



## **Webinar: Proposed Rule to Establish a Traceability Information Program for Seafood**

Presenter: Celeste Leroux, NOAA Fisheries' Office of International Affairs and Seafood Inspection

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NWX-DOC CONFERENCING

Coordinator: Thank you all for standing by. For the duration of today's conference, all participants' lines are on a listen-only mode until the question-and-answer session. At that time if you would like to ask a question, press star 1.

Today's call is being recorded. If you have any objections, you may disconnect at this time. It is my pleasure to introduce Ms. Kerry Turner. Thank you, ma'am, you may begin.

Kerry Turner: Welcome, everyone. Thank you so much for joining us my name is Kerry Turner. I'm a Communications Specialist here with NOAA Fisheries' Office of International Affairs and Seafood Inspection. You have joined us for a webinar on the proposed rule to implement traceability information program for seafood and just a bit of an idea about the agenda today.

We're going to have to go straight into a brief presentation and then we're going to open it up for some of your questions and we have a wonderful room here filled with personnel from NOAA Fisheries.

Our presenter Celeste [Leroux], also with the Office of International Affairs and Seafood Inspection, Christopher Rogers and Steve Wilson and so we have expertise in the room to be able to answer as many questions as you have and

so this Webinar is one of two Webinars that we're doing about this (whole) rulemaking.

The goal behind this is to talk about the proposed rule and hear your thoughts and answer any questions that you may have. NOAA Fisheries is very much committed to working with the industry on this rulemaking and so this is an opportunity for you to hear from our personnel about the rule, so let's go ahead, I'm going to turn it over to Celeste. Celeste, please?

Celeste Leroux: Hi, yes, thanks again everyone for joining us today. As Kerry noted our goal here is to inform your public comment on this proposed rule so I'll walk briefly through what we have proposed. We'll answer any questions that you might have in helping you prepare public comment and we've reserved plenty of time for that.

So our agenda briefly I'll walk you through the timeline and the drivers for the development of this rule as well as the key elements of the program and its objectives. Our key elements are registration for growers and online reporting system and then recordkeeping provisions which allow for auditing as needed and then we'll follow with a discussion.

The timeline of this program is laid-out on this slide but essentially the program began in some ways with the development of the seafood import monitoring program. In the development of that imports-focused rule, we identified that shrimp and abalone are at risk of [IUU] fishing and seafood fraud.

And in our review because this was a rule that had international impact needed to determine that domestic data collection was comparable to imported

data collection that would be in place under the seafood import monitoring program.

And in that very careful review of all of the species covered under that program of which there are 13, we identified that for domestic aquaculture production. There was a gap in the collection of data for those species by the U.S. government.

So we had to stay implementation of the program for those two species we moved forward with the additional 11 and throughout 2017 following publication of the \*proposed [correction: final] rule prepared for the implementation in January of this year. That program became mandatory for 11 species excluding shrimp and abalone.

And just a few months later in the Appropriations Act for 2018 Congress included a provision that we would expand the seafood import monitoring program to the initially-identified shrimp and abalone species by the end of this calendar year and that we would also develop a comparable domestic program to resolve the data gap that we identified in the initial development of this seafood import monitoring program.

So since that mandate came through from Congress we've been working hard on preparing this proposed rule which as you know is out for public comment now until November 26th. We are definitely looking forward to your feedback on this.

This is a new endeavor for NOAA. We don't have traceability requirements for aquaculture currently in place with the agency so we're very much looking for your insights and feedback and how to make this program as efficient and cost-effective as possible.

So that's our timeline and moving on, in essence the traceability information program for seafood we call it [TIPS] usually has three main elements. There's a registration requirement for owner-operators of aquaculture facilities that grow shrimp and abalone.

There's an online reporting requirement and then there are recordkeeping requirements for those chain-of-custody documents that trace the product from its harvest to its point of sale in the U.S. That should be a very [inaudible] supply chain but it still is a recordkeeping provision that could be subject to audit.

So three main questions that we asked to define the scope of the program I'll walk through with you now so the first is if you are the owner and operator or operator of a U.S. aquaculture facility, this program may apply to you but the other two questions here also need to be true.

The aquaculture facility that you own or operate needs to produce shrimp or abalone for consumption [as] food. By that I mean that we are not intending to include broodstock, bait or other non-consumptive sales under this program. The Seafood Import Monitoring Program also focuses-on tariff codes that are specifically geared towards seafood products.

The third is a limitation of scope for those farms that sell over \$1000 per year in sales. This is a threshold that we chose because it is the same one as the U.S. Census [inaudible] [Agriculture] uses for their regular Census of production in the country of aquaculture broadly.

So once you've identified that you need to register, you can proceed with registration. We're developing an online website that will act as a portal so all of these steps can be accomplished easily online.

Once you've identified that you do need to register, it should be a very simple and quick process of simply entering basic business information, the name and the address of your business and an identifier to be able to recover your login should it be lost in the future as well as identifying additional users who may want access to this account.

We are asking for a one-time --what we estimate to be --\$30 fee to be processed through pay.gov to complete your registration. Once you're registered, which should just take a few minutes, you would be able to setup your account which includes identifying the aquaculture facility of facilities you own or operate.

We're essentially looking for the name and the address and if you'd like to tell us the type of facility for example are they ponds or raceways, other structures and then the other users that you may want to have to be able to report under this account. You as the main user can adjust the users however you'd like.

For the online reporting process, we are setting-up a system that would allow you to report harvest and sales online. As proposed in the rule, the information would include those information for specific sales of products including when and where the sale occurred. If the sale is to a business we would be looking for some information about that business.

If it's a sale to a direct consumer so for example a roadside stand or a farmer's market, we'd look for the venue at which that product was sold but not information about the direct buyer and then the weight of the sold product and

the form at which the product was sold for example was it peeled, was the head on, was it head-on, tail-on, etcetera.

In addition to the sale information then we would need [inaudible] the associated harvest of that product so that would be the species. My understanding is that there's primarily one, perhaps two species that are farmed, shrimp in the U.S. and a few marked for abalone and then identify the production facility that you had in your user account as well as the date it was harvested and the weight of that original harvest.

So those two pieces of information would be required for individual sales. Now the reporting of sales as we've proposed it in this rule needs to be completed by the end of the month following that sale. I've included a couple of examples here just to walk you through what we mean.

So for example if you are looking at shrimp that was harvested in June of next year and you sold it one month later in July, we would look for that information to be reported through the online reporting system by August 31st so one month after the July sale.

Another example would be if you were harvesting product over a span of time so multiple harvests, you could sell those later and then you need to report again one month after the sale so if you sold in March 2019 end of April somebody would ask you to report that sale to NOAA.

Similarly if you had a product that was harvested and sold on the same day, again it's 30 days after that sale that we'd like that information so 30 days after any time at the end of the month would be October 31st.

We have made a provision here that I would be happy to have your feedback on but after 30 days we don't intend on users being able to continue to modify their sale in the system. This is a way of solidifying that information so that we can begin to review it.

I'd like to highlight that if you are not making sales, there is no reporting requirement so there is not a negative reporting requirement in the program that we've proposed.

If you are selling product then yes, we would ask you to report those sales and the [date of] harvest but if your farm is only selling product a couple of times a year, there is not a requirement to come into the system and continue to report that you did not have any sales so the proposal is that we have an annual renewal of registration.

If you were to keep your registration current then there's no cost for renewal so that \$30 initial registration fee would be the only time that you need to pay. The registration renewal process again should be very simple and accomplished online.

You simply would need to affirm that the sale records that you submitted for the previous enrollment year are all correct and that your contact information is still current. Once you affirm both of those things, you will have your registration renewed and you wouldn't be able to then modify old sales in the system.

If your registration were to lapse, you would need it to be reactivated which could require a payment again. So, a few key points about this program. First of all the program only applies to shrimp and abalone that's sold in the U.S. for consumption as food. This program is specific to those two species and

specific to that type of production so again like broodstock, bait, these are not covered under the program as we've proposed it.

Second is that this program would manage activities of the owner and operator of an aquaculture facility so that is the party that would need to register online with NOAA Fisheries and that we could ask for chain-of-custody records.

The two types of information that we're looking for, again these are akin to those required under the imports program but they are harvesting sales information. That is what would be reported online and then the corresponding chain of custody records that verify that information would need to be retained for two years.

Our estimate is that these are records that are already retained for other business purposes so you likely wouldn't need to retain any new records for the purpose of this program.

We don't have any special forms that need to be filled-out for our program. Second, sorry, fourth, that this information is confidential business information under the Magnuson-Stevens Act, your information would not be made publicly available about your private business.

And then lastly it's that the public comment period is currently open. It was a 45-day public comment period and [will] close on November 26th. Next. We would definitely like to hear from you again. As I said this is a new endeavor for NOAA and we want to make sure that this program is structured properly and efficiently.

So particularly would like your feedback on the structure of this program related to its registration, the reporting system I discussed and the

recordkeeping requirements as well as the economic impacts of the program and ways that we can maximize the benefits to industry while we meet the underlying objectives of this program.

I should mention the other thing I wanted to mention is that we are going to convene a focus group for those who are likely to be registered under this program. If you're interested in having a discussion with us, you can contact me. The contact information is on the slide. It's celeste.leroux@noaa.gov.

Be happy to get your input on the specifics of this Web portal that we're developing but most importantly is that you provide public comment on this proposed rule itself and that can be done online through regulations.gov.

You're also welcome to snail mail me your comments at the address on the screen but we certainly encourage you to use the online public commenting forum if that's available to you. You're also welcome to contact me with any other clarifying questions that we may not get to on today's Webinar.

I'm happy to help you better understand the program that we've proposed here so with that I've gone through the basics of this program and we're happy to take any questions. Kerry, do you want to open us up?

Kerry Turner: Yes, so as I mentioned in we're going to open this portion of the Webinar for your questions and any feedback on what Celeste went through in the presentation about the proposed rule. (Holly) would you give the participants instructions on how to submit a question?

Coordinator: Thank you. If you would like to ask a question, please unmute your phone, press star 1 and record your name clearly so that I may introduce you. To

withdraw your question, press star 2. Again to ask a question, press star 1. It will take a few moments for questions to come-in, please standby.

Celeste Leroux: So while we're waiting for folks to ask a question, I'll just reiterate these three particular areas for you to think about in your submission of public comment. You're welcome to submit comment on any part of the rule but we are certainly interested in your thoughts on having a registration reporting and recordkeeping system that makes sense for this industry.

We [inaudible] understand the economic impacts of the tool and that we certainly maximize benefits and efficiencies for industry in development of this program.

Coordinator: And I show no questions at this time but if you would like to ask a question, press star 1. A question actually just came through from (Kim Ripley), your line is open.

(Kim Ripley): Just actually wondering if we can get a copy of the presentation?

Kerry Turner: Yes, absolutely. We'll post that on our Website.

(Kim Ripley): Okay, great, thank you.

Coordinator: And again that is star 1 if you would like to ask a question.

Celeste Leroux: Again just a reminder, the comment period for this proposed rule ends November 26th so we definitely encourage you to submit your comment on the rule via either the mail or the [regulations.gov](http://www.regulations.gov).

Kerry Turner: Yes, and I should note this is the first Webinar that we've given on this program so I can appreciate that there's a lot to absorb here. If you may be develop questions over the next couple of weeks, we will do a second Webinar just like this on November 4th that you're welcome to register starting November 5th but you're welcome to register and we look forward to answering any questions that you may have at that time as well. We'll hang-on another minute and see if there are new questions.

Kerry Turner: Yes, (Holly) can you give the instructions one more time?

Coordinator: Absolutely. Again to ask a question, press star 1, unmute your phone and record your name clearly when prompted. Again star 1 to ask a question.

Kerry Turner: As a reminder feel free to submit any questions that you have, any feedback about the presentation and as it was discussed today, we welcome those questions. We welcome the feedback.

As Celeste mentioned, this is part of a pretty good effort from NOAA in getting the information out and working with industry and working with the public and creating this rule and we're just going to give one more shot (Holly) to see if there are any questions. Want to make sure everyone has the opportunity to ask a question. (Holly), one more time?

Coordinator: All right, and there are no questions in queue but star 1 if you would like to ask a question.

Celeste Leroux: You're welcome to contact me as well if you have any feedback on information that could make this Webinar more helpful in our future iteration. If you have any thoughts on information that would be helpful to cover in more detail or less detail, I'd be very receptive to any of that feedback as well.

Kerry Turner: Well, since there are no questions currently, we thank you so much for joining us for this Webinar. Again a reminder, please submit your comments on this rulemaking by November 26th and feel free to reach-out to Celeste for any questions. Thanks again for joining us and I hope you have a wonderful day.

Coordinator: And this concludes today's conference. Thank you for participating. You may disconnect at this time.

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