

## Getting a Grip on Product Information via ACE

ITDS Participating Government Agencies (PGAs) have long struggled to get a better understanding of the products moving in international commerce for several reasons. Some PGAs like the U.S. Department of Agriculture (USDA) and the Environmental Protection Agency (EPA) have a primary mission of protecting the public from unsafe or high risk products and need to make advance decisions about which products need review and what level of potential risk they present. Other PGAs like the Census Bureau are interested in accurately reporting the volume of the specific products moving into or out of US territory. For these PGAs and others, the absence of a globally unique product identification system and of structured, international product classification information has limited their ability to perform their missions. Looking for a better solution, the ITDS Board of Directors created the Product Information Committee (PIC) in July 2008. Its mission is to advise the ITDS Board of Directors on a method that will more clearly characterize traded goods to support the efficient and effective review, release, and statistical analysis of internationally traded products. Once identified, the PIC will work to develop a process within ACE/ITDS to collect and process this product information. Several additional data fields may be required in ACE to record this information.

The work done by the Product Information Committee was recently published as a recommendation report that can be found at [www.itds.gov](http://www.itds.gov). The report, “Leveraging e-Commerce Product Data for Smarter Cargo

Management,” suggests a new direction to improve the government’s cargo clearance process by leveraging e-commerce standards and processes already in use across the business to business supply chain. The report’s recommendations are summarized in the text box to the right.

The committee’s recommendation report recognizes that Harmonized Tariff Schedule (HTS) codes provide insufficient information about most products for accurate admissibility assessment. However, electronic commerce data used in business to business transactions provide a promising opportunity for government to gain visibility into the stream of internationally traded products crossing U.S. borders. The report’s recommendations represent

### **Product Information Committee Recommendations for Improving Cargo Management:**

#### ***Importers or Filers:***

- *Will provide electronic messages with Global Trade Item Numbers (GTIN), i.e. Universal Product Codes (UPC,) of products in each shipment or, ideally, in each container, in advance of product arrival.*

#### ***PGAs***

- *Will use GTINs to obtain product characterization code and descriptive information from the GSI Global Data Synchronization Network (GDSN);*
- *Will use product characterization codes from one of three Global Product Dictionaries, i.e., GSI GPC, UNSPSC, and eCl@ss, to evaluate jurisdiction and risk profile for each product by GTIN;*
- *Will establish a “GTIN Prohibited Product List” that can be used by importers and shippers to know whether products are inadmissible before they are loaded for shipment; and*
- *Will allow cost benefits to drive voluntary industry compliance with report recommendations in lieu of Federal regulation whenever possible.*

the first steps towards a new strategy for managing products with a more granular level of identification and internationally valid, structured product characterization information.

Although this new strategy offers clear advantages, there are a number of challenges that may limit its immediate utility, such as:

1. GTINs, commonly referred to as Universal Product Codes (UPCs), may not be available in electronic messages from the importer or shipper;
2. The percentage of products published in industry global catalogs may be minimal for some product sets;
3. The global catalog product characterization data may be too sparse or poor in quality to be useful to PGAs in targeting high risk products; and
4. Critical data elements needed by PGAs to improve product interception may not currently be included in the international product characterization data sets.

Understanding that challenges exist, at least in the near term, the potential payoff offered by this strategy to business and to government is still significant. Some of the most likely benefits include:

1. Faster cargo release, as shipments and containers known to include only low-risk products can be promptly cleared by government agencies;
2. Decreased importation costs for importers, as the increased accuracy of product identification and characterization require fewer container inspections and fewer processing delays; and
3. Increased government efficiency at intercepting high risk or illegal products, as government agencies can better target existing inspection resources on high-risk products and importers can use product “blacklists” so that fewer inadmissible products are shipped to US ports of entry.

This report suggests new opportunities for industry and government to leverage e-commerce standards for mutual industry and government advantage. For more information about these recommendations or to participate in the committee’s follow-on pilot work, contact the Chairman of the ITDS Product Information Committee, Douglas Bailey, at [douglas.bailey@usda.gov](mailto:douglas.bailey@usda.gov).