



## **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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Kerry Turner: We have our speaker for today Celeste Leroux. Celeste is a specialist here with the Office of International Affairs and Seafood Inspection. And she's going to be presented. And then we'll – as I mentioned we'll go straight into the question and answer period. And we'll give you a prompt to let you know how to ask your questions. We want this to be a robust discussion. This is the second of two webinars that NOAA Fisheries has done about this proposed rule. It is a key aspect of what we do here at NOAA Fisheries to give public questions and public engagement on proposed rule and notices of (unintelligible). So let's go ahead and go right in. Celeste?

Celeste Leroux: Thanks Kerry. And thank you all again for joining us today. So our goal as Kerry mentioned is to walk you through this proposed rule and to inform your public comment. We want to be sure that you have an opportunity to share your feedback on this proposed program through regulations.gov and submit formal public comment. So with that we'll move forward and our timeline. We'll walk through a little bit on how we came to developing this rulemaking and why. What were the drivers for preparedness program? And will walk you through some of the main features of the Traceability Information Program for Seafood which we have finally started calling TIP[S]. We will talk about how an account is set up for registration and reporting. And we'll talk about some of the record-keeping provisions of this program is proposed. And as Kerry



mentioned we have ample time for discussion at the end should you have any questions.

So the driving factors for preparing this program were to establish a traceability program for US farmed shrimp and abalone. The intent of this program is to be a domestic counterpart to the requirements under the Seafood Import Monitoring Program. The Seafood Import Monitoring Program requires certain traceability and recordkeeping requirements for its seafood entering the United States. It went into effect earlier this year for 11 species but as I'll get to shortly its expansion to shrimp and abalone led us to the decision to move forward with this program's development. This should help us to ensure that shrimp and abalone products harvested illegally or misrepresented are not sold on the US market. And when I say traceability in this presentation I'm referring to a verifiable chain of documents that proves that the seafood entering the US market either from a domestic source or an international source was harvested legally and that it is what it says it is.

Next. All right so we began the process of developing this program actually back in 2016 when we finalized the Seafood Import Monitoring Program. That program as I mentioned is covering specifically imports to the United States. We had identified shrimp and abalone as at risk of illegal fishing and seafood fraud but were not able to include them initially because we found that a comparable traceability measures were not in place for aquaculture in the United States of these species. We do have comparable information for wild caught fisheries.

So for that reason we moved forward with implementation of this [imports] focused program without those two species. That program went into effect in January of this year and just a couple of months later in the Appropriations



Act for 2018 Congress directed NOAA to expand the Seafood Import Monitoring Program to its initial list of 13 species, so adding shrimp and abalone and establishing a comparable domestic program for data collection. This was all part of an underlying principle that we should, we need to make sure that we require the same information domestically as we expect of importers.

So we are moving forward with that per the direction of Congress. One month after the Appropriations Act was signed we followed their requirement to issue a formal final rule lifting to stay on shrimp and abalone under SIMP. We established a mandatory compliance date for that program as December 31 of this year. And we immediately began working on the drafting of the Traceability Information Program for [Seafood] proposed rule which is this one. We release[d] that in October for public comment and that'll close on November 26. So let's get into the features of this program.

So the Traceability Information Program for seafood, TIP[S] proposes to establish a registration, online reporting and recordkeeping set of requirements for the sales are shrimp and abalone into the United States that have been identified as being vulnerable to IUU fishing and seafood fraud. We'll talk a little bit more about the scope of this program in a second. So the first question would - that I expect everyone would have is whether or not they and their particular aquaculture facility would be subject to the requirements under this proposed program.

It's really determined by answering yes to all three of the questions below. So first is that you must be the owner or operator of a US aquaculture facility at large. Your facility also needs to be producing shrimp and abalone for consumption as food. What I mean by consumption of food is the product



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shrimp are produced in this country for multiple uses. Sometimes they're sold as food stock sometimes it's bait or other non-consumptive sales. Those are not intended to be covered in the scope of this program as the comparable imports program is focused on seafood for consumption.

We also have limited the scope of this program to those farms that sell over \$1000 per year of these products. That is a threshold there we borrowed from the Census of Agriculture survey that's already conducted by USDA. So if in summary you are the owner and operator of an aquaculture facility that sells more than \$1000 per year of shrimp and abalone products for consumption of food the proposed program would apply to you. We estimate that that's going to be under 100 farms total in the United States. By the way if you're interested in more information on that we did we did since our last webinar post on regulations.gov our initial regulatory flexibility analysis which includes our cost estimates for implementation of the program in a bit more detail then you'll see in the proposed rule. So if you have feedback on that side of it please free to look at that document and provide your public comment.

So I'll walk-through briefly what we intend this program to look like in its implementation. We would want online registration again for all of the producers that meet the requirements that I just went over. And if you do we would ask that you go to our web site, we'll set up a dedicated URL for this program, and [(unintelligible)] register. The first step of that process would be to verify that you do in fact need to register based on the three questions that we identified before and then that you enter some basic information about your business that we have your name, your address and an identifier for you in case you lose your other login information. And that you as the owner operator can identify additional users to report data under this program if



that's beneficial to you. The third step would be a one-time registration fee that's processed through pay.gov which is the standard practice. And if you keep your registration current there's no need to pay \$30 fee ever again.

Moving forward, once you have registered you would then be able to set up a functionally user account. You would provide to us information about the facilities that you have, where they are, what type of facility they are and again managing a user. So you could add folks later, you can give them each a unique login. So we intend on having a user account to be able to repopulate some of the reporting information to make this as easy for you as possible.

Next. So the online reporting process would essentially be basic information about the sale and the underlying harvest for your individual sales of shrimp and abalone products for consumption. So for an individual sale we would look for when that sale occurred and where. If you sold product to a direct consumer meaning for example at your roadside, at a farm stand, maybe pick your own we wouldn't look for information about who that buyer was but rather the venue of sale. But if you sold to a business we would look for information about that buyer. We would need to know the weight of the product that was sold and in what form it was sold. I expected many cases if not all it's going to be whole but we have created some other options in case that applies to you.

We're also looking for the harvest information. So this is really the traceability element, where did that sale come from? So we would need to know the species. There are just a few species of shrimp that are aquacultured in the US. Most of my information there's just one and a couple of species of abalone that may be subject to this program. Again you would have pre-populated your facility information so you just check it off and that the date



that, that was harvested and the weight of the initial harvest. So there are two weights there's the weight of the product sold and then the weight of the initial harvest.

Another factor this program is [how] often you would need to report. So we didn't want to create a program where every single sale had to be reported to NOAA Fisheries at the time of sale we decided to opt for a monthly reporting system. So I've provided a few examples. Essentially though your sales should be reported by the end of the following month that your sale occurred, you can certainly report it earlier but not later.

So for example if you're harvesting shrimp in June of next year and you sell it one month later in July you would then need to report by the end of August, so the month following your sale. Again there could be instances where you harvested shrimp a while ago. So you could have harvested sugar in 2017 and sold it in 2019. That would be subject to this program. So you'd need to have information by the reporting deadline about that original harvest. And similarly you may have product that was sold and harvested on the same day, the same thing applies. Always it's one month following the sale. So the September 15 is your harvest and sale that you would need to report that sell by the end of October.

Once you have reported your sale our intent is to not have it be modifiable after 30 days. So let's go with that last example. If you sold a product on September 15 you reported it by October 31 or on October 31. If you uncovered any issues with that you could continue to modify your sale if needed for 30 days. That's just a suggestion. We're happy to take feedback but more importantly we've proposed a program that does not require reporting of no sales. If you are not selling product you do not need to report



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to us or login and tell us that you haven't had any sales for X period of time. So if you're selling product all year round you would want to come in roughly monthly and provide input on your sales. If you're only selling once or twice a year then you really just need to come in at those times of year that correspond to your sales.

Next. The last major piece of this program would be renewal of registration. So as I mentioned before if you register under this program and you renew annually then there's no cost but if you should happen to lapse in your registration that would require reactivation and payment. The registration renewal process is simple but important. Again you would login to the NOAA Fisheries system and you would affirm two things, first at the records that you provided for the previous year are correct and that the contact information that you've provided for yourself or potentially other users is also current. Once you have affirmed that your sales for the previous registration year are all complete then you would not be able to modify the previous sales once your registration is renewed.

So if you (unintelligible) key points just to wrap this up and identify for your public comment consideration. That number one is that this program applies only to shrimp and abalone harvested and sold in the United States for consumption as food, so again its shrimp and abalone for consumption as food. The owner and operator of the aquaculture facility is the party subject to this proposed program. And that person would need to register online with the NOAA Fisheries and provide the reporting and recordkeeping information that the program would require.

Number three is that the program requires essentially two main categories of traceability information. There's outline reporting of the harvest and sales and



then there are a chain of custody records. So the business records that you already retain need to be kept for two years which you likely are already doing and could be requested by NOAA Fisheries in an audit or inspection to verify that the information you reported to us online is accurate. Number four is that the information under this program is confidential. We have data confidentiality provisions under the Magnuson-Stevens Act and they would apply to this program. Lastly is that public comment is open right now and will close on November 26 of this year. It's important that you provide your public input to us at [regulations.gov](https://www.regulations.gov).

We really want to hear from you. This is in some ways a new effort for NOAA. This is a new stakeholder base for us. And the final rule will benefit by input from industry and other stakeholders who want to see this program is efficient and effective as possible. So particularly of interest to us are comments on the program structure so the structure of registration reporting and recordkeeping that we've laid out in the proposed rule, the economic impacts of this rule and making sure that we are maximizing benefits to industry while still maintaining the underlying objectives of this program.

If you're interested and you are someone who would likely be subject to this program when it's finalized I would encourage you to reach out to me. My email address is up here. It's [celeste.leroux@noaa.gov](mailto:celeste.leroux@noaa.gov). We intend on doing my focus group later this month. And we would walk through a demonstration of the online registration reporting system for folks who are interested. This is not part of the public comment on the proposed rule but it is part of our broader interest in making sure that we design a program that is as user friendly as possible.





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Next. You can submit your public comment online through [regulations.gov](https://www.regulations.gov). You're also welcome to provide hardcopy comments to me. My address is up there. And if you have any clarifying questions that we don't get to today or if it takes a little bit more time you're welcome to email me as well at [celeste.leroux@noaa.gov](mailto:celeste.leroux@noaa.gov). I think that's our last slide so I'll turn this back over to Kerry.

Kerry Turner: Thank you so much Celeste. Right now what we're going to do is open up the line for you to ask any, as Celeste mentioned any clarifying questions. A reminder public comment is open now for this proposed rule (unintelligible) 45 day period, comment period. And it will close on November 26. And keeping with (unintelligible) was your comment and your engagement on this rule it will make the rulemaking better by your engagement.

That's really a key portion of our outreach not only this webinar in previous webinars and any future outreach. We want to hear from you. We want you to be engaged in this. And so we believe that it'll make the process and the end result of us better. Again November 26 is the closing date for that. So let's go ahead open lines for your questions. We want to hear from you in terms of what was presented and if you had any questions about the proposed rulemaking as well. (Jordan), can you let everyone know how to ask questions?

Coordinator: We'll now begin our question and answer session. If you would like to ask a question please press Star 1 from your phone and unmute your line speaking your name clearly when prompted. If you like to withdraw your question please press Star 2. Again if you would like to ask a question please press Star 1, one moment as we wait for any questions.



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Kerry Turner: And as we wait for the, any questions to come through, another reminder Celeste mentioned about the focus group. If you have any questions or interest in participating in that focus group for the Web portal please email Celeste. Her information is up on the screen.

Coordinator: We have one question in queue. Our first question comes from (Paul [Zajicek]). Your line is now open.

Celeste Leroux: (Paul), you might be on mute.

(Paul [Zajicek]): I was wondering if NOAA has identified any illegal, unreported, unregulated seafood through this traceability program?

Celeste Leroux: So this program is just proposed. So we haven't...

(Paul [Zajicek]): No, in the broader program you've been active for several months.

Celeste Leroux: So under the Seafood Import Monitoring Program...

(Paul [Zajicek]): Yes ma'am.

Celeste Leroux: We, we're we are in the early months of implementing that program. We don't have statistics at this time about the result of audits but the program implementation has been going well. Part of the incentive for the Seafood Import Monitoring Program is to dis-incentivize the production of illegal harvest by eliminating the US as a market.

(Paul [Zajicek]): Okay. So how many reporting entities are currently registered and reporting?



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Celeste Leroux: Oh so the International Fisheries Trade Permit holder is the party subject to the Seafood Import Monitoring Program. I don't remember off the top of my head how many permit holders we have but I think it might be in the upper hundreds to low thousands maybe.

(Paul [Zajicek]): Okay wow...

Celeste Leroux: I can certainly circle back with you if you'd like a specific number.

(Paul [Zajicek]): It would be interesting to know that.

Celeste Leroux: Sure.

(Paul [Zajicek]): And it would be something to share with our members.

Celeste Leroux: Okay.

(Paul [Zajicek]): So you have a Trusted Trader Program. And given I understand, you know, this has all come about kind of strangely, but is it possible that NOAA would consider a trusted farmer program where they could provide documentation to show the farm is legal and regulated?

Celeste Leroux: So thanks (Paul), that's a good question. Just for those who may not be familiar with this NOAA Fisheries is in the process of finalizing a commerce trusted trader program [Commerce Trusted Trader Program] under the Seafood Import Monitoring Program which would offer some flexibility in the reporting and recordkeeping requirements for the Seafood Import Monitoring Program. If an importer would like to provide some additional third party auditing and verification of how they maintain their own supply chain. This



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has not been raised yet with respect to the Traceability Information Program for seafood [Seafood] for shrimp and abalone aquaculture but I would certainly encourage you to include that in your public comment if you think it's something we should look into.

(Paul [Zajicek]): Well I think you'd get a lot more interest in that rather than the information reporting burden so it might be something to consider.

Celeste Leroux: Yes, thank you.

(Paul [Zajicek]): And it would seem to satisfy maybe not the language of this traceability but the overall goal of what you're trying to achieve.

Celeste Leroux: Thanks. That's good feedback. Do you have any other questions?

(Paul [Zajicek]): No, I don't think so. It would be interesting, you know, to know like we talked a little bit earlier, you know, what kind of registration that you're seeing. There are some doubts about whether this would really be effective in what you're trying to achieve. So that would be good to know.

Celeste Leroux: Sure. We only have limited information of course at this time about imports of shrimp and abalone but after January 1 we'll have much more information about reporting because SIMP will be mandatory for those two species.

(Paul [Zajicek]): Well and I understand that part. And it would be more so the overall, the other was it 11 other species that are under the program right now.

Celeste Leroux: Okay, thank you.



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(Paul [Zajicek]): Is this Celeste?

Celeste Leroux: Yes.

(Paul [Zajicek]): Oh hey Celeste.

Celeste Leroux: Hi (Paul).

(Paul [Zajicek]): I didn't recognize your voice. Is there anyone else on this call?

Celeste Leroux: Yes. There are a number of folks on this call. But you're the only one in the queue for questions.

(Paul [Zajicek]): Okay.

Celeste Leroux: Maybe someone else will be.

(Paul [Zajicek]): All right. Well then let me hang up and leave the line open. Thank you so much. Oh if you could add me to that focus group...

Celeste Leroux: Absolutely I will.

(Paul [Zajicek]): ...I would be interested...

Celeste Leroux: Thank you.

(Paul [Zajicek]): ...in participating. Thank you.



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Coordinator: As a reminder if you would like to ask a question please press Star 1 from your phone and unmute your line. If you would like to withdraw your question please press Star 2, one moment as we wait for any additional questions.

Kerry Turner: As we continue to wait for any additional questions coming through a reminder, you know, in terms of what we want to hear about from you the program structure that includes registration, reporting, recordkeeping, the economic impact and how to maximize ideas on maximize and benefit the industry while meeting the objective of this proposed rule. Again the comment period for this proposed rule ends November 26. You can submit your comments online regulations.gov. It looks like we have questions. Please go ahead.

Coordinator: We have one question in queue. Our next question comes from (Jim Carrier). Your line is now open.

Celeste Leroux: You might be on mute (Jim). We're not able to hear the participant.

Coordinator: The participant's line is open. He may have his, he just disconnected.

Celeste Leroux: Okay. Can hang on a minute and see if he is able to rejoin. Can you remind the audience how to ask a question?

Coordinator: If you would like to ask a question please press Star 1 from your phone and unmute your line, speaking your name clearly when prompted. If you would like to withdraw your question please press Star 2, one moment as we wait for any additional questions.



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Celeste Leroux: (Paul), if you have more questions you're welcome to rejoin. All right, addressing any new questions come up but we will hang on...

Coordinator: We have one question in queue. Our next question comes from (Michelle Bursahofflaw). Your line is open.

(Michelle Bursahofflaw): Hi. Can you guys hear me okay?

Celeste Leroux: Yes we can.

(Michelle Bursahofflaw): Okay great. Thanks Celeste for putting this on. I just had a quick question about the reporting. So is it going to be similar to SIMP in that the different producers or owners will be able to submit data on a monthly basis through other electronic platform that they may already be using or is it going to have to be a subsequent entry on to the government platform?

Celeste Leroux: So we're in the process of developing the online platform that we will be using for this. I think it would be great to give feedback on other electronic record-keeping that users may already have in practice. We're at a point now where we can certainly incorporate feedback. So if you have any thoughts on other programs that may currently be in use that would be good to integrate our system with that would be extremely helpful. At this point what we're looking toward more is something where people would be able to import their information directly.

(Michelle Bursahofflaw): Got you, okay. Thank you.

Celeste Leroux: Sure.



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Coordinator: Again as a reminder if you would like to ask a question please press Star 1 from your phone and unmute your line speaking your name clearly when prompted, one moment as we wait for any questions.

Celeste Leroux: All right while we hang on I will just make one more appeal for any owner operators of aquaculture facilities for shrimp and abalone or folks that are presenting them to please consider joining the focus group that we intend on convening specifically focused on the software development side for this portal. You can do that by emailing me at celeste.[ ]eroux@noaa.gov. This is not for public comment it's just for our own development purposes to make sure that the system once we have an opportunity to finalize the program is operational and is user friendly and effective as possible.

As the previous participant noted we are trying to make sure that the data collection is equivalent to the requirements of the Seafood Import Monitoring Program but is uniquely tailored to this industry and suits your needs as appropriately as we can. As a reminder we again are looking for comments on the structure of this program, its economic impacts and how we can maximize the benefit to industry of this program while meeting our underlying objectives. And you can provide comments to us electronically through regulations.gov or you're welcome to send hardcopy comments through snail mail at 1315 East West Highway, Silver Spring, MD ZIP Code 20910.

Coordinator: We have one question in queue. Our next question comes from (Jim Carrier). Your line is now open.

(Jim Carrier): Hi. Can you hear me okay?

Celeste Leroux: Yes.





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(Jim Carrier): Okay. I wanted to know how will this program inform or benefit the US shrimp consumer. Will there be while the information is confidential will - there's some form of information that's available to the retailers so that they can post it at the seafood counters?

Celeste Leroux: That's an excellent question (Jim). We, this program specifically requires information be reported to NOAA to identify traceability of product. It would be up to the facility whether or not they chose to share that information with the retailer. We don't have traceability that would go beyond that point in the supply chain when the product enters US commerce.

The Magnuson Stevens Act does permit some data to be shared in aggregate form. So we would not share individual business information or individual sale or harvest information but it would be possible to share aggregated data. If that's something that would be of use to you and the industry your public comment on which pieces of information would be most helpful will also be very good for us to know and may impact the way that we design this those programs. So please do provide any feedback that you have in that arena.

(Jim Carrier): I guess the ultimate goal of this whole program is traceability ultimately to the consumer so that we know where our shrimp is coming from and yet this seems to go into the NOAA file and end there. And so I'm wondering what assurance or what can the consumer take from this whole thing?

Celeste Leroux: Thanks. So this program as well as the Seafood Import Monitoring Program is really designed to make sure that illegal and misrepresented seafood is not entering US commerce. Our intent is for the consumer to appreciate that the products of these species that are covered by these programs are not subject to



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IU[U] fishing and seafood fraud to the extent that we can regulate that under these programs. And it is not intended to deliver traceability information all the way to the final consumer. That is at the discretion of the businesses. And you're welcome to share that information with your final consumer if that would be helpful to you but our intent is really just to make sure that the market and the playing field is level and fair.

(Jim Carrier): All right will the consumer be told about this program in other words will there be some report or some characterization at some regular interval of about what in terms, there was a previous question about how many violations you might have had that kind of thing. Will that information be out the so that we know the program is actually working for its final intent?

Celeste Leroux: That's a good question. So the direction from Congress was simply to design a program equivalent to the Seafood Import Monitoring Program and not any regular reporting requirement to the public. However if that's something that you think would be helpful as much detail as you can provide on what that would look like would be good for us to know. But we did not include a regular public reporting provision in this proposed program.

(Jim Carrier): Thanks.

Celeste Leroux: Thank you.

Coordinator: Again as a reminder if you would like to ask a question please press Star 1 from your phone and unmute your lines speaking your name clearly when prompted. If you would like to withdraw your question please press Star 2, one moment as we wait for any questions.



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Kerry Turner: While we wait for any last minute questions feel free to put them through on this line or you can reach out to Celeste. Her contact information her email address is on your screen. I'll just give folks the opportunity to do any final wrap-up key points as were discussed today.

Celeste Leroux: Sure, thanks Kerry. So as a reminder this is our last of two Webinars to offer clarifying explanations about the proposed Traceability Information Program for Seafood Of course if you have or clarifying questions for me you're welcome to contact me after this Webinar ends but this is our last public forum for this. Public comment will close on November 26. And our ability to have a strong final rule is contingent on the quality of public comment that we receive. So it is very important to us that we receive as much very clear and detailed feedback about this proposed program as possible so that we can offer a strong final rule when we're able to release that.

We're looking specifically to ensure that the programs structure is thoughtful, and effective and efficient. We want to make sure that the economic impacts of this program are accounted for and that we have maximized the benefits to industry while meeting the objectives of this program. So if you are interested in following up with a demo of what the reporting, and registration and registration renewal system would look like we intend on doing the focus group like that later this month. And I would encourage you to email me at [celeste.leroux@noaa.gov](mailto:celeste.leroux@noaa.gov) for some additional information so I can send you an invite when we're ready for that.

Again you can submit your comments online through [regulations.gov](http://regulations.gov). You just simply search for the name of this program Traceability Information Program for Seafood and you'll find it. You can also click from our press release on our Web site and you can send me his snail mail comment if you'd



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like. Our address is up on the screen. I'm so appreciative of all of your participation today. It looks like we don't have any other questions so I'll turn this back over to Kerry and our operator for closing.

**Kerry Turner:** Thank you so much Celeste for the presentation and the responses to the questions, the answers. Thank you all for joining us. Again we appreciate the time that you have taken to hear all about the proposed rule. And once again we encourage you to submit your public comments on [regulations.gov](http://regulations.gov) by November 26. Thank you and have a wonderful day.

**Coordinator:** Thank you for your participation in today's conference. You may disconnect at this time. Thank you for calling the digital replay service.

END