



Import Safety - Action Plan Update

A progress summary

A Report to the President
Interagency Working Group on Import Safety
July 2008

Interagency Working Group on
Import Safety:

Department of Health and
Human Services

Department of State

Department of Treasury

Department of Justice

Department of Agriculture

Department of Commerce

Department of Transportation

Department of Homeland
Security

Office of Management and
Budget

United States Trade
Representative

Environmental Protection
Agency

Consumer Product Safety
Commission

While we have strong food and product safety standards, we need to do more to ensure that American families have confidence in what they find on their store shelves. They have a right to expect the food they eat, or the medicine they take, or the toys they buy for their children to be safe.

—President George W. Bush

July 2008

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

Last year, the United States imported more than \$2 trillion worth of products. These products were brought into the United States by roughly 825,000 importers through over 300 ports of entry. All projections indicate that this volume will continue to skyrocket over the coming years as the scale and complexity of international trade multiplies.

The Interagency Working Group on Import Safety undertook a comprehensive, government-wide review of United States import practices. Our import system, while generally safe, faces new challenges. These challenges are considerable and require a fundamental strategic shift from focusing on intervention at the border to prevention with verification across a product's lifecycle. This new strategy must expand and emphasize cost-effective, risk-based approaches, and require significant international and private sector participation.

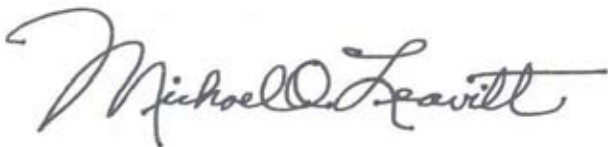
I am pleased to report the United States, our international partners, and the private sector have made significant progress since the November 6, 2007 release of the *Action Plan for Import Safety: A Roadmap for Continual Improvement*. We have taken strong enforcement actions, signed agreements with key trading partners, hosted bilateral and multilateral discussions, shared critical information on safety and best practices, and began a process to improve safety practices, both inside and outside of government.

The Interagency Working Group on Import Safety is pleased to present this *Import Safety - Action Plan Update*. Our report outlines major achievements that have occurred in the past several months and key steps that are planned in both the near-and long-term to enhance the safety of imported goods.

I am convinced that countries that lead the charge for safety in a global marketplace will prosper as they protect the health and safety of their citizens while effectively facilitating trade. I am proud to report that the United States is at the forefront of this charge.

I would like to thank the members of the Interagency Working Group on Import Safety, and reaffirm my commitment to continually work to improve the safety of United States imports.

Respectfully,

A handwritten signature in cursive script that reads "Michael O. Leavitt". The signature is written in black ink and is positioned above the typed name and title.

Michael O. Leavitt
Secretary, Health and Human Services and
Chair, Interagency Working Group on Import Safety

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Recommendations of the Action Plan on Import Safety November 2007

1. Safety Standards: Create new and strengthen existing safety standards.
2. Certification: Verify compliance of foreign producers with U.S. safety and security standards through certification.
3. Good Importer Practices: Promote Good Importer Practices.
4. Penalties: Strengthen penalties and take strong enforcement actions to ensure accountability.
5. Foreign Collaboration and Capacity Building: Make product safety an important principle of our diplomatic relationships with foreign countries and increase the profile of relevant foreign assistance activities.
6. Common Mission: Harmonize federal government procedures and requirements for processing import shipments.
7. Interoperability: Complete a single-window interface for the intra-agency, interagency and private-sector exchange of import data.
8. Information Gathering: Create an interactive import-safety information network.
9. New Science: Expand laboratory capacity and develop rapid test methods for swift identification of hazards.
10. Intellectual Property Protection: Strengthen protection of intellectual property rights to enhance consumer safety.
11. Recall: Maximize the effectiveness of product recalls.
12. Federal-State Rapid Response: Maximize federal-state collaboration.
13. Technology: Expedite consumer notification of product recalls.
14. Track-and-Trace: Expand the use of electronic track-and-trace technologies.

Introduction

The United States government, in cooperation with private sector and international partners, is making significant and continual improvement to ensure the safety of imported products. The results of these efforts are already apparent at the borders and abroad. The pace of improvement has accelerated in the past several months. We are on track in the implementation of our national strategy to shift from intervention to prevention with verification and to expand and emphasize cost-effective, risk-based approaches.

On November 6, 2007, the Interagency Working Group (Working Group) on Import Safety issued an *Action Plan for Import Safety: A Roadmap for Continual Improvement (Action Plan)*. The *Action Plan* is based on the principles of prevention intervention, and response. It contains 14 broad recommendations and 50 specific short- and long-term action steps to better protect consumers and enhance the safety of the increasing volume of imports entering the United States.

Since the release of the *Action Plan*, the U.S. government has made substantial progress. Our progress includes: the convening of international forums, bilateral and multilateral discussions, international agreements, private sector advancements, federal government collaboration and information sharing, and enforcement actions.

International Forums

The U.S. government has participated in numerous international forums to explore joint efforts for improving product safety. Major settings for these discussions include the Security and Prosperity Partnership of North America, the U.S.-China Strategic Economic Dialogue (SED), the U.S. – European Union (EU) High Level Regulatory Cooperation Forum and the Transatlantic Economic Council. Secretary Leavitt, as Chair of the Working Group, has visited personally with key leaders in India, Vietnam, China, Mexico, Canada and Singapore to discuss improving import safety. The Global Health Security Initiative, comprised of Health Ministers from Canada, Mexico, Italy, France, United Kingdom (UK), Germany, Japan and the United States, along with senior officials from the European Commission and the World Health Organization also discussed efforts to increase product safety.

Bilateral and Multilateral Discussions

Bilateral and multilateral discussions on import safety have included U.S. government officials and their counterparts from China, Canada, Australia, New Zealand, Mexico, India, Vietnam, Brazil, and the EU. Moreover, the Food Safety and Inspection Service (FSIS) of the United States Department



Import Safety at Work

In April 2008, President Bush met with Mexican President Calderón and Canadian Prime Minister Harper at the North American Leaders' Summit. The leaders agreed to continue working together to strengthen import regulatory and inspection systems to protect consumers.

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of Agriculture (USDA) has on-going dialogues with countries eligible to export meat, poultry or egg products, and has completed on-site audits in nineteen countries over the past six months.

International Agreements

Many international agreements regarding import safety issues have been signed or are under discussion. These include key agreements signed by the United States and The People's Republic of China (China) to work together on improving import safety. The Food and Drug Administration (FDA) of the United States Department of Health and Human Services (HHS) signed two Memoranda of Agreement (MOA) with China regarding imported food safety and medical products. The U.S. Environmental Protection Agency (EPA) signed an agreement with China to protect human health and the environment in the field of imported and exported products. The Consumer Product Safety Commission (CPSC) also has a Memorandum of Understanding (MOU) with its Chinese counterpart and has implemented agreements in key consumer product categories.

Import Safety at Work

In December 2007, Secretary Leavitt and Chinese authorities signed two binding Memoranda of Agreement to ensure the safety of food, feed, drugs, biologics, and medical devices. To support the effort, Secretary Leavitt and FDA Commissioner von Eschenbach are working to establish offices in China to promote technical assistance and information sharing.

Private Sector

The work to improve the safety of imported products extends beyond efforts by national and foreign governments to include private sector actions. For example, the Toy Industry Association partnered with the American National Standards Institute (ANSI) to create a safety assurance program for toys. The safety program prescribes procedures and provides audit mechanisms for design-hazard analysis, auditing manufacturing process controls and product-safety testing.

U.S. Customs and Border Protection (CBP) has also been working with the CPSC and members of the trade community to address import safety and the possibility of including an import safety component in CBP's Importer Self Assessment Program. CBP is specifically working with CPSC on the development of best practices for import safety measures and controls.

Federal Government Collaboration and Information Sharing

CBP is coordinating communication within the participating agencies to ensure that harmonized government procedures and requirements exist in ship importation. CBP is steering the working group's efforts to make an automated system with a "single window" permitting information gathering and sharing among participating import safety agencies. Numerous agencies have joined the

Import Safety at Work

In February 2008, the U.S. Department of Justice announced the indictment of two Chinese businesses and a United States company for their roles in manufacturing and importing a tainted ingredient used to make pet food.

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International Trade Data System (ITDS), to share import information data. In addition, the CPSC is now using the Automated Commercial Environment (ACE) portal to target shipments and to support enforcement actions at ports-of-entry.

Enforcement Actions

In the midst of these changes, federal agencies are continuing to take strong enforcement actions. Between November 7, 2007, and May 20, 2008, FDA refused admission of 8,543 entry lines that appeared to be adulterated, misbranded, processed under insanitary conditions, or unapproved new drugs. Each line of entry represents a distinct type of product in a shipment. The refusal of these potentially harmful products prevented them from being distributed to the American public.

During this same period, FSIS detected and took action on 156 shipments (2.4 million pounds) of potentially violative meat, poultry, or egg products that had entered U.S. commerce without FSIS inspection. Sixty-one of these shipments entered through express mail centers and were detained by CBP officers. Each of these shipments was disposed of appropriately, either through destruction or re-inspection by FSIS.

Given CBP's role in the inspection and release of cargo, CBP has focused on increasing import safety operations and coordinating CBP's testing capabilities with other agencies. There is a critical need to have coordinated operations that share information and risk priorities with other agencies and industry.

CBP conducted a number of special import safety operations in addition their routine activities. Three of these have been coordinated with other agencies under the auspices of Operation Guardian.

Operation Guardian is the Department of Homeland Security's (DHS) primary targeted-enforcement efforts and represents a multi-agency approach to import safety operations. Guardian includes agencies responsible for enforcement such as Immigration and Customs Enforcement (ICE) and agencies responsible for safety determinations such as the CPSC and the FDA. These particular operations, specialized in targeting integrated circuits, have resulted in 144 seizures out of 895 exams (a 16% seizure rate).

In accordance with the *Action Plan*, many efforts are underway across the federal government to continually improve the safety of imported products. Critical to these efforts are effective communication and collaboration with



History and Summary of the National Strategy to Improve Import Safety

On July 18, 2007, President George W. Bush issued Executive Order 13439 to establish the Interagency Working Group on Import Safety (Working Group) and appointed HHS Secretary Michael O. Leavitt as Working Group Chair. He charged the Working Group to identify actions and appropriate steps to promote the safety of imported products.

On September 10, 2007, the Working Group presented a strategic framework to the President entitled *Protecting Consumers Every Step of the Way: A Strategic Framework for Continual Improvement in Import Safety*.

Two months later, the Working Group completed the *Action Plan for Import Safety*. Together the Strategic Framework and the *Action Plan* provide a national strategy for the continuous improvement of import safety.

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our international trading partners and their regulatory agencies. In addition, we reaffirm the key role of private sector actors who have a significant interest in ensuring safety and in developing key tools to act proactively to build in safety throughout the import life-cycle. The backbone for the most effective future progress rests on robust and effective international and private sector collaboration.

This *Action Plan Update* presents major highlights and accomplishments during the past several months. It also provides a glimpse of some activities federal agencies and departments will complete within the next six months and beyond.

International Highlights

Significant progress is underway through ongoing international engagement. These efforts have laid the foundation for upcoming activities including: signing MOUs and MOAs and information-sharing agreements, posting U.S. officials abroad, and providing capacity-building technical assistance to foreign governments and producers. Progress was made through specific international forums, as well as through direct bilateral discussions involving many levels of the U.S. government.

Western Hemisphere

Through the Security and Prosperity Partnership (SPP) of North America, Canada, Mexico, and the United States worked together to further enhance the safety of food and other products. In April 2008, President Bush met with Mexican President Calderón and Canadian Prime Minister Harper at the North American Leaders' Summit to discuss ideas for increased cooperation and information sharing on the safety of food and other products. The leaders agreed on the need to continue working together to strengthen the North American regulatory and inspection systems to protect consumers, while maintaining the efficient flow of food and other products among the three countries. In addition, these efforts include working to make product safety standards more compatible and improve our continental recall capacities.

Under the SPP Safe Food and Products Initiative, the three countries are working to do the following:

- Strengthen existing mechanisms within North America for the exchange of information on import safety issues, with the objective of enhancing the safety of food and other products before they enter any one of the three North American countries.
- Identify and share with SPP counterparts the best practices used by importing companies in each country to secure their supply chains and to ensure that quality and safety are built into products before they are exported to North America.

To accomplish these goals, a series of bi- and trilateral MOA and information-exchange protocols were developed. Our countries also are working together to share risk assessment data. For example, Canada and the United States identified contact points to expedite the exchange of information to address cases where intellectual-property-infringing goods are suspected of posing potential health and/or safety risks.



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Because of the important role that Latin American countries play in the U.S. market, it is imperative that we share our experiences in product safety and discuss future opportunities for collaboration. Secretary Leavitt has engaged the leaders of a number of Latin American countries on import safety issues. Secretary Leavitt participated in a summit with El Salvador, Honduras, Nicaragua, Costa Rica, Guatemala, Dominican Republic and Panama. The discussions will continue on the various roles of the public and private sectors to ensure the safety of our manufactured goods and foods as they move between our countries.

Asia/Pacific

Established by President Bush and Chinese President Hu Jintao, the SED is a focused framework for addressing issues of mutual concern. By prioritizing issues in the broader context of our bilateral economic relationship, the SED

gives direction and creates momentum for the many existing mechanisms we use to foster cooperation and resolve concerns on a range of economic issues including the safety of imported and exported products. From these discussions, FDA has begun a new level of work with its Chinese counterparts, which they have formalized in an MOA.

Specifically, FDA and China's General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) signed an MOA for food and feed safety on December 11, 2007. The MOA requires AQSIQ to establish a registration

and certification system to ensure food and feed exported from China to the United States meets FDA requirements. The MOA also includes cooperative activities such as appropriate information sharing, training AQSIQ officials on U.S. regulations and standards, implementing an emergency notification mechanism for significant food safety events and the establishing an electronic certification exchange.

AQSIQ and FDA agree that each will immediately notify within two calendar days of discovery the other of significant risks to the public health-related to product safety, manufacturing conditions, recalls, and other instances that involve imminent or significant danger to health, or the gross deception of consumers with regard to covered products. Each agency agrees to promptly respond to requests from the other for comprehensive information about the notification.



Further, the U.S. and China each must develop a joint, streamlined process for inspections of facilities by the other country. A work group met in Beijing in March 2008, and will develop a plan that details specific activities that each country shall perform pursuant to the MOA. As appropriate, the work plan will include performance measures to evaluate the success of each activity.

Also on December 11, 2007, FDA signed an MOA with China's State Food and Drug Administration (SFDA). This cooperative MOA will increase information

Import Safety at Work

Both the United States and Canada experienced E. coli outbreaks linked to beef products. United States and Canadian officials identified the common source of contamination and traced it back to a Canadian business. The Canadian government blocked further exports from this company.

sharing on exported products from China to U.S. and the U.S. to China. The MOA encourages further regulatory cooperation between the countries regarding drug and medical device regulation.

The United States and Chinese governments are establishing a bilateral mechanism ensure that imported medical products meet standards for safety and effectiveness by building safety into the process from the start. SFDA will require firms that manufacture certain products intended for export to the United States to register with SFDA. SFDA will also establish a system to certify that a firm's manufacturing processes and products meet FDA requirements. Senior health officials from the two countries will meet annually to discuss and review progress on these MOAs.

On December 13, 2007, EPA and AQSIQ signed an MOU to cooperate on protecting human health and the environment in the field of imported and exported products. Under the MOU a work group was established to promote compliance with environmental requirements for traded products. As part of this work, EPA has committed to translate the contents and related materials on the border environmental assistance center Web site into Chinese, to include materials about Chinese imports on the Web site, and to develop a communications plan for reaching stakeholders.

On December 14, 2007, EPA signed an Annex to the EPA-Ministry of Environmental Protection MOU on environmental law development, implementation and enforcement to protect human health and the environment. The work group had meetings in Washington, D.C. and Beijing, China and developed a work plan and specific implementation strategy.

The CPSC also completed a MOU with AQSIQ to facilitate extensive information exchange and cooperation. Building upon the MOU on September 11, 2007, at the 2nd Biennial U.S.-Sino Product Safety Summit, the CPSC and AQSIQ signed a Joint Statement on Enhancing Consumer



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Product Safety. AQSIQ agreed to intensify its efforts to prevent the manufacture and export of unsafe products and prohibit the use of lead paint in toys exported to the United States. Work plans for four key consumer product areas were also presented at the Summit. Specifically, the Chinese government agreed to cooperate on product safety for fireworks, electrical products, lighters, and toys by:

- Exchanging standards information;
- Training on product testing;
- Exchanging information on emerging hazards;
- Increasing inspection of high risk products; and
- Tightening controls on the quality of inputs from sub-suppliers.



CPSC and AQSIQ officials hold monthly meetings to discuss the work plans and the latest product recalls and instances where AQSIQ can be helpful in improving compliance with safety standards.

Because of the important role Asian countries play in the U.S. market, it is imperative that all share experiences in product safety and discuss future opportunities for collaboration. Secretary Leavitt traveled to India, Vietnam, and Singapore in 2008 to discuss the roles of the public and private sectors in ensuring the safety of foods and other products as they travel between

countries. These conversations are already yielding results. For instance, FDA is providing technical assistance to create regulatory capacity-building to India. FDA is also working to establish a presence in India and elsewhere to improve information-sharing, conduct risk-based inspections and provide technical assistance. Recently FDA signed a cooperative agreement with Vietnamese authorities on food import safety.



U.S. government agencies, including United States Trade Representative (USTR), State, USDA, FDA and DOC are cooperating in the Asian Pacific Economic Cooperation (APEC) Subcommittee on Standards and Conformance to ensure a more robust approach to product safety based on sound science and to facilitate trade in the APEC region. This work relies on public-private partnerships to bring these efforts to fruition and includes seminars on food-safety systems and risk-safety communications in 2008, as well as a dialogue on toy safety regulatory requirements and conformity assessment systems in 2009.

These actions build cooperation and technical capacity, strengthen regulatory practices, and encourage transparency and harmonization while minimizing unnecessary impediments to trade.

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A range of discussions and forums with European counterparts have also occurred, ranging from bilateral discussions to participation in international forums. International forums include the Transatlantic Consumers Dialogue, the High Level Regulatory Cooperation Forum and the Transatlantic Economic Council meeting.



As recently as April 2008, CBP participated in the EU Customs 2013 Seminar in Austria on *Preventing Imports of Dangerous Products*. Participants included representatives of the European Commission, as well as customs and market surveillance representatives from EU

Member States, Croatia, Turkey, Norway, Switzerland, and the United States. The seminar focused on the background and legal authorities for import safety within the EU. The U.S. is sharing its best practices with the EU on collaboration with other agencies, risk assessment, targeting and planning for import safety. All participants agreed that further international cooperation and information sharing would help keep unsafe products from reaching U.S. citizens and that CBP should continue future dialogue with intellectual property rights discussions as a model.

DHS and FSIS have recently participated in a G-8 exercise on food contamination concerning G-8 countries. The after-action report included a process for sharing information related to containment events and other import/export information. DHS is working with the National Center for Food Protection and Defense to model import vulnerabilities and improve risk assessment processes.

DOC and the European Commission held a digital video conference in April 2008 to exchange information on U.S. and European standards and conformity assessment systems. Additionally, continued dialogue between USDA and authorities in Europe, Australia, and New Zealand on import food safety issues established relationships and ensured mutual recognition of safety controls that are in place.

Import Safety at Work

After discovering an increase in the adverse reactions to certain heparin products, the FDA posted test methods on FDA's heparin Web site for industry use in detecting the contaminant. FDA also began on-site inspections and investigations to determine the cause. After linking the contaminant to Chinese suppliers, the FDA worked with the Chinese State Food and Drug Administration to address the need for enhanced scrutiny of heparin manufacturing practices.

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Private Sector Engagement Highlights

The governments has a responsibility for overseeing imports and protecting the public. But the private sector has a large responsibility as well. The public and private sector each play key roles and have a shared interest in the safety of imported products, and must continue working together to protect American consumers.

The private sector is already using consensus-based private entities to establish common standards and to accredit and certify those who are meeting those standards. The federal government can learn and benefit from the experience of the private sector.

The *Action Plan* explicitly recognizes the need for a symbiotic approach. While the plan includes a number of inherently governmental steps, such as new statutory authorities and federal rulemaking, it also includes steps that are based on close collaboration with the private sector. These include:

- Expanding the use of private sector standards programs;
- Developing voluntary certification programs and giving priority to certified entities;
- Developing and incentivizing good importer practices;
- Creating best practices for the use of technologies to expedite the notification of consumers of product recalls; and
- Identifying best practices for the development and use of track-and-trace technologies.

Importers, purchasers, manufacturers and a range of other private sector stakeholders each have unique and productive insights to share in the

public sector. Accordingly, federal departments have worked extensively to educate consumers and industry on their responsibilities and seek their active engagement.

Example of Private Sector Efforts

In February 2008, Wal-Mart announced that certain suppliers must be certified by the Global Food Safety Initiative. Certification requires that all goods must be audited by licensed food safety auditors. Wal-Mart requires full certification by July 2009.

The Spice Board of India created a certification process assuring that spices exported from India have met a high standard.

Baltimore-based McCormick customers requested McCormick impose a requirement for traceability on all India spice imports.

CBP is working with other departments and agencies to develop a pilot that would incorporate an import safety component in CBP's Importer Self Assessment program. This further

represents the interagency interest in expediting compliant shipments and concentrating on shipments which represent a true risk for import safety and security.

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FSIS recently expanded testing for E. coli O157:H7 in imported beef trimmings that are used in the manufacture of ground beef in the U.S. FSIS has undertaken outreach efforts with foreign governments, U.S. importers, and other interested parties to address questions and concerns.

FDA has released self-assessment tools to assist industry in minimizing the risk of intentional contamination of food and cosmetics. FDA also sought



public comment on the use of third-party certification programs for food and feed to assess how these programs could ensure that food and feed products are safe and secure and meet FDA requirements. FDA will soon publish draft guidance laying out the standards third-party certification programs for FDA-regulated products should meet to be eligible for recognition.

An interagency team is in the process of developing draft guidance on good importer practices for public comment. When finalized, this guidance would facilitate importer compliance with federal laws and regulations.

Many industries are also responding to build on efforts to improve product safety. For instance, the leafy-produce industry responded to reports of quality problems by voluntarily developing standards and a certification process. To assure quality, retailers are buying from producers who have the certification.

The Grocery Manufacturers Association released the *Food Supply Chain Handbook* in April 2008. The Handbook is a reference manual with tools for companies seeking examples of successful management practices for suppliers.

Other private sector actions include the Natural Products Association's *Good Manufacturing Practices* for the dietary supplement industry and the U.S. Chamber of Commerce's *No Trade in Fakes Supply Chain Toolkit*. Another example is the Natural Products Association's partnership with U.S. Pharmacopoeia to develop an ingredient testing program in China for the raw materials imported to the U.S.

The Toy Industry Association and the American National Standards Institute (ANSI) have worked together to set standards for the testing and auditing of toys. Through this collaborative effort, in February 2008, ANSI published the resulting proposal for public comment. The program includes procedures for design hazard analysis, auditing manufacturing process controls, and product-safety testing. CPSC is providing technical input to the program. In addition, CPSC is currently working with industry



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and standards groups to encourage the development and adoption of safety standards and appropriate certification procedures for other products. In some cases, certification (and display of a certification mark on the product) may require independent testing of product and quality control processes, including procedures to assure the compliance and the traceability of product components.

Twelve private sector associations will sponsor an inter-industry product safety summit in Washington, D.C. [Summer 2008]. The summit will bring together a wide range of affected industry leaders including retailers, food and medical products producers, and toy companies to discuss important product safety issues.

It is clear there is broad-based recognition of the importance of setting standards, auditing and certifying to those standards, and building trustworthy, interoperable systems. These actions require participation by all stakeholders.

While government has an undeniable role in these efforts, its engagement will be more effective by working collaboratively with industry and private sector organizations that give access to international acceptance of standards.



U.S. Government Administrative and Regulatory Highlights

Since the release of the *Action Plan*, working together, federal agencies and departments have achieved a wide range of accomplishments.

Interagency Collaboration

Representatives from U.S. government agencies are regularly meeting to:

- Collectively identify commonalities in cargo clearance processes for different categories of goods;
- Address import safety incidents and emergency situation response;
- Establish the co-location of border officials, participate in the development of good importer practices; and
- Share expertise on auditing skills.

These agencies include CBP, Department of Justice (DOJ), USDA, DOC, CPSC, FDA, EPA, and Department of Transportation (DOT).

This working group is mapping out and improving the cargo clearance process to determine the regulatory interaction that takes place during clearance. Import safety agencies must work collectively to assess risk and target commodities for review and examination and adopt complementary procedures. A step in this direction has led to the co-location of border officials from multiple agencies. Currently FDA and USDA are co-located with CBP's National Targeting Center in Washington, D.C. CBP and CPSC are reviewing new operational and legal authority issues to develop good importer practices and a shared audit approach. These new interagency initiatives will assist in assessing risk and preventing unsafe products from entering our commerce.

Intra-agency and Interagency Data Exchange

An automated system for processing import data is one of the key elements in securing the supply chain for safety and security, while at the same time facilitating legitimate trade. CBP is redesigning its automated system for processing import data, known as the ACE. ITDS, a component of ACE, processes border-related commercial data through a "single-window."

All departments and agencies involved in border processing are required by the SAFE Port Act to actively contribute to ACE. The cargo clearance process will be streamlined through this "single-window" concept, with industry submitting data only one time on one messaging system. Departments and agencies will view advance shipment



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information, coordinate examination decisions and notify importers of intended action prior to the arrival of a shipment. The intent is to increase coordination across agencies involved in releasing shipments.

CBP has created a new division dedicated to import safety. This new division will be responsible for import safety activities for CBP, for the implementation of the *Action Plan*, and for all other policy interactions with other federal and state government agencies, including working with other agencies on their ACE legal and operational requirements.

Counterfeit products pose a significant risk to import safety. Government agencies are coordinating their participation in the Administration's Strategy Targeting Organized Piracy (STOP!) and other working groups involved in import safety to identify and assess public and private international property rights resources relevant to import safety issues, including information-sharing resources and unsafe counterfeit goods response systems. Agencies are also exchanging these resources with trading partners. For example, the SSP

Safe Food and Products Initiative outlined steps to engage border agents trilaterally in training to identify and respond to fake goods. After assessing public and private resources, the international property rights subgroup of the Import Safety Working Group will hold a one-day roundtable to discuss the results and recommendations.

In early 2008, the CPSC established its Import Surveillance Division, representing the first permanent, full-time presence of CPSC personnel at key U.S. ports-of-entry, including the nation's busiest ports. These personnel are specifically trained in

import surveillance procedures and the rapid identification of defective and non-complying consumer products. They are utilizing X-ray fluorescence technology to screen for lead and other heavy metals in consumer products, testing samples of products and conducting port-of-entry "blitzes" where appropriate. CBP is providing enhanced access to its ITDS and ACE systems so CPSC can identify, track and prevent hazardous products from entering the United States. The CPSC is also upgrading to a new state-of-the-art laboratory facility to improve efficiency and capacity to test suspect products and to support the development of mandatory and consensus standards.

DOJ has recently announced the arrest of two Chicago executives of Alfred L. Wolff, Inc. (ALW), a German-based food ingredients company, on federal charges for allegedly conspiring to illegally import honey from China that was falsely identified as coming from other countries in order to avoid anti-



dumping duties, and that was adulterated because it contained an antibiotic not approved for use in food producing animals, including bees. According to the charges, a confidential informant who worked for the company recently told U.S. Immigration and Customs Enforcement agents that it was common knowledge among company executives, including one of the defendants, that shipments of imported honey frequently were contaminated with antibiotics that were banned by the FDA. Through its Chicago office, ALW imported nearly \$30 million of honey into the United States since



2005. If convicted, the conspiracy charge carries a maximum penalty of five years in prison and a \$250,000 fine.

FSIS conducted an International Meat and Poultry Inspection Seminar in May 2008 for Spanish-speaking inspection officials from other countries. The FSIS presented the U.S. meat and poultry Hazard Analysis Critical Control Point (HACCP) inspection system which is the standard for exporting to the United States. This program provided an opportunity for foreign countries to expand their understanding of practical applications of HACCP principles which can facilitate improvements in the production of safe food.

In April 2008, FSIS implemented the Import Alert Tracking System (IATS), an automated data system that allows field employees to record information related to ineligible, illegal, or smuggled shipments of imported meat, poultry or egg products found in commerce. The IATS enables better coordination in enforcement actions through quicker access to information collected on illegal entries.

FSIS initiated the electronic transfer of limited certificate data directly from the New Zealand Food Safety Authority into the Automated Import Control System in April 2008. This advanced notice of shipments from New Zealand enables FSIS to track the entry of shipments destined to the United States and provides tighter security for the official certification process. This initiative, viewed as an interim solution until ACE/ITDS is fully operational, will be expanded to other countries upon completion of the testing phase.



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FSIS, working closely with other federal agencies, held an all-day public meeting in May 2008, in St. Louis, Missouri. This forum enabled local, state and federal health partners, as well as consumer groups and industry, an opportunity to share their best practices and challenges for effective coordination during multi-jurisdictional food-borne outbreaks.

In April 2008, EPA announced a settlement with a Taiwanese manufacturer and three American corporations. As a result, the companies will pay a \$2 million civil penalty for allegedly importing and distributing approximately 200,000 chain saws in the United States that failed to meet federal air pollution standards. The companies also agreed to spend approximately \$5 million on projects to reduce air pollution. The agreement also requires the companies to implement strong compliance assurance programs.

The *Action Plan* stressed the importance of granting certain agencies new legislative authorities such as giving the FDA the authority to require a certification or other assurance that certain high risk products under its jurisdiction comply with FDA requirements as an additional condition of import. It also recommended that CPSC should be granted follow-up recall authority, and that asset forfeiture remedies for criminal offenses be made available under several of the laws implemented by the FDA, CPSC, and USDA. The Administration has and will continue to work with Congress to seek enactment of the recommendations in the *Action Plan* that require legislation.



Conclusion

Since the release of the *Action Plan* last November, federal departments and agencies, our foreign government partners, and the private sector have taken significant steps to improve the safety of products imported into the United States.

We have strengthened enforcement, participated in international forums, hosted bilateral and multilateral discussions, signed international agreements, and enhanced information sharing. Many international partners have joined us in these efforts.

Importantly, the private sector has also increased efforts to create safety assurance programs, improve safety procedures, expand and enhance safety audits, require certification of suppliers, share information, and many other activities. Our work has reaffirmed the private sector's significant and meaningful role in improving import safety.

While we have much more to accomplish, we are well along the road of improvement.

Because of the scale and complexity of international trade, our progress will require extensive collaboration among public and private stakeholders. This collaboration will be the continuing focus of the Interagency Working Group on Import Safety.

People will be safer and the United States and world economy will be stronger. We commit our collective efforts to fully implementing the various elements of this strategy.



Import Safety - Action Plan Update:

A progress summary



Acronyms

ACE- Automated Commercial Environment
ALW- Alfred L. Wolff, Inc.
ANSI- American National Standards Institute
APEC- Asian Pacific Economic Cooperation
AQSIQ- General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China
CBP- Customs and Border Protection
CPSC- Consumer Product Safety Commission
DHS – Department of Homeland Security
DOC- Department of Commerce
DOJ- Department of Justice
DOT- Department of Transportation
EPA - Environmental Protection Agency
EU-European Union
FDA- Food and Drug Administration
FSIS- Food Safety and Inspection Service
HACCP-Hazard Analysis Critical Control Point
HHS- Department of Health and Human Services
IATS- Import Alert Tracking System
ICE- Immigration and Customs Enforcement
ITDS- International Trade Data System
MOA-Memorandum of Agreement
MOU-Memorandum of Understanding
SED- U.S.-China Strategic Economic Dialogue
SFDA- China's State Food and Drug Administration
SPP- Security and Prosperity Partnership of North America
STOP!- Strategy Targeting Organized Piracy
U.S. – United States
USDA- U.S. Department of Agriculture
USTR- United States Trade Representative

Our nation wishes to say with clarity to the world: we desire you to have access to our markets and we want to have access to yours. If you want access to American consumers, your products must meet the highest standards of safety and quality that Americans expect. We in the United States must do the same.

—Secretary Michael O. Leavitt



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