your parking and reduce the cost that you paid today, to park for this event. (John), is there anything you'd like to say in closing?

(John):   Oh (Celeste), thank you. I just wanted to reiterate my thanks to the group, for attending, for your attention. And certainly to you and to (Laurice) and (Dale) for kicking off this process of roundtable. So thanks to all.

(Celeste):   All right. Thank you guys all and have a great day.

Coordinator: Thank you for joining today's conference. This now concludes your conference. All lines may disconnect at this time.

                                    END