



# NOAA FISHERIES

## **Public Webinar: Commerce Trusted Trader Program**

**Date:** June 06, 2016, 2:30 pm ET

**Presenter:** John Henderschedt, Director  
Office of International Affairs and Seafood Inspection (NOAA Fisheries)

**Facilitator:** **NWX-DOC CONFERENCING**

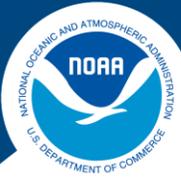
**Coordinator:** Welcome and thank you for standing by. I would like to remind all parties that your lines have been placed on listen-only until the question-and-answer segment of today's conference. At that time if you're wishing to ask a question, please press star followed by 1 on the keypad of your telephone and please be sure that your telephone is unmuted and clearly record your name when prompted so that your question may be introduced.

Today's conference is being recorded. If you should have any objection, you may disconnect at this time. It is now my pleasure to turn the call over to Ms. Kerry Turner. Thank you, ma'am, you may begin.

**Kerry Turner:** Thanks, (Emily) and good afternoon or good morning depending on where you're calling from. Welcome to our third and final public Webinar on NOAA Fisheries proposed rule for the commerce trusted trader program.

My name is Kerry Turner. I am a Communications Specialist here at NOAA Fisheries' Office of International Affairs and Seafood Inspections. With me today is John Henderschedt, a Director of NOAA Fisheries Office of International Affairs and Seafood Inspection.

John is going to be providing us an overview of the proposed program and our recent federal notice seeking your input and guidance on the scope, design and



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implementation of the commerce trusted trader program which is a valuable component of the proposed U.S. seafood traceability program. Before John begins, a few housekeeping notes.

As the operator mentioned, this Webinar is public so a transcript of the call will be posted in a few days on our Webpage at [www.iuufishing.noaa.gov](http://www.iuufishing.noaa.gov). Again that was [iuufishing.noaa.gov](http://iuufishing.noaa.gov).

Also at the end of John's presentation, we will open-up your phone lines for a question-and-answer period. We would like to hear your thoughts, questions or comments about the program so with that, I will turn it over to John. John?

John Henderschedt: Thanks very much Kerry and good afternoon to all of you who have joined. As an overview of this afternoon's presentation, I'm going to address the background and context very briefly, discuss benefits and incentives of a commerce trusted trader program for the seafood import monitoring program, address scope and criteria for eligibility, relationship of this to other trade monitoring programs, the timing and implementation of a commerce trusted trader program and next steps.

So the U.S. seafood traceability program is the result of the Presidential task force on combating IU fish and seafood fraud and that was established in June 2014, Recommendations 14 and 15 by that task force direct the President to establish within 18 months the first phase of a risk-based traceability program to track seafood from point of harvest or production to entry into U.S. commerce.

And one of the final components of Recommendations 14 and 15 is to develop and implement a trusted trader program whereby the Secretary of Commerce will collaborate with the Secretary of Homeland Security and other agencies



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as relevant to assist in developing a voluntary commerce trusted trader program for importers of the species identified.

The voluntary commerce trusted trader program is an important component in establishing an efficient seafood traceability process and we're currently seeking public input on the scope, design and implementation of a commerce trusted trader program to ensure a coordinated effort with members of the trade community. That comment period will be open until June 28th.

But first, what is the trusted trader program and what are its benefits and incentives? Well, it's intended to reduce the burden of compliance for certified permit-holders. That would be the International Seafood Fisheries Trade permit.

It is intended to reduce targeting and inspections to enhance streamlined entry of product to expedite the flow of trade and to improve implementation and enforcement efficiency of the seafood import monitoring program.

We're seeing input on how these benefits will incentivize participation interesting the commerce trusted trader program while ensuring the continuing effectiveness of that program so the scope, who is eligible to become a commerce trusted trader?

Well, based on the proposed rule and the instructions in the action plan, it would be applied to holders of an International Fishery Trade permit. However, we're seeing input on expansion of the eligibility scope to possibly include freight forwarders, foreign harvesters, processors, foreign exporting companies, Customs brokers acting on behalf of the importers of record.



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And entities with a role of securing the supply chain that are not directly responsible for recordkeeping and reporting and who may not be required to hold an IFTP and other entities in the seafood supply chain and import process that might benefit.

We're interested in which attributes of a seafood supply chain should be covered in the scope of the program such as harvest, landing, shipment, processing, storage and import entry and other topics are the criteria for the program, the criteria for evaluating and certifying permit-holders.

We're seeing input on considerations of applicants compliance record with other federal programs, extent to which the permit-holder has measures in place to verify the source and chain of custody of imported fish and fish products, the nature and complexity of the supply chains from which the permit-holder sources their imports, how much should each of the above criteria be weighted within the program when considering certification, the scope and process of verifying a certified permit-holder's ongoing compliance with certification criteria and the process and frequency by which certified trusted traders and other entities are evaluated for compliance with certification criteria.

Also interested in your thoughts on the relationship to other trusted trader and federal import programs. For instance, NOAA administers several other trade monitoring programs including the highly migratory species catch documentation program and the Antarctic Marine Living Resources Import Export certification program.

We are seeking input on the extent to which these programs can or should be included in the commerce trusted trader program. Potential coordination of these programs is a means to expedite the entry of fish products, reducing



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overall regulatory burden and improving efficiency of implementation and enforcement and how coordination or integration with other federal trusted trader programs will incentivize participation in that commerce trusted trader program.

One important note is that the two tuna tracking and verification program which also is administered by NOAA Fisheries but which is implemented under the authority of the Dolphin Safe Consumer Protection Act - I'm sorry, Consumer Information Act - would not be eligible for inclusion in the trusted trader program.

With respect to timing and implementation of the commerce trusted trader program, NFS will make its best effort to implement the seafood import monitoring program and the associated trusted trader programs simultaneously.

Among other factors however, this may be affected by the timing of implementation of the seafood import monitoring program final rule. The completion of the structure and elements of the commerce trusted trader program and the timeframe for completion of commerce trusted trader program business rules in the international trade data system.

We are seeking input on potential impacts and benefits of implementing the program following the implementation of the seafood import monitoring rule and your recommendations for design and implementation of the program regarding measures that can be taken to minimize the cost and burden of those impacts and to capture available benefits.

So to comment, please go to [www.regulations.gov](http://www.regulations.gov) and enter the ID NOAA NMFS 2014 0090-0341. As I mentioned the 60-day comment period ends on



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June 28th, 2016 and additional information regarding all the national ocean council committee on IAU fishing and seafood fraud work can be found at the Web portal [www.iaufishing.noaa.gov](http://www.iaufishing.noaa.gov).

And that for your information is a screenshot of that Web portal so thanks again for attending and for your attention and we'll now open this up for your comments and questions or clarification.

Kerry Turner: Thanks, John. Again, we're going to open-up the phone lines to hear from you. We want to hear any questions, concerns or comments you have the NOAA trusted trader program and operator, can you give instructions on how they can get into the queue to ask a question?

Coordinator: Thank you. At this time anyone wishing to ask a question or make a comment, please press star followed by 1 on the keypad of your telephone. Please be sure that your telephone is unmuted and clearly record your name at the prompt so that your question may be introduced. One moment, please, for the first question and our first question comes from (Raisa). Please state your affiliation.

(Raisa): Hi, everyone. Good afternoon. Can you all hear me?

Kerry Turner: We can hear fine, thanks, good afternoon.

(Raisa): Okay, yes, thank you, Kerry, thank you, John. My name is (Raisa) and I'm from the Indonesian Embassy in Washington, D.C. Couple weeks ago I met (Chris). I think you know (Chris), John and first of all thank you again for letting us to be involved on this event and on this Webinar, the government of Indonesia through the Ministry of Trade of Indonesia would like to submit its comments regarding the U.S. commerce trusted trader programs.



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From the Indonesian point of view, the trusted trader program should not be used as and created and necessary drastic these measures that will lead into discrimination practices in seafood products distributions in the U.S. market.

This program should not limit the excluded traders from being able to enter the U.S. market. The excluded traders are those who are not included in the trusted trader list. By saying so, Indonesia proposes that the trusted trader program should be built upon this basis.

First the trusted trader program should provide leverage for the small-scale fisherman and aquacultures by giving enough flexibilities in terms of simplified (proms) and prerequisites.

Second, the trusted trader program should adopt other traceability schemes apply by RFMO our regional fishery management organizations, EU regulations and other international and worldwide accepted (various) practices. The third, the trusted trader program and its leads should be open for regular evaluations and information checking by exporting companies.

The fourth one, the trusted trader program along with the seafood import monitoring program should provide some treatment both for international traders, U.S. importers and foreign exporters and U.S. domestic traders like U.S. local fishermen and aquafarmers.

The final one the trusted trader program along with the seafood import monitoring program should give the benefit of the doubt for import products in terms of accepting and treated all imported seafood products as legally harvested, produced and distributed products unless the exporter country regulations said the other way.



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Indonesia would also like to reiterate that unilateral actions that will limit, restrict and prohibit imports are not allowed under Article 11.1 of the (gut) 1994. Furthermore, measures that will create preferential treatment for specific countries and national or domestic business are strictly prohibited under Article 1.1 and Article 3.4 of the guide, sorry, of the (gut) 1994.

Indonesia supports the goal to eradicate and to (differ) IUU fishing and seafood (thought) but this goal should not be used to justify any unilateral actions such as taking measures that will limit, restrict and prohibit crates of imported seafood product into the U.S. market. I think that's all the Indonesian comment on this Webinar. Thank you, Kerry and John.

John Henderschedt: Thank you very much for your comment, (Raisa).

Coordinator: Thank you and once again if we have anyone wishing to ask a question or make a comment, please press star followed by 1 at this time and record your name clearly at the prompt. One moment, please. Our next question comes from Ben Freitas. Please state your affiliation, sir.

Ben Freitas: Hi, yes, this is Ben Freitas with the World Wildlife Fund. Thanks, thanks, everyone for the presentation John and the opportunity to speak. The World Wildlife Fund believes the trusted trader concept is fundamental to the success of the proposed IAU regulation.

To be effective, the trusted trader mechanism must set a bar that is high and achievable based on clear and transparent criteria that ensure a trusted trader is true, trustworthy, accountable and has independent verification.



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Ultimately the file rule must be strong to incentivize participation in the program and the program should reward best practices that go beyond (the strum) rule requires.

In terms of the scope of the entities or systems that may qualify for a trusted trader status, WWF believes that despite the name, the focus should be on entire supply chains, not just the importer of record or a single trader or entity.

Criteria for trusted trader qualification must cover all critical points along the supply chain from fishing activities through to importation to ensure verifiability of basic information required under the new rule and verifiability of chain of custody and product entity as the product moves to the market.

We believe that the following five points are key criteria as it should be considered as the minimum elements of trustworthiness to be a member of the program.

First is that there should be full transparency of the underlying fishing activities including direct public access to authoritative and verifiable information about vessel registration with an IMO number, licensing and fishing, vessel tracking using AIS, compliance records and basic catch documentation.

Second, there should be the ability for direct electronic access for U.S. officials to the same underlying information as well as for establishing the full traceability of products and the identity of all participants in the supply chain.

There should also be independent third-party auditing on a regular and ongoing basis of the underlying information sources and traceability systems and products should not be derived from a stock whose status is overexploited



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or unknown as reported to the FAO and they should not be derived from forced labor.

The regulatory consequences of the trusted trader mechanism should not relieve trusted traders of the basic obligations of the new regulation but as stated could allow substantially reduced burdens for provision of information at the time of importation and/or a substantially reduced exposure to routine inspections, audits and investigations.

Again, thank you for the opportunity to speak and WWF will provide additional written comments to elaborate and respond to the other federal notice questions. Thank you.

John Henderschedt: Thank you very much for your comments, Ben.

Coordinator: And once again if we have anyone wishing to ask a question or make a comment, please press star followed by 1 and record your name at the prompt. One moment, please, and at this time I'm showing no questions.

Kerry Turner: Thanks, (Emily). We're going to give it another minute or so, you know, for anyone to submit their questions or comments about the program.

Coordinator: And once again as a reminder, it is star followed by 1 to ask a question and I am still showing no questions.

Kerry Turner: Okay, just a reminder to everyone, the period for you to submit your comments on this program is open until June 28th at [regulations.gov](https://www.regulations.gov) and we do welcome your comments on this. Also you can visit our Web portal at [www.iaufishing.noaa.gov](https://www.iaufishing.noaa.gov) for any updates. John, do you have anything else to add before we go?



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John Henderschedt: Thanks, Kerry. Just thank all of you for your attention for joining us this afternoon and we look forward to consideration of your written comments as well. Good afternoon.

Coordinator: This does conclude today's conference. Thank you so much for joining. You may disconnect at this time.

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