



# **Veterinary Services 2015 Project**

**Movement & Marketability (M&M)**

**Strategic Direction**

**The M&M Working Group  
Final for inclusion in Synthesis Plan, 3/1/11**

## Executive Summary

This Strategic Direction document includes the Veterinary Services (VS) 2015 Movement and Marketability Working Group's (M&MWG) assessment of key challenges, suggested goals, and essential recommendations for VS in 2015. It also includes summaries of four M&MWG projects designed to pilot this work, one of which was subsequently diverted to a separate initiative to address the findings of a recent Government Accountability Office (GAO) audit. The M&MWG considered 1) import, 2) export, and 3) interstate movement of animals and animal products in assessing the key challenges and goals for VS in 2015, developing this strategic plan, and in designing and conducting the pilot projects.

**The M&MWG recognizes the following key challenges to VS operations in 2015:** To meet the growing volume and complexity of interstate and international trade; To deliver government services at the speed of business; To consistently meet expanding and changing stakeholder expectations; To develop a capable, effective and flexible workforce; and To meet a growing workload with static or declining resources.

**To address these challenges the M&MWG recommends three broad goals.** VS must **Make Organizational Improvements**. These organizational improvements are needed for VS to best **Address Stakeholders' Needs** and **Address the Volume and Complexity of Trade**.

To meet these goals, the M&MWG compiled specific recommendations that must be accomplished over the next 2 to 3 years to ensure VS operates at maximum efficiency in 2015. **The specific recommendations of the M&MWG include:** Improve the way VS organizes M&M personnel and activities; Revise key IT systems related to movement and marketability; Prepare for new ways to certify animals and products; and conduct and learn from pilot projects. To pilot this work, the M&MWG proposed four projects to evaluate elements related to the import, export, or interstate movement of animals and animal products. The projects assessed ways to partner with Federal, State, and local law enforcement to increase awareness of and compliance with interstate movement regulations (Appendix B); to improve tracking of imports (Appendix C); to work with border countries to streamline the regulatory process and improve oversight of imports (Appendix D); and to improve partnerships with port-based government agencies to identify gaps and enhance the regulation of animal imports (Appendix E), which has been diverted to a separate initiative to address findings of a recent GAO audit.

VS efforts to develop and advance animal disease traceability will continue consistent with, but independent from, the 2015 effort. Thus, animal disease traceability is not covered in this report. Additionally, the M&MWG recognizes and endorses other critical recommendations on which work is independently being conducted or otherwise already underway. **These recommendations include:** Improve collaboration and communication; Overhaul the regulations that support movement and marketability; Improve certifications to allow for continuity of business; Provide internal guidance and other needed information in real-time.

## Introduction

The national animal health landscape has changed significantly in recent years and will continue to do so in the future. More people, products, and animals are moving interstate and internationally, increasing the challenges of protecting the health, productivity, and welfare of animals and the marketability of agricultural commodities. Advances in technology may significantly change the way veterinary medicine is practiced and how animal disease events are handled. With advances in information technologies, customers and stakeholders are growing to expect “anytime, anywhere” access to information and services.

The mission and role of USDA’s Animal and Plant Health Inspection Service (APHIS) Veterinary Services (VS) must evolve to meet the challenges presented by the changes in trade and technology. As part of its 2015 initiative, VS formed the Movement and Marketability Working Group (M&MWG) in November 2009 to help plan how VS needs to evolve to address these challenges. The M&MWG is a diverse group of VS employees who meet regularly to do two things:

1. Develop a written plan for describing VS’ strategic direction as it relates to the movement and marketability of animals and animal products. The strategic direction describes how VS needs to be different in 2015 and what specifically needs to be done to help VS realize those changes.
2. Develop and implement pilot projects to learn the best way to address certain priority issues

This document consists of M&MWG’s recommended Strategic Direction, which is divided into four sections: 1) Key Challenges, 2) Goals, 3) Recommended Operational Plan, and 4) Appendices. Included in the Appendices are a summary of recommendations organized by functional area (Appendix A), and the project plans for the M&MWG pilot projects. As results of the pilot projects become available, that information- as well as a recommendation from the M&MWG on whether to amplify, modify, or terminate the projects- will be shared with the 2015 Synthesis Group and the Veterinary Services Management Team.

## Key Challenges

**To meet the growing volume and complexity of interstate and international trade:** Despite a downturn in overall trade in 2009, U.S. agricultural imports and exports are expected to grow substantially in the next 10 years, particularly in the area of animal products<sup>1</sup>. See Figure 1. International trading partners are imposing increasingly complex scientific and technical import requirements that will challenge APHIS' assessment and negotiation resources. Assessing and appropriately mitigating risks is becoming more complex, given the changing array of advanced scientific and technological requirements for imports of live animals and animal products.

Interstate movement of animals and animal products presents its own challenges as state and federal regulators evaluate and synchronize their approach to regulating interstate movement of animals and animal products. However, interstate and international movement standards must be harmonized to a large degree, to avoid dispute under World Trade Organization standards.

**To deliver government services at the speed of business:** With the ever-increasing speed of business, government is always working to keep up. While there needs to be sufficient oversight and regulation, these and other services need to be delivered in ways that allow for safe trade to occur at an adequate pace. This entails being able to assess risk quickly, and to effectively mitigate it, with the goal of allowing negligible or lower risk animals and products to move more freely. Also, to the extent that governmental oversight becomes more inter-related among agencies, stakeholders will expect those governmental organizations to work together to offer integrated oversight and services more seamlessly.

**To consistently meet expanding and changing stakeholder expectations:** Consumers expect assurances that animals and animal products are safe from the farm to consumption. This means that regulatory agencies need to be able to address any identified or emerging threats to safety through quick, efficient and non-disruptive traceability and other safeguarding measures. Consumers also increasingly expect humane handling of animals. VS and other regulatory entities may be expected to verify humane handling of animals along with other aspects of the supply of animals and animal products. In addition

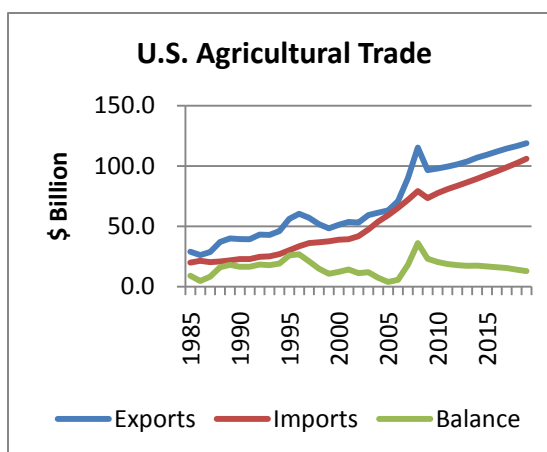


Figure 1: 35 year trend in U.S. Agricultural Trade

<sup>1</sup> USDA Agricultural Projections for 2010-19, released in February 2010, indicate a continuing increase in the value of U.S. agricultural exports due to global economic growth, expanding agricultural demand, and a weaker U.S. dollar. Exports of high-value commodities, particularly animal products and horticultural products, are expected to strengthen. U.S. agricultural exports are projected to rise to nearly \$119 billion in 2019. Resumption of domestic economic growth and growing demand for a variety of foods are expected to boost U.S. agricultural imports as well, to \$106 billion in 2019.

to expectations that government deliver an expanding set of services at the speed of business, stakeholders also expect consistency in service and regulatory oversight.

**To develop a capable, effective and flexible workforce:** The current VS field structure, with widely dispersed trade resources, is not conducive to efficient and uniform trade oversight and services. The current structures make it difficult for VS colleagues in different states and regions to collaborate on common animal health issues, including trade-related matters. Employees must prioritize and balance work demands from myriad sources; conflicting priorities may pull employees in different directions, often away from trade-related work. Supervisors may be stretched as they sometimes manage more than the optimum number of employees. With a personnel structure more conducive to serving current and future trade functions, VS could more easily address the training and communication needs of its workforce and collaborators.

**To meet the growing workload with static or declining resources:** As flat or declining federal and state budgets become more of a reality, governmental organizations will need to pool their resources and work together more closely to provide appropriate and cost-effective oversight and delivery of services. To address the need for flexibility in the workforce, VS may need to challenge its assumptions about office locations and what work can be conducted remotely, or at alternative sites. With pockets of its workforce overwhelmed by the volume of work, VS will need to find efficiencies, streamline processes, and find additional creative ways to disperse the workload throughout the agency.

## Goal 1: Make organizational improvements

To operate at the speed of commerce and meet stakeholders' needs in 2015, VS must assess and implement fundamental internal changes. First, **VS must optimize its organizational structure to better support its domestic and international work.** An optimal organization will be one that is a) **available**, so that employees can be dedicated to spend the appropriate amount of time on the trade work that needs to be done; b) **flexible**, so that people can be effectively and quickly deployed to address the heaviest workloads; c) **inclusive**, so that all of the workforce is involved, not just those who are veterinarians; d) **appropriately structured**, so reporting lines are clear and supervisory span of control is appropriate; e) **open**, so that communication occurs as needed and is not hampered by stovepipe structure; f) **competent**, so that people have the skills, knowledge and support to get the results needed; g) **dedicated**, so that VS attracts and retains engaged and motivated personnel; and h) **proactive**, so that work is anticipated and preemptively addressed.

**In addition to organizational structure, data systems need to be improved by 2015.** Current fragmented data collection and storage systems need to be better integrated. Paper systems need to be converted to secure and dependable electronic ones. VS needs to be able to provide e-certification services at the speed of business and would benefit from investments in the electronic export certificate initiative among trading partners. A process for improved tracking of animal product imports needs to be developed. There need to be effective, real-time mechanisms to alert VS and its domestic collaborators to emerging threats or other issues that affect interstate movement of animals. Employees, partners and stakeholders all need real time access to these data.

Governmental budgets are expected to decline or at best stay flat in the time leading up to 2015. **To meet the expected growth in trade work, VS must do four things to maintain sustainable budgets for trade work:** 1) **develop and implement sustainable user fees** to support this work directly; 2) **update existing collaborations** with other government agencies, and develop new ones, that reduce administrative burdens and are time and fiscally appropriate; 3) **acquire, seek, and/or redirect federal money for trade initiatives such as the National Export Initiative;** 4) **engage and enable industry to take on a larger role** in trade work.

## Goal 2: Address stakeholders' needs

**By 2015, VS will increasingly look to industry as a more active partner.** There will be little or no additional Federal resources available for VS to use as it develops additional approaches for international trade and interstate movement of animals and animal products. One way to expand services in this flat-or-declining-budget environment is to engage industry as a more active partner. Modeling industry partnerships such as the Certified Semen Services and the National Poultry Improvement Plan (NPIP) could allow VS to move to a more limited but essential oversight role, while empowering industry to implement best management practices and other performance standards for disease prevention, biosecurity, quality assurance and record-keeping. Other models used by other government departments and agencies could be adapted to the types of services, including certification,

that VS offers. Each case would be assessed on its own merits to determine the most appropriate way to partner with a given segment of industry.

**VS must evaluate and implement a more complete, realistic and sustainable system of user fees for each of the trade services VS provides.** VS must establish and collect appropriate user fees for all services provided. This will entail an ongoing review process, and flexibility to implement VS2015 strategies and other future changes to VS operations.

**VS must work more closely with State and Federal agencies involved with agricultural trade.** These agencies include but are not limited to State agencies for agriculture, public health, and transportation, as well as the federal Food and Drug Administration, Centers for Disease Control and Prevention, Fish and Wildlife Services, Food Safety Inspection Service, Foreign Agricultural Service, Agricultural Research Service, and Customs and Border Protection. VS will continue to explore mutually beneficial ways to collaborate with these and other agencies, to streamline intergovernmental processes for stakeholders, to provide appropriate oversight, and to make services more accessible and integrated. This effort includes intra-agency collaborations (e.g. IS, PPQ) as well.

**VS must continue to strive for optimum transparency.** This includes refining our internal process for identifying, working with and communicating with partners and stakeholders, including the USDA administrative sectors. Surveillance and monitoring data will be more accessible to employees, partners and stakeholders. The U.S. approach to animal and product traceability will become increasingly transparent. Guidance traditionally meant for VS employees will be available and accessible to any interested parties. Information in general will be better organized, more available and accessible.

### **Goal 3: Address the volume and complexity of trade**

**By 2015, APHIS VS must operate closer to the speed of commerce.** This involves optimizing existing business processes and transitioning from paper to electronic systems. It also means making better use of the VS web site and other technologies (e.g. social networking) to make services more readily available and information more available to employees, partners and stakeholders.

**VS must improve speed and efficiency of service delivery by overhauling its system of regulations.** Many VS regulations need to be revised, and new ones written, using a managed risk approach that should be performance-based, with relevant technical details separately listed in policy documents. This process will allow VS to appropriately mitigate risks yet not be overly burdened by the cumbersome rulemaking process. Rather, when changes are needed, they can be implemented through industry guidance, public comment, and administrative notices. As part of the overhaul to the regulatory system, VS will revise the supporting systems so that internal approval processes run more smoothly. As the regulations are revised, VS will engage stakeholder and partner participation along the way. VS will make sure enough time is allowed to build support for any new approaches. This includes good communication with States to help support efforts to develop state regulations consistent with the VS approach.

**VS must use a variety of approaches to meet the increasing needs for certification**, including but not limited to emerging needs for certifications regarding humane treatment of animals, and certifying regions, areas or compartments in times of animal disease emergencies to gain or maintain market access and secure continuity of operations. As needed, VS will move away from its use of producer-supplied affidavits towards more inspection and auditing as the basis for certification. VS will make information more available and accessible so stakeholders, employees, and partners will be better able to help VS properly certify shipments. Internally, VS will improve its organization, communication and training to enable its employees to more effectively provide certification services. To augment its workforce, VS will use more third-party certifications, including but not limited to those supplied through APHIS-accredited veterinarians.

**VS must use science-based assessments to expand certification services to safely and proactively engage in trade.** VS will use science-based risk assessment to support regionalization evaluations and, when applicable, compartmentalization evaluations, to collaborate with other Federal agencies to support new or enhanced access of U.S. agricultural commodities to foreign markets, and to expeditiously regain market access if trade becomes restricted. VS will evaluate and optimize its regulations and business processes to handle the growing scientific and technical complexity of international trade, and to facilitate real-time decision-making. VS will harmonize (where applicable and supported by science) its regulations with international guidelines, implement a system of performance-based standards in its regulations and policies, and collaborate in public and private partnerships to facilitate trade-related matters. VS will improve information-sharing for trade-related matters, align and prioritize import and export related issues, and incorporate electronic systems and performance metrics into its oversight processes.



## Operational Recommendations:

The M&MWG recommends that the 2008 NCIE Workload Analysis and Workforce and Succession Planning documents serve as resources and support for the Operational Recommendations regarding organizational change. Further, and more importantly, the M&MWG considers the following overarching issues (which are reflected in the Operational Recommendations below) **critical** to the success of the 2015 effort as it relates to M&M:

- VS should designate SES-level personnel to be responsible for leading the shift to a more robust trade effort in VS, to the point that trade work stands on its own rather than being part of other job functions. Responsibilities include, but are not limited to, recognizing and reconciling trade issues within VS, and serving as a liaison with other entities involved in trade. SES-level personnel would also be designated to oversee new organizational structures or specialized teams (comprised of existing staff) dedicated to performing trade work.
- VS should secure adequate funding for the trade-related services it will provide.

The M&MWG recommends the following specific items to facilitate VS' transition to and function in 2015. The Operational Recommendations tabulated below are considered by the M&MWG to be essential to the 2015 effort, with little currently being done to address them. The M&MWG recommends that these endeavors be completed by the end of Fiscal Year 2012. The order of importance is implied by order of presentation within each Functional Area. The majority of these recommendations should be satisfied with existing, albeit redirected, funds. If in working on these recommendations it is determined that new and permanent budget needs arise, they should be formally reflected in budget requests for 2013, 2014, and beyond.

**Table 1: Operational Recommendations of the M&MWG**

Functional Area	Project
Organization	<p><b>Improve the way VS organizes M&amp;M personnel and activities.</b></p> <p><b>1. Introduce stopgap measures by shifting personnel and resources to address immediate workload needs.</b></p> <p>a. Designate personnel to be responsible for coordinating the following recommended organizational changes, and to collaborate with the VSMT and 2015 Synthesis Group</p> <p>b. Provide immediate relief by evaluating stopgap cost-cutting measures for all VS resources, including physical resources, and redirect money toward the trade function. With the goal of increasing the robustness of VS' workforce, with no trade functions being dependent on a single employee (i.e. multiple staff can perform trade related work), identify tasks and duties in areas with critical shortages (e.g. animal imports, product exports) that require minimal training that could be supported by temporarily allocating budget and/or available personnel (i.e. employees engaged in</p>

Functional Area	Project
	<p>work with less current emphasis that could be reassigned to perform trade related work without being relocated). Allocate these untapped resources to provide that support until a permanent approach can be developed.</p> <p><b>2. Provide short-term training solutions to address workflow and workload issues.</b></p> <ul style="list-style-type: none"> <li>a. Provide training and experience (e.g. TDY, OJT) that would improve the ability of field personnel to conduct trade work efficiently and consistently with minimal additional input:             <ul style="list-style-type: none"> <li>i. For port VMOs, similar to what is in place for Northern and Southern border port VMOs.</li> <li>ii. For staff involved in export certifications of products and animals</li> <li>iii. For staff involved in import product inspections</li> <li>iv. For port operations (CBP)</li> </ul> </li> <li>b. Provide training and experience that would improve the ability of Regional/Headquarter personnel to address field questions with minimal additional input, and free up funding/workload constraints that would allow HQ staff to be more engaged in field activities (e.g. TDY).</li> </ul> <p><b>3. Research options for future organization of VS M&amp;M personnel and activities. Build flexibility and adaptability into the organization of M&amp;M functions.</b></p> <ul style="list-style-type: none"> <li>a. Conduct a VS-wide resource allocation analysis, including physical resources, for their ‘value-added’ to trade work. Consider benchmarking against other organizations performing similar functions (PPQ, AC, AMS, FDA, others?) to gather good practices.             <ul style="list-style-type: none"> <li>i. Evaluate, in conjunction with previously conducted PPD (or other) analyses, and implement cost-cutting measures in fiscal decisions for all VS resources, including physical resources</li> <li>ii. Address deficiencies noted in previous workload analyses and facility reviews at ports, import centers, National Center for Import and Export, etc, to ensure that these facilities operate safely, efficiently, and effectively.</li> <li>iii. Conduct additional workload analyses and facility reviews to identify gaps in information.</li> <li>iv. Assess, prioritize, and allocate funding for actions to be taken at all field, Regional, and Headquarters VS facilities, including ports, animal import centers, and Area Offices.                 <ul style="list-style-type: none"> <li>1. Determine and assign appropriate staffing levels to efficiently and effectively carry out import and export responsibilities. This entails adjusting and optimizing the number, location, and staffing of facilities/offices to meet</li> </ul> </li> </ul> </li> </ul>

Functional Area	Project
	<p>stakeholder need and provide full cost recovery to VS.</p> <ol style="list-style-type: none"> <li data-bbox="673 275 1421 386">2. Consider using existing private import centers as a model, evaluate private import centers as a viable alternative to government owned.</li> <li data-bbox="673 401 1421 751">3. Develop a long term, VS-wide plan for facility use, construction and/or renovation. Plan must consider external factors (e.g. politics, stakeholders) that influence facility location, traffic, workload, etc.               <ol style="list-style-type: none"> <li data-bbox="732 562 1421 751">a. Based on budget constraints, personnel safety, changes in commerce, external factors (such as CBP and GSA), changes in regulations (such as recent approval of permanent private equine quarantine facilities), and staffing.</li> </ol> </li> <li data-bbox="451 766 1377 877">b. Evaluate whether the Incident Command System (ICS)- or at least the principles of organizing an Incident Command- could be used to organize routine M&amp;M functions</li> <li data-bbox="451 892 1409 1003">c. Improve hiring and retention practices to reflect the specialized knowledge, skills, abilities and career pathway required for trade work; to optimize employee fit to job.</li> </ol> <p data-bbox="412 1079 1416 1150"><b>4. The M&amp;MWG recommends that part of researching organizational elements entails pilot projects to explore potential approaches to organizational change.</b></p> <ol style="list-style-type: none"> <li data-bbox="456 1165 1430 1394">a. Solicit feedback from any pilot projects implemented at the local level, and capture grassroots ideas on organizational change (e.g. results of the outreach effort at the 2010 VS Leadership Conference encouraging managers to implement projects at a local level). This feedback should be collected and reviewed by the VS 2015 Engagement Working Group, and appropriate action taken (e.g. amplify or replicate pilot project, or implement broadly in VS)</li> <li data-bbox="456 1409 1430 1877">b. Additionally, conduct pilot projects in the Eastern and Western region related to structure, specialization, approach, and reporting lines. Pilot projects would have defined measures of success, as defined by relevant staff.               <ol style="list-style-type: none"> <li data-bbox="505 1528 1430 1877">i. A minimum of one pilot project should be attempted that replaces traditional geographic reporting lines (e.g. Area Office/AVIC, current structure of Select Agents staff) with functionally based reporting lines                   <ol style="list-style-type: none"> <li data-bbox="651 1654 1430 1766">a. Option 1: Explore alternative reporting structure for import/export work conducted in the field (e.g. that does not include AVIC as supervisor)</li> <li data-bbox="651 1780 1430 1877">b. Pilot should evaluate the level and quality of service provided to multiple states and complications resulting from serving multiple Area Offices</li> </ol> </li> </ol> </li> </ol>

Functional Area	Project
	<p data-bbox="646 235 1406 344">c. Pilot project should address the option of creating a career pathway for field staff with aptitude for and dedicated time spent on specialized trade work.</p> <p data-bbox="532 357 1399 508">ii. Implement pilot projects that might reduce NCIE’s workload (e.g. reduce the volume of phone calls, assuming that fewer phone calls reflects decreased workload and/or increased efficiency), and examine possible options for revising NCIE organization.</p> <p data-bbox="652 520 1432 877">a. Update the NCIE Products Imports website, allowing stakeholders to more easily locate information themselves. Make more accessible a defined/consolidated list of products that DO NOT need an import permit; FAQs for product imports; and the Animal Product Manual. Measure of success: decreased NCIE workload (specifically, decreased number of phone calls and email inquiries and fewer NCIE requests for additional information on inadequately completed permits)</p> <p data-bbox="652 890 1403 957">b. Assign a trainer, reviewer, and/or regulatory writer to NCIE staff. Measure of success: improved efficiency.</p> <p data-bbox="652 970 1416 1121">c. NCIE identifies tasks and duties that could be accomplished via telework and/or conducted at alternative work site (i.e. work need not be performed in Riverdale, MD). Measure of success: improved efficiency.</p> <p data-bbox="652 1134 1435 1369">d. Test effect of flexible position descriptions as a means to improve efficiency. Can NCIE position descriptions be written to allow flexibility and to introduce cross-training such that trade related job duties are not dependent on individual employees? Example: “Ruminant Health Specialist” vs. “CWD-Program Manager”.</p> <p data-bbox="652 1381 1409 1696">e. Test effect of formal training and interaction between Products staff and import risk analysts from RES/CEAH staff, and impact of import risk analysis on Product/By-product imports. Measures of success would be 1) reduced time needed to evaluate risk of importing new or modified products/by-products and/or 2) corresponding reduction in the number of import permits processed and/or 3) other criteria determined by participating work units.</p> <p data-bbox="409 1738 1351 1810"><b>5. Based on results of analyses and pilot projects, select and implement the optimal reorganization plan.</b></p>

Functional Area	Project
IT	<p><b>VS must synthesize and prioritize outstanding IT needs across the board, and present IT requests comprehensively.</b> To accomplish this, VS must form a program-level group to assist, support, and confirm IT decision-making. The M&amp;MWG recommends the following specific IT needs:</p> <ol style="list-style-type: none"> <li>1. Enhance e-CVI for interstate movement, and make it more user-friendly.               <ol style="list-style-type: none"> <li>a. Revise the E-CVI so that it can be completed electronically as simply and as accurately as possible.                   <ol style="list-style-type: none"> <li>i. Enable users to determine appropriate use of drop-down menus and/or ‘autofill’ function.</li> <li>ii. Where limitations are in place on descriptions, allow a spreadsheet to be attached.                       <ol style="list-style-type: none"> <li>1. Section on identification</li> <li>2. Section on color and breed</li> </ol> </li> </ol> </li> <li>b. Increase awareness and use of VSPS e-CVI</li> <li>c. Improvements to and use of the e-CVI would be consistent with the requirements set forth for ICVIs under the new Animal Disease Traceability Framework. Reference document: “Animal Disease Traceability Framework: Update and Preliminary Content of the Proposed Rule (August 13, 2010)”, as distributed at recent traceability public meetings.</li> </ol> </li> <li>2. Develop an E-export certificate with electronic approval (such as e-signature). Includes electronically fillable forms that are connected to a database (e.g. VS forms 16-4)               <ol style="list-style-type: none"> <li>a. Has adequately staffed and appropriately trained IT support and Help Desk staff, who are assigned no or minimal other IT duties.</li> <li>b. Allows attachment of supporting documents (test results, etc.)</li> <li>c. Protects integrity and access to ensure authorized approvals</li> <li>d. Allows for user fee payment (has adequate connectivity to pay.gov and APHIS user fee system)</li> <li>e. Provides ability to generate reports from within the same database</li> <li>f. Provides appropriate VS personnel a strong administrative role and ability to make small changes without outside assistance</li> <li>g. Includes an E-system for export inspection and approval, animal products</li> <li>h. The M&amp;MWG recognizes other government e-export systems (e.g. PPQ, AMS); that VS’ e-system for export inspection and approval could be developed in-house or contracted out; and that there are pros and cons to each. The M&amp;MWG recommends that SMEs- including HQ and field export representatives and IT representatives, preferably with awareness of contracting issues/problems- determine the optimum e-system for export inspection and approval, and determine how best it would be constructed</li> </ol> </li> </ol>

Functional Area	Project
	<p>(in-house v. contract).</p> <ul style="list-style-type: none"> <li>i. Involves working with trading partners for acceptance</li> <li>j. Project currently on hold, but reference lessons learned from VS/CFIA pilot project involving the electronic certification of equine species from the United States to Canada and pet food from Canada to the US.</li> </ul> <p>3. Refine the system for tracking restricted imports, including the development of an electronic VS form 16-78 and/or other electronic methods for tracking that will reduce errors and lost shipments (Appendix C).</p> <p>4. VSPS- Live Animal Imports and permits. Build connectivity between Animal Import Module and ePermits</p> <p>5. Enhance and expand electronic sample submission currently utilized in VSLS to encompass all sample submission to NVSL or NAHLN laboratories. The system should connect databases in VSLS, VSPS, etc. to eliminate double data entry or the need for submitters to access more than one database for information.</p>
Processes/ Skills	<ul style="list-style-type: none"> <li>1. Develop or revamp processes and skills to provide certification services. This should be done as needed, based on requirements imposed by trading partners (e.g. the EU requirements for pet food), and only when requirements are science-based. Generally, this will move VS away from affidavit-based certifications, towards: <ul style="list-style-type: none"> <li>a. Inspection-based certifications</li> <li>b. Auditing-based certifications</li> <li>c. Third-party certifications <ul style="list-style-type: none"> <li>i. Accredited veterinarians</li> <li>ii. NPIP, Pork Producers QAP(PQA), Beef QAP</li> <li>iii. Benchmark against best practices of Agricultural Marketing Services (AMS) grading and certification programs.</li> </ul> </li> </ul> </li> <li>2. Prepare for new certifications that trading partners will begin to require and exporters will need (e.g. animal welfare)</li> <li>3. Build into the system flexibility so that certification services can be adjusted quickly based on changing needs.</li> </ul>
User Fees	<ul style="list-style-type: none"> <li>1. Develop adequate user fees for all import and export work (e.g. import permits, export certifications, ports). <ul style="list-style-type: none"> <li>a. All work conducted on user fees should be consistent with OSEC's recent request and subsequent MRP announcement of "User Fee Plans" <ul style="list-style-type: none"> <li>i. "MRP agencies will conduct an annual analysis of all user fee collections by December 15 each year. This analysis will include a review of the previous fiscal year's fee programs, including profit/loss analysis to</li> </ul> </li> </ul> </li> </ul>

Functional Area	Project
	<p>ensure cost recovery, a review of program efficiencies, estimated collections and expenses for a three- to five-year outlook, and specific fee increase plans for each activity.”</p> <ul style="list-style-type: none"> <li>ii. Full details available in “MRP Informational Memorandum for the Secretary: Next Steps in Agricultural Quarantine and Inspection (AQI) User Fee Revisions” and “MRP Informational Memorandum for the Secretary: Marketing and Regulatory Programs (MRP) User Fee Plans”.</li> </ul> <p>b. Develop a uniform method of calculating an appropriate user fee for reviewing packages submitted by export product facilities (EPF) for approval to export products to the EU, and for reviewing amendments and renewals related to those approvals.</p> <ul style="list-style-type: none"> <li>i. Examine what has been implemented locally in Iowa (effective FY 2011) regarding a tiered minimum fee structure for “research and document review time”. Under the local Iowa policy, a standard minimum fee of 1 hour is applied to review and process amendments to EPF approvals; 2 hours for renewals of EPF approvals; and 3 hours for new EPF approvals. Additional charges are applied at the hourly rate for amendments, renewals, or new approvals that take longer to process than the standard minimum amount of time.             <ul style="list-style-type: none"> <li>1. The standard minimum user fees for amendments, renewals, and new approvals are based on the minimum amount of time for the simplest approvals in Iowa when EPF review packages have been well prepared.</li> <li>2. EPFs are advised that additional user fee charges can be avoided through careful preparation of approval packages submitted to the Area Office. This includes submitting carefully monitored supplier lists with quality supporting documentation.</li> <li>3. This approach provides incentives to EPFs to avoid additional user fees by, prior to submission, completely and accurately preparing all approval documents in accordance with National Center for Import and Export package approval guidelines. If so, EPFs will limit the number of requests for revisions to submitted approvals.</li> </ul> </li> <li>ii. Submit for review by the Eastern and Western Regional Export Product Coordinators who may in turn share the proposal with AVICs in their Regions.</li> <li>iii. If supported by the Eastern and Western Regions, formalize the rate setting with MRP Financial Management Division User Fee staff.</li> </ul> <p>c. Consider all direct and indirect costs when developing user fees:</p> <ul style="list-style-type: none"> <li>i. Include indirect costs such as IT, Training, Facility, and equipment maintenance and repair</li> <li>ii. Project for new costs that arrive with new technologies and systems</li> </ul> <p>d. Develop a rate setting system that is based on projections of future costs</p> <ul style="list-style-type: none"> <li>2. Review user fees on a yearly basis, with input from program personnel and PFS.</li> <li>3. If user fees cannot support the work- including staffing, rent and utilities- consider alternative options (e.g. closure, consolidation)</li> </ul>

Functional Area	Project
Oversight/ Collaboration	<p>The M&amp;MWG implemented these pilot projects to explore new ways to collaboratively provide services. The results of these pilot projects will be supplied to VSMT and the Synthesis Group as they become available.</p> <ol style="list-style-type: none"> <li>1. Pilot ways to partner with Federal, State, and local law enforcement to increase awareness of and compliance with interstate movement regulations (Appendix B) <ol style="list-style-type: none"> <li>a. Expand collaboration with other law enforcement agencies to states outside of Iowa</li> </ol> </li> <li>2. Pilot ways to improve tracking of imports (Appendix C)</li> <li>3. Improve ways to work with border countries to streamline regulatory processes and improve oversight of imports (Appendix D)</li> <li>4. Pilot improved partnerships with port-based government agencies to close gaps and enhance the regulation of imported animals (Appendix E)</li> </ol> <p>Additionally, solicit feedback on any pilot projects implemented at the local level, and capture grassroots ideas on improving oversight and collaboration (e.g. results of the outreach effort as the 2010 VS Leadership Conference encouraging managers to implement projects at a local level). This feedback should be collected and reviewed by the VS 2015 Engagement Working Group, and appropriate action taken (e.g. amplify or replicate pilot projects, or implement broadly in VS)</p>

Given that efforts to develop and advance animal disease traceability will continue consistent with, but independent from, the 2015 effort, animal disease traceability is not covered in this report. Additionally, the M&MWG considers the following recommendations essential to VS functions in 2015, but also being developed independent to the 2015 effort (i.e. currently underway or an area of persistent improvement, with goals and timelines associated with the efforts):

- **Maintain and improve effective collaboration and communication**—the M&MWG recognizes that VS alone cannot accomplish all that needs to be done. VS is part of a networked community of regulators, partners and stakeholders. Effective collaboration and communication are cost-saving measures for all partners; thus, efforts to promote effective ongoing collaboration and communication are essential to success. We have identified some key collaborations that need ongoing attention:
  - Partnerships with key US Government Agencies on trade (Foreign Agricultural Service, Agricultural Research Service, US Trade Representative, State Department, Others in APHIS (IS, PPQ), Other regulatory agencies (CBP, FWS, CDC, FDA, FSIS)).
  - Industry-government partnerships, involving traditional and non-traditional stakeholders. Engage industry more heavily in developing programs for export of products to the EU, and other time-intensive or highly specialized VS work
  - Collaboration with State and Tribal partners



- Partnerships with Accredited Vets.
- Communication with stakeholders, including a retooled web site, with easily accessible and consistent information and a user-list approach for information dissemination
  - Provide access to relevant information for internal and external stakeholders
  - Integrate data collection and storage systems, with real time access to data
  - Harmonize internal and external guidance (filtered for sensitivity).
  - Explore social networking technology (e.g. Twitter, Facebook)
- **Overhaul the regulations that support movement and marketability**—the M&MWG concurs with efforts to revise the regulations so that they are consistent with international standards and: 1) Use a managed risk approach; 2) are performance based with relevant technical details separately listed in policy documents; 3) revise the supporting systems so the internal processes run more smoothly; 4) allow enough time to build support for any new approaches, and; 5) help States in developing state regulations consistent with the Federal approach. In addition, these are some specific M&MWG suggestions for consideration:
  - Consolidating areas of information (e.g. interstate movement requirements for livestock) into a single section of the CFR
  - Clarifying regulations, definitions, and regulatory authorities (e.g. import of dogs/small mammals; animal byproducts; organisms and vectors)
- **Improve certifications for continuity of business**— Develop risk assessments to support certifications that allow continuity of operations in times of animal health emergencies:
  - Continue recognizing areas, regions, and zones domestically and internationally. Perform domestic commodity based regionalization evaluations (e.g. eggs and liquid egg, milk, and feeder pigs) when supported by determinations of negligible or low risk.
  - Continue efforts to establish recognition of compartments
    - Establish regulatory authority to recognize domestic swine and poultry compartments, and unique categories of livestock such as genetically modified cattle producing human proteins
      - Apply to movement of animals and products
    - Engage international trading partners for acceptance
    - Establish binding agreements for international and domestic compartments
- **Provide internal guidance and other needed information in real-time**
  - Develop a process for continual revision of VS guidance documents based on experience with regulating animals and products
  - Condense, clarify, and organize VS guidance documents, and make them electronically accessible to field and headquarters staffs (includes project for revision of VS memos)
  - Make surveillance and monitoring data more accessible. For example, post date and location of last disease occurrences in the U.S.
    - Vesicular stomatitis
    - Low pathogenic avian influenza

## Appendix A: Recommendations Organized By Functional Area: Import, Export and Interstate Movement

Functional Area	Essential Recommendations
Import	<ol style="list-style-type: none"> <li>1. Improve the way VS organizes M&amp;M personnel and activities</li> <li>2. Develop an electronic VS form 16-78 and/or other electronic methods for tracking restricted imports.</li> <li>3. VSPS- Build connectivity between Animal Import Module and ePermits</li> <li>3. Develop adequate user fees for trade services, and review them on a yearly basis</li> <li>4. Pilot ways to work with border countries to streamline regulatory processes and improve oversight of imports</li> <li>5. Pilot ways to improve tracking of imports</li> <li>6. Pilot improved partnerships with port-based government agencies to enhance the regulation of imported animals</li> <li>7. Maintain effective collaboration and communication (underway)</li> <li>8. Overhaul the regulations that support movement and marketability (underway)</li> <li>9. Provide internal guidance and other needed information in real-time (underway)</li> </ol>
Export	<ol style="list-style-type: none"> <li>1. Improve the way VS organizes M&amp;M personnel and activities</li> <li>2. Develop an E-export certificate with electronic approval (such as e-signature). Includes electronically fillable forms that are connected to a database (e.g. VS forms 16-4) <ol style="list-style-type: none"> <li>a. Develop E-system for export inspection and approval of animal products</li> <li>b. Work with trading partners for acceptance.</li> </ol> </li> <li>4. Develop or revamp processes and skills to provide certification services. This should be done as needed, based on requirements imposed by trading partners (e.g. the EU requirements for pet food), and only when requirements are science-based. Generally, this will move VS away from affidavit-based certifications towards: <ol style="list-style-type: none"> <li>a. Inspection-based certifications</li> <li>b. Auditing-based certifications</li> <li>c. Third-party certifications</li> </ol> </li> <li>5. Prepare for new certifications that trading partners will begin to require and exporters will need (e.g. animal welfare, continuity of business), and create a system that allows for flexibility based on changing stakeholder needs.</li> <li>6. Develop adequate user fees for trade services, and review them on a yearly basis</li> <li>7. Maintain effective collaboration and communication (underway)</li> <li>8. Overhaul the regulations that support movement and marketability (underway)</li> <li>9. Provide internal guidance and other needed information in real-time (underway)</li> </ol>
Interstate Movement	<ol style="list-style-type: none"> <li>1. Improve the way VS organizes M&amp;M personnel and activities</li> <li>2. Revise and improve the e-CVI for interstate movement, and subsequently increase its awareness and use.</li> <li>3. Pilot ways to partner with Federal, State, and local law enforcement to increase awareness and compliance with interstate movement regulations</li> <li>4. Prepare for new certifications that will allow continuity of business during a disease outbreak.</li> <li>5. Maintaining effective collaboration and communication (underway)</li> <li>6. Overhaul the regulations that support movement and marketability (underway)</li> <li>7. Provide internal guidance and other needed information in real-time (underway)</li> </ol>

## **Appendix B: Enhanced Surveillance of Interstate Animal Movements Utilizing an Interagency Approach**

**Description:** This pilot project is an expansion of a successful program in central and southern Iowa. Veterinary Services (VS) and Investigative and Enforcement Services (IES) developed a collaborative relationship with Iowa Department of Transportation (DOT) officers to identify intra- and interstate animal movement violations. DOT officers/state patrol were trained to check livestock vehicles for animal movement violations when these trucks are stopped to check for compliance with DOT regulations. This pilot project entails providing standardized training to DOT officers/state patrol in all of Iowa, who would then be capable of recognizing, documenting, and reporting potential interstate movement violations. After Iowa DOT officers/state patrol have been trained, the program would be replicated in Wisconsin.

The standardized training will instruct DOT officers/state patrol how to recognize official forms (e.g. certificates of veterinary inspection, restricted movement permits, official animal identification, and official USDA seals), and what to do when a violation is suspected. If violations are suspected, the DOT officers/state patrol require the driver to complete a Livestock Transportation Certificate, and then the DOT officer/state patrol would collect or photograph the necessary information (e.g. driver's license, truck's license plates, any documents related to the animal movement and the animals, including an example of visible identification on the animals) for AVICs and State Animal Health Officials to determine whether to pursue formal investigations. Also, a standardized reporting form would be drafted to facilitate DOT officers/state patrol collecting relevant information.

**Rationale:** The pilot project will assess and measure non-compliance with intra- and interstate movement requirements for livestock, with the goal of improving compliance. The trials will assess interagency collaborations (within and hopefully between states) in surveying for non-compliance in animal movements, and if successful, could serve as a model for future interagency collaborations. The potential benefit to APHIS is a trained cadre of DOT officers and other vehicle inspectors who inspect livestock vehicles for interstate movement violations. This could help address weakness identified by the recent OIG audit, concerns of Homeland Security related to terrorist threats, as well as assist us in our ability to curtail the spread of foreign animal diseases.

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## Appendix C: Tracking Trophies Imported to Approved Establishments

**Description:** This pilot project will consist of two subparts which will address different but related sets of questions. Part A will be a survey of field inspectors of approved establishments. The intent of the survey is to get their general thoughts on strengths and weaknesses of the program's tracking system and a general impression of how well the inspectors understand the current program guidelines and procedures. Part B will be a review of documents related to import of trophy materials to approved establishments.

The project team will select six ports for a six month timeframe. This selection will be based on input from AVICs and Plant Protection and Quarantine's Veterinary Regulatory Services (PPQ VRS), and the seasonality to the import of trophies through these ports. Customs and Border Protection (CBP) officers in the ports, through PPQ VRS, will be asked to provide all 16-78's produced in that port during the time frame. The 16-78s will be reviewed and a spreadsheet with pertinent data (name of the establishment, State, product type, importer name, date of entry, port of entry, carrier) will be generated. Follow up interviews will be conducted with the Area Offices where each approved establishment identified in the CBP data is located. Area Offices will be asked for copies of 16-78's received for trophies to that establishment over the same time period. Data will be collected from these forms including – whether the correct AVIC address was on each 16-78, the date the shipment arrived at the approved establishment, processing date, and whether the approved establishment returned a completed 16-78 to the Area Office. Inspectors of the approved establishment will be asked to visit the facility and ask for a count of the number of shipments of restricted trophies received and number of 16-78s received during the same time frame. Data gathered from CBP, the Area Office and the facility will be compared to look for discrepancies. This part of the project will target gathering of data that can be used to evaluate specific rates of success or failure of the documentation aspect of the program.

**Rationale:** VS currently regulates the importation of a variety of animal-derived materials in several different ways. The project team decided to focus initially on untreated materials of higher risk, which enter the U.S. through the approved establishment system or through the permitting system to an approved laboratory. The approved establishment program includes a specific tracking system (using Form 16-78). There is anecdotal evidence indicating problems with the tracking system, particularly for trophies, but no concrete data to support these assertions. This project will gather specific data for use in evaluating 1) the current system of tracing trophy material imported to approved establishments and 2) possible tracking methods for use in 2015. Based on the findings from this project, VS could decide to pursue possible changes to the tracking of importations of highest risk materials and could consider implications for tracking of other importations of animals or animal products.

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## Appendix D: Utilization of Electronic Records for Cattle Imported from Chihuahua, Mexico

**Description:** VS port staff at a selected port (tentatively Santa Teresa, NM) will participate in the evaluation of an electronic system of records developed by the state of Chihuahua, MX for internal use with Mexico federal animal health authorities such as Secretaría de Agricultura, Ganadería, Desarrollo Rural, Pesca y Alimentación de México (SAGARPA). However, there can be direct applications of this records system for cattle exported to the U.S. from Chihuahua, and eventually other Mexico states that use similar systems. The trial will help evaluate the overall utility, timeliness and effects (positive or negative) for the use by VS of an electronic record system that will provide primary or backup evidence of animal identification, testing and certifications for MX cattle. This may be especially important for shipments where the ID or health status (particularly for tuberculosis) of individual animals, or of the consignment in which they are traveling, would cause such animals or shipments to be held or rejected at the U.S. port of entry.

**Rationale:** The current system used by APHIS for identifying MX cattle, and confirming their health status, involves the use of a series of physical tags and supporting paper records (TB test charts, Herd of Origin certificates, dip certificates, spay certificates, zoosanitary [health] certificates) that accompany shipments presented for U.S. entry. When individual animal identification is missing (especially the 'blue metal' eartag used officially as proof of brucellosis vaccination, and informally as proof of negative TB testing), the TB status of that animal, and/or its cohorts in the consignment, becomes a problem that must be resolved before the animal or shipment may be released. The other types of tags on an animal and the paper records accompanying the shipment can be used to cross-correlate exporter information as well as to provide primary or secondary evidence of TB or other animal health status, but the correlation process can take a long time physically.

The logistics of importing cattle at U.S. border ports involve a number of 'one-way' processing components on both sides of the border, and shipping bottlenecks can easily occur when shipments are held or refused. The rapid confirmation of TB testing or other animal health issues (tick dip, proof of spay/neutering) and the certifications associated with these requirements is critical for maintaining the import process and for protecting U.S. animal health. An electronic records system that could be accessed quickly through the internet could facilitate the more rapid confirmation of animal ID and health information and allow affected animals/shipments to pass more quickly through the ports. In addition, the Chihuahuan electronic system contains a number of electronic checks and balances that provide a higher level of official certification and proof of testing or other procedures (such as spaying, for which SAGARPA approval is needed by veterinarians who perform the surgery), which would be an advantage to the paper copy-based system now used (which by comparison can be more easily altered).

## **Appendix E: Port Model Approach to Improving Governmental Relations and Increasing Efficiency and Customer Relations.**

**NOTE:** This project will not be conducted by the VS2015M&M Working Group. Rather, this concept will be evaluated under a separate initiative being formed to address the findings of the recent GAO audit *“Live Animal Imports: Agencies Need Better Collaboration to Reduce the Risk of Animal-Related Diseases”*.

**Description:** This project will attempt to build a model of an ideal port in 2015, with all the agencies represented at the port collaborating and cooperating to prevent the introduction of foreign animal diseases, zoonotic diseases and parasites. Veterinary Services, state veterinarians, United States Fish and Wildlife, Customs and Border Protection, Plant Protection and Quarantine, and the Centers for Disease Control and Prevention will all be encouraged to work more closely together and cooperate more to achieve this goal. Direction will have to come from upper level management of all the agencies to make this cooperation feasible and possible.

**Rationale:** VS, USFWS, CBP, PPQ, and CDC all have responsibility for inspecting and regulating imports at the ports. A recent OIG audit details an expectation that VS know where imported animals are moving in the country. Additionally, foreign animal diseases can be imported by hosts or vectors. For example, Heartwater could be introduced to the United States via infected ticks coming in on imported reptiles. As another example, there was an influx of pets from Haiti following the devastating earthquake. CDC is responsible for prevention of rabies introduction, and VS is responsible for prevention of screw worm, but both conditions come on the same animal. Optimal collaboration between VS, CBP, PPQ, US FWS, and CDC will help alleviate these and other safeguarding efforts at ports.