



# NOAA FISHERIES

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

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

**May 10, 2016, 2:00 pm ET**

### **NWX-DOC CONFERENCING**

**Coordinator:** Welcome and thank you all for standing by. At this time all parties are in a listen-only mode until today's question and answer session. At that time you can press Star 1 to ask a question on your phone. I would like to inform all parties that today's conference is being recorded and if you object to that for any reason you may disconnect at this time. Speaker you may begin.

**Laurel Bryant:** All right thank you (Sidney). I appreciate that and good afternoon or good morning to everyone depending on where you're calling from. This is the second public Webinar that we're holding seeking input on the development of a Commerce Trusted Trader Program. My name's Laurel Bryant. I'm with NOAA Fisheries Office of Communications. And with me in the room today is John Henderschedt, Director of International Affairs and Seafood Inspection Program. Also Steven Wilson, Deputy Director of International Affairs and Seafood Inspection and Chris Rogers, Director of International Fisheries in the Office of International Affairs and Seafood Inspection. Before I hand it over to John, John's going to walk us through a presentation, outline some of those key elements that we really are looking for input and comments on. And after that we will go into an open comment session.

The operator will remind you how to get into the queue to make some comments. But I just wanted to give you forewarning please don't use the interface on the Webinar portion of this call as that portion is not being



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recorded and capturing your name and the information that we want to capture. All of this of course is being posted online so if you have anyone or you missed the phone call in its entirety we will be posting that within 48 hours. And with that I will turn it over to John. John?

John Henderschedt: Good afternoon and thanks again for joining us for this public comment Webinar regarding the Commerce Trusted Trader Program. First an overview of what we plan to walk through prior to your comments and clarifying questions. We'll give a bit of background and content, describe the benefits and incentives intended for a Commerce Trusted Trader Program, address the scope and criteria for eligibility of such a program, relationship of the Commerce Trusted Trader Program to other trade monitoring programs, issues with respect to timing and implementation and finally next steps.

So by way of background, the Presidential Task Force on Combating IUU Fishing and Seafood Fraud presented 15 recommendations to the President. Fourteen and Fifteen were to establish within 18 months the first phase of a risk based traceability program to track seafood from point of harvest to entering the US commerce. One of the components of Recommendations 14 and 15 of the Action Plan is to develop and implement a Trusted Trader Program whereby the Secretary of Commerce would collaborate with the Secretary of Homeland Security and other agencies as relevant to assist in developing a voluntary Commerce Trusted Trader Program. This is viewed as a valuable component in establishing an efficient seafood traceability process. And we've issued a federal notice seeking your input with respect to the scope, design and implementation of the Commerce Trusted Trader Program to ensure a coordinated effort with members of the trade community.



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So what are the benefits and incentives associated with a Trusted Trader Program? We hope to achieve reduced burden of compliance for certified permit holders, reduce targeting inspections, enhanced and streamlined entry, expedite the flow of trade and improve implementation and enforcement efficiency. We're also seeking input on how these benefits will incentivize participation in the Commerce Trusted Trader Program while ensuring the continued effectiveness of the Seafood Import Monitoring Program. I should note that the comment period for the proposed rule of the Seafood Import Monitoring Program closed earlier, well actually closed in April. We're currently working on a review of those comments and development of a final rule which is scheduled for publication late Summer/early Fall of this year.

So the scope of the program, first who is eligible to be a Commerce Trusted Trader? Well the Seafood Import Monitoring Program focuses on the holders of International Fishery Trade Permits as those responsible for the record keeping and reporting requirements captured in that proposed rulemaking. We're seeking input as well on expansion of the eligibility scope to possibly include freight forwarders, foreign harvesters and processors, foreign exporting companies, custom brokers, those who are acting on behalf of the importers of record and entities with the role in securing a supply chain that that are not directly responsible for record keeping and reporting and who may not be required to hold an international fishery trade permit, and then other entities in the supply chain and import process that might benefit from the existence of this program. We're also asking which attributes in the supply chain should be covered in the scope of this program, for instance harvest, landing, shipment, processing, storage, and import entry.

So next we'll address criteria of the program, essentially what are the criteria for evaluating and certifying permit holders or other eligible parties to



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participate in the Trusted Trader Program? We're seeking input on criteria considerations including applicants' compliance record with other federal programs, the extent to which the permit holder has measures in place to verify the source in the 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, the question of how much should each of the above criteria be weighted within the program when considering certification, the scope and process for 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.

What then is the relationship of the Commerce Trusted Trader Program to other trusted trader or federal import programs or trade monitoring 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're seeking input on the extent to which these programs can or should be included in the Trusted Trader Programs. The potential for coordination of these programs is a means to expedite the entry of fish, products reducing overall regulatory burden and improving efficiency of implementation and enforcement and how coordination or integration with other federal Trusted Trader Programs may incentivize participation in the Commerce Trusted Trader Program.

One issue of note is that the Tuna Tracking and Verification Program, that program's for which NOAA administers the dolphin safe labeling program would not be considered as a candidate for inclusion in the Commerce Trusted Trader Program. This is due to the fact that there are other statutory regulatory



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requirements associated with that program which could not be - for which we could not establish exemptions or other provisions associated with a Trusted Trader Program within the Tuna Tracking and Verification Program.

So then the question of timing and implementation. Now NMFS will make its best effort to implement the Seafood Import Monitoring Program and the associated Trusted Trader Program simultaneously. Among other factors our ability to do this could be affected by the timing of the implementation of the Seafood Import Monitoring Program final rule, completion of the structure and elements of the Commerce Trusted Trader Program and the timeframe for completion of the Commerce Trusted Trader Program business rules which may need to be incorporated into the International Trade Data System.

So we are seeking input on the potential impact and benefits of implementing the program following the implementation of the seafood import monitoring program as well as recommendations for design and implementation of the program regarding measures that can be taken to minimize the cost and burden of those impacts and potentially capture available benefits. So we are seeking comment on all of these issues. You can review the notice in the Federal Register at [www.regulations.gov](http://www.regulations.gov) and enter NOAA-NMFS-2014-0090-0314. I'm sorry 0341. A 60 day comment period will end on June 28, 2016 and additional information with respect to these efforts as well as all other work done under the auspices of the National Ocean Council Committee can be found at the web portal at [www.iuufishing.noaa.gov](http://www.iuufishing.noaa.gov).

As we mentioned this is the second public Webinar conference call. The third is scheduled to occur at 2:30 on June 6, 2016. So and this gives you a screenshot, gives you a look at the Web portal itself. So with that I will open it up to your comments with respect to the issues identified both in my brief



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presentation as well as in the Federal Register Notice and welcome any clarifying questions should you have them there would assist you in providing comments to the agency with respect to the Trusted Trader Program. So thank you very much for your attention and we look forward to your comments.

Laurel Bryant: Great thank you John. And (Sydney) if you could just kind of remind folks how they can get into the queue?

Coordinator: If you do have a question or comment via the phone lines at this time please press Star 1 and record your first and last name at the prompt. Again if you do have a question or comment via the phone line at this time, please press Star 1 now. Our first question or comment will come from (David Globkey). Your line is open.

Laurel Bryant: Hi (David).

Coordinator: Please check your mute button or pick up your handset.

Laurel Bryant: We can't hear you (David). Are you talking?

(David Globkey): Okay can you hear me now?

Laurel Bryant: Yes.

(David Globkey): Thanks. Oh thank goodness. Hey sorry about that. Technologically I guess I'm an idiot here, just had a question regarding countries. I think it's conceptually possible now, you know, when we got this modern day of instantaneous communication and we know what other countries are doing instantaneously really and we - and that forms trust. I'm thinking like Iceland, Canada, New



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Zealand, Norway, is it possible that those countries with their great systems and improving systems of sustainably managing fisheries and information flow can they be regarded, you know, trusted partners so for importers like Seaport, we do a lot from New Zealand let's say that that becomes a streamlined way we - of keeping records when we're importing from New Zealand? So sorry if I'm asking the question I should know the answer but I just didn't hear anything mentioned about countries being considered partners.

John Henderschedt: So your question is a good one. I'll treat it as somewhat rhetorical and would encourage you to offer whatever comments you might have about identifying countries as trusted traders and your rationale. I will note simply that whatever we implement will have to be compliant with our responsibilities as members of the World Trade Organization and other international trade agreements. But again I would welcome - we welcome your comments, any additional written or oral comments that you might have on identifying countries as trusted trader's. Thanks (David).

(David Globkey): Yes just real quickly, are you still there? It - so conceptually just it's a part of the concept, yes or no?

John Henderschedt: We are scoping what that concept should look like. So it is certainly not out of bounds for you to provide comments on that. I'm very hesitant to say that it is or is not a feasible alternative because of course everything is in the details. And as I mentioned at the end of the day we must ensure compliance with our international trade obligations. But I - it is certainly ripe for comment with respect to how it might play a role in a Trusted Trader Program.

(David Globkey): Okay, thank you very much.



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Laurel Bryant: Thanks (David).

(David Globkey): Thanks.

Coordinator: And at this time I'm showing no other questions in the queue. Again if you do have a question or comment it is Star 1.

Laurel Bryant: Also remind folks that John's presentation is also posted online at the [iuufishing.noaa.gov](http://iuufishing.noaa.gov).

Coordinator: And we do have another question from (Michelle Karik). Your line is open.

(Michelle Karik): Thanks for...

((Crosstalk))

(Michelle Karik): Hi everybody. Thanks for the presentation John, just two questions if you could possibly clarify. One has to do with process. And you mentioned that the comment period is over on the 28th of June that we have to file comments by that time. But what's the intention after that? Is there going to be any additional Federal Register Notice that responds to the comments or indicates the final decisions that you and the council have made? And then the second question is related but it also has to do with timing when that might happen and also when are you thinking that the program itself might actually start to get implemented? Thank you.

John Henderschedt: Good afternoon (Michelle) and thanks for your questions. I'll do my best to answer them. Tackling your second question first which has to do with the overall timing, as you're aware we have suggested in the proposed rule for the



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Seafood Import Monitoring Program that there should be some period of time following publication of that final rule which is expected to occur late or early fall to allow for the trade communities and our international trading partners to prepare for compliance with that rule. So expecting that that would occur at some point likely in 2017 we will need to - our ability to have the Trusted Trader Program in place will be determined by a number of things. And I'm going to go back to a list that I think I skipped past, timing and implementation. So obviously we have the timing for the monitoring program itself. So obviously the sooner that is up and running the less time we will have to design and coordinate Trusted Trader Programs. So we want to keep that in mind.

Secondly the completion of the, you know, the amount of time that it takes for us to develop a Trusted Trader Program and that's not only in its design but once we have the design we will as well have to assess what the implementation mechanisms are. And it could well require some additional rulemaking. So again that rulemaking process will fit into some schedules better than others depending on what the timing for implementing the monitoring program is.

And then finally there are just sort of the mechanical and the technical aspects of incorporating business rules that would for instance identify a trusted trader through the International Trade Data System as a - as another variable that could affect the timing. So I realize that that's a lot of variables. We're going to make our best effort to coordinate this in a way that number one in the best of all worlds things are implemented together, number two that we are not creating obligations on the part of the trade community that would prove to be unnecessary upon implementation of a Trusted Trader Program. So we want



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to try to at least anticipate what the compliance requirements would be and avoid unnecessary investment and burden.

With respect to process (Michelle) that again depends somewhat on what it will take to get this in place. On the assumption -- and I think it's, you know, a fairly safe assumption -- that there could be some sort of rulemaking or at least administrative notice take place we would again want to allow for some sort of notice and comment before finalizing. Of course that process may present a trade-off then against timing depending on how quickly we're able to do that and when we think we will have the Import Monitoring Program up and running. So I fear that I've been juggling a lot of variables here but hopefully I've been able to address your questions.

(Michelle Karik): Yes thank you very much John.

Coordinator: And at this time I'm showing no other questions in queue. As a reminder it is Star 1 to make a comment or ask a question. And I'm showing no one prompting.

Laurel Bryant: Let's just give it a little bit longer operator. Just to fill space at the time I just make certain that everybody notes that the next Webinar that we have is June 6 and it does start a half an hour different although the phone numbers and everything is the same so just...

Coordinator: And I do now have one question in queue from (Sarah Lewis). Ms. (Lewis) your line is open.



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(Sarah Lewis): Thank you. I was wondering if the requirements for qualifying to get into the Trusted Trader Program are likely to be the same across all the at-risk species or whether there would be some nuances there?

John Henderschedt: So that is a question it would be premature for me to offer an answer to. I would certainly encourage you to provide comments if you have thoughts as to distinctions that would be made. It has not been identified specifically as a point for comment in this presentation. And I don't believe in the, nor has it been I believe in the Federal Register Notice. But if you are if you have thoughts about that about the value or about concerns with respect to differing requirements or criteria certainly encourage you to provide those comments.

(Sarah Lewis): Okay thank you very much.

Coordinator: Again I'm showing no other questions in the queue.

Laurel Bryant: Give it another minute to see if somebody has any other thoughts? These have been good questions. But bring comments too, not just questions.

Coordinator: And as a reminder it is Star 1 if you do have a question or a comment.

Laurel Bryant: Okay. It sounds like people are pretty quiet out there. Any thoughts John or...

John Henderschedt: No I just want to thank everybody for joining us this afternoon for your attention. And we really do look forward to your additional comments and taking those into consideration as we move forward in developing the Trusted Trader Program. So thanks again and have a good afternoon.

Laurel Bryant: Thank you everybody.



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Coordinator: And with that we'll conclude today's conference. You may now disconnect.  
Thank you for participating.

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