

## ISSUE BRIEF

# STRENGTHENING U.S. LEADERSHIP TO DETER ILLEGAL SEAFOOD: IMPLEMENTATION CHALLENGES AND RECOMMENDATIONS FOR THE SEAFOOD IMPORT MONITORING PROGRAM

## I. INTRODUCTION

Destructive illegal, unreported, and unregulated (IUU) fishing practices account for up to 30 percent of the world's seafood harvest.<sup>1</sup> IUU fishing depletes the world's fish populations, harms marine habitats, and threatens food and national security. It is also a driver of human trafficking and labor abuses in the seafood industry. As a result of these harms, there is worldwide interest from government agencies and global stakeholders in addressing the problem of IUU fishing. Because it is a complex international problem, the solutions are multifaceted and must target the entire length of the supply chain. These solutions include disrupting complex international criminal networks, stopping vessels engaged in IUU fishing on the water, and, crucially, preventing illegally fished seafood from reaching consumers' plates.<sup>2</sup> Top seafood-importing countries can enact this latter strategy by blocking illegally harvested seafood from commerce and

committing to ensuring that only legal seafood enters their markets. However, this requires that importers have access to full supply chain traceability; it is far more difficult to identify and enforce against an illegally fished product if it can't be traced to its source.

There are currently three government-administered state seafood traceability programs in the world: The European Union (EU) in 2010 established a catch certification scheme that requires full seafood supply chain traceability for all seafood imports.<sup>3</sup> In 2016, the United States launched the Seafood Import Monitoring Program (SIMP), with full compliance required by 2018. And in 2020, Japan approved a catch documentation scheme for four seafood species groups.<sup>4</sup> Together, the United States, EU, and Japan import nearly 60 percent of all internationally traded seafood and therefore hold tremendous power to drive change and incentivize the adoption of more responsible management in the fisheries they source from globally.<sup>5</sup>

The United States is the world's largest seafood-importing nation by value, and thus holds outside purchasing power and the market leverage necessary to help transform the seafood industry.<sup>6</sup> However, despite SIMP, a U.S. International Trade Commission study found that 11 percent of 2019 U.S. seafood imports, valued at \$2.4 billion, was obtained through IUU fishing.<sup>7</sup> The continued influx of illegal seafood into the U.S. market is in no small part a result of major gaps in SIMP regulation and enforcement of the program.

SIMP was formed on the recommendation of an Obama administration presidential task force to enhance U.S. leadership in combating IUU fishing practices. It was developed to block IUU-fished and fraudulently labeled seafood from entering the U.S. stream of commerce.<sup>8</sup>



Worker wraps frozen blocks of sardines.

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The program requires U.S. seafood importers to submit traceability information to the government at the time of entry into the United States and retain business records documenting an unbroken physical chain of custody of fish from harvest to U.S. import. SIMP also seeks to ensure that those who are playing by the rules do not face unfair competition arising from illegal fishing operations. Companies that source seafood from suppliers who fish legally are at a disadvantage in competing with companies that buy IUU product, which may have a lower price.

SIMP was intended to help counteract this unfair competition by blocking illegally caught seafood from being imported into the United States. SIMP is a cornerstone of the United States' strategy of disincentivizing IUU fishing using the strength of its domestic market. But for that strategy to work, the program must be functional and effective.

When designing SIMP, the National Marine Fisheries Service (NMFS) within the National Oceanic and Atmospheric Administration (NOAA) decided that the new traceability requirements would apply to only a select group of 13 species and species groups deemed to be most at risk of IUU fishing, covering roughly 45 percent of all U.S. seafood imports by value and volume.<sup>9</sup> Since its inception, however, the U.S. government's intent was to "eventually expand [SIMP] to all seafood at first point of sale or import"; the species listed in the December 2016 rule were considered a "first step" in a comprehensive program of reporting on imported seafood.<sup>10</sup> As NMFS indicated in its most recent report to Congress, collecting data about only a subset of species creates loopholes and opportunities for suppliers to mislabel their seafood products.<sup>11</sup> NOAA is currently considering targeted improvements to SIMP, including expanding its requirements to cover some additional species.<sup>12</sup> However, the agency has not committed to a timeline to expand the program to include all species.

NRDC is invested in the program's success, having advocated for strong implementation and expansion of SIMP since the program's inception. In addition to SIMP's limited coverage, NRDC's report *On the Hook: How the United States Enables Illegal, Unreported, and Unregulated Fishing* identified faulty SIMP implementation and weak enforcement as systemic



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Small U.S.-based fishing vessel at Point Judith, Rhode Island.

challenges currently allowing an influx of IUU-fished and fraudulent seafood into U.S. markets.<sup>13</sup> To provide continued support for U.S. seafood traceability and combating IUU fishing, NRDC wanted to fill a gap in the publicly available information about on-the-ground SIMP implementation. We sought to connect with key actors along the seafood supply chain for detailed feedback and recommendations for improvement that would supplement the agency's own analyses of SIMP.<sup>14</sup> We also wanted to explore whether the program is meeting its goal of stemming the flow of IUU-fished and fraudulent product into the United States and to investigate the industry's attitudes about SIMP expansion.

For this assessment, NRDC commissioned FishWise, a nonprofit sustainable seafood consultancy, to conduct an independent, third-party analysis of program implementation. Utilizing surveys and interviews, FishWise's study focused on the U.S. seafood industry, with the goal of identifying the benefits and challenges of the program as well as data collection or reporting challenges from the industry's perspective. Using the survey data and information gleaned from FishWise's study, NRDC then developed recommendations for improving SIMP's efficacy at combating IUU fishing and seafood fraud. This report summarizes the results of the FishWise study and offers NRDC's recommendations for improving SIMP.

## DEFINING IUU FISHING

Fishing identified as IUU may fall into one of three categories: *Illegal* fishing is conducted in violation of national and international fisheries laws and regulations, *unreported* fishing is activity that is unreported or misreported to relevant authorities in violation of required reporting procedures, and *unregulated* fishing occurs in areas where there are no conservation or management measures or when conducted in a manner incompatible with state responsibilities for living marine resources under international law.<sup>15</sup>



© U.S. Coast Guard

U.S. Coast Guard helicopter and fishing boat suspected of illegal fishing in Northern Pacific Ocean.

## METHODOLOGY

FishWise designed a study to improve our understanding of the U.S. seafood industry's experience with SIMP and assess the impact SIMP is having on business operations for a range of actors along the seafood supply chain. FishWise developed a 19-question survey and conducted outreach to various stakeholders across the seafood supply chain including processors, exporters, importers, distributors, brokers, and both national and international government representatives.<sup>16</sup> The survey was distributed to more than 100 companies, and 33 responses were returned.<sup>17</sup> Each survey response represented an individual company. FishWise also conducted 12 semi-structured interviews with industry representatives at four U.S. and international seafood conferences in 2019.<sup>18</sup> The majority of the feedback was from U.S. importers.<sup>19</sup> Other interview subjects were with companies based in Mexico, Peru, Iceland, Indonesia, Spain, and Vietnam. To identify and analyze trends in the feedback received, FishWise used qualitative data analysis software to categorize all survey and interview responses according to theme.<sup>20</sup>

On the basis of these results, NRDC developed recommendations aimed at both improving companies' experiences and making SIMP more effective in blocking IUU-fished shipments from the stream of commerce.

## II. STUDY FINDINGS ON SIMP IMPLEMENTATION CHALLENGES

The FishWise study revealed that companies along the seafood supply chain (including processors, exporters, importers, distributors, and brokers) are experiencing several challenges with SIMP compliance, described below. Some of these problems undermine the program's effectiveness as they compromise NMFS's ability to block IUU-fished products from the stream of commerce. Moreover, these challenges, paired with a lack of transparency around whether and how NMFS plans to address them, are eroding companies' confidence in and support for the program. However, the study also showed that there is general support for the underlying goals of the program.<sup>21</sup> Taking concrete steps to address these specific grievances can improve compliance and program effectiveness and help achieve the common goal of ending IUU fishing.

### FINDING 1. VIEWS ON THE EASE OF SIMP COMPLIANCE ARE MIXED.

Slightly less than half of the survey respondents reported not having any issues with SIMP compliance.<sup>22</sup> Some companies said that they did not have to make changes in their operations to collect the data and records that SIMP requires. Companies that had already invested in electronic traceability and those that are vertically integrated had an easier time collecting data to comply with SIMP.<sup>23</sup>

The other half of respondents experienced challenges or obstacles in sending, receiving, or obtaining data needed for SIMP from other companies in their supply chains.<sup>24</sup> Some of those facing challenges felt that complying with the program was overly taxing, noting that the measures required to comply with SIMP were excessively time consuming and entailed significant cost. Many industry stakeholders similarly wanted compliance requirements to be more straightforward and efficient. In general, companies that found the program to be overly time consuming or resource intensive were using paper reporting or other rudimentary traceability systems rather than electronic documentation systems.

About 35 percent of companies made some sort of investment to comply with SIMP requirements, including by offering supplier training, updating software systems, hiring new staff, or partnering with a third-party traceability provider.<sup>25</sup> These investments show that SIMP is promoting a cultural shift toward increased traceability in the seafood industry, as NMFS intended.

### FINDING 2. SIMP COMPLIANCE HAS SIX COMMON PROBLEMS.

Companies facing challenges with SIMP detailed a number of specific, recurring obstacles to reliably providing the detailed supply chain information SIMP requires. These include:

#### **Attenuated relationships along the supply chain.**

NMFS designed SIMP to be a government-to-business relationship, with the "importer of record" bearing the ultimate responsibility for compliance and entering SIMP data into the U.S. government's designated reporting portal, the Automated Commercial Environment (ACE).<sup>26</sup> However, the importer of record is often far removed from



Fish displayed for sale at market.

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Workers sorting and packing catch at Port of Los Angeles, California.

the key events in the seafood supply chain—such as harvest, transshipment, and primary and secondary processing—and the various points of sale, and they may have a difficult time obtaining accurate and timely SIMP documentation from overseas suppliers.<sup>27</sup> This was another reason why certain companies lacked confidence in SIMP’s effectiveness.<sup>28</sup> Some companies said that importers should not be held responsible for compliance because of their attenuated connections to other companies throughout the supply chain.<sup>29</sup> These distant or nonexistent relationships can leave them vulnerable to enforcement actions associated with noncompliance or a suspicious shipment.<sup>30</sup>

#### **Perception of harvest information as proprietary.**

Even when importers can connect with overseas suppliers, many suppliers are reluctant to provide the requested documentation.<sup>31</sup> Some consider the point-of-harvest and seafood supply chain information required by SIMP to be proprietary and don’t want to share what they regard as sensitive information.<sup>32</sup> Suppliers farther up the supply chain are not directly required to comply with SIMP, making it difficult to persuade these companies to share data that are necessary for SIMP compliance.<sup>33</sup>

**Data management challenges.** Even when importers are able to collect the required data and records, they struggle to manage the large volumes of associated paperwork, and their difficulty is exacerbated by a lack of consistency in data reporting formats and/or documents. In reference to SIMP imports, one company said it was “looking at potentially 100s of pages of data per shipment.”<sup>34</sup> Many companies have dedicated additional resources to manage the process, reassigning staff away from essential business operations to work full-time on SIMP compliance.<sup>35</sup>

**Data reporting challenges.** A key obstacle to providing complete and accurate traceability data, according to companies surveyed, is the cumbersome process of entry filing in the ACE electronic data submission platform. Seventy-five percent of respondents reported problems with data reporting, including challenges using ACE.<sup>36</sup>

Frustrated with the platform, companies may input as little information as is required to clear customs. Some 58 percent of respondents noted that their company does not fill out data fields that are optional within ACE, despite those fields providing critically important information for stopping the entry of IUU-fished products.<sup>37</sup> For example, since not all fishing vessels have an International Maritime Organization (IMO) number, this crucial information was originally designated as “optional” in ACE’s guidance (NOAA recently changed the term to “conditional”).<sup>38</sup>

In response to industry feedback while designing SIMP, NMFS deliberately allowed for flexibility in reporting the required SIMP data. The agency chose not to create standardized forms for data reporting, and it asks open-ended questions rather than providing drop-down menus of answers.<sup>39</sup> However, companies reported that the lack of clarity about what information would qualify as compliant led them to create their own forms.<sup>40</sup> The existence of multiple versions of SIMP-compliant forms across the industry creates further confusion for suppliers who must provide importers with necessary SIMP data. Seventy-five percent of survey respondents requested more prescriptive electronic forms to standardize the reporting process, which would have the added benefit of helping to support data verification.<sup>41</sup> Overall, companies maintained that the reporting process should be simplified and, ideally, standardized.

The flexibility in data reporting formats has also caused some companies to wonder whether the traceability data input into ACE is accurate. This doubt may reduce their willingness to put forth extra effort to comply and may diminish support for the program.<sup>42</sup>

**Complexity of supply chains.** Interestingly, the challenges in collecting and reporting data were not evenly spread among product types and may depend on specific supply chain characteristics and complexity. Due to the aggregated nature of their supply chains, high volume of trade, and many reporting requirements for these products, companies said that SIMP reporting was often particularly time-intensive for shrimp and tuna.<sup>43</sup>

**Lack of interoperability among market-state traceability systems:** The seafood import control schemes employed by the United States, the European Union, and Japan are not interoperable, meaning that the data reported for one system cannot transfer to another, even if it is the same information.<sup>44</sup> If information common to all systems—such as location of catch, name of fishing vessel, and unique vessel identifier—were automatically transferable, there would be opportunities for major efficiency gains and improved international collaboration to block illegally fished imports.

More than 30 percent of respondents specifically stated they would like existing traceability systems to be interoperable.<sup>45</sup> Companies noted that the differences in international data collection and reporting regulations and the use of different key data terminology made compliance challenging. Language barriers exacerbate these challenges—some overseas

companies had trouble translating information requests from U.S. importers.<sup>46</sup> Respondents expressed the need for outreach to foreign governments and for capacity building if the United States “isn’t planning on standardizing collection forms” across nations.<sup>47</sup> As seafood traceability requirements expand to other countries, this concern will likely be amplified.<sup>48</sup> Companies also reported that it was time-consuming to comply with multiple U.S. domestic import control programs.

### **FINDING 3. COMPANIES WANT GREATER TRANSPARENCY AND COMMUNICATION ABOUT SIMP.**

One of the early successes of SIMP is that NMFS implemented it in a short time without disrupting seafood supply in the United States.<sup>49</sup> This is in part because NMFS conducted extensive domestic and international outreach to support the program’s initial implementation, including producing guidance documents and sample forms, hosting webinars, participating in conferences, and convening in-person stakeholder meetings.<sup>50</sup> NMFS continues to support industry compliance efforts. However, now that the agency has implemented the program, almost 85 percent of survey respondents would like to see more transparency and communication from NMFS about how it is carrying out SIMP and the impact the program is having in combating IUU fishing.<sup>51</sup>

### **FINDING 4. CONCERN IS WIDESPREAD THAT TRACEABILITY INFORMATION IS RARELY VERIFIED.**

Verification of supply chain data is a foundation of effective traceability. Without verification of inputs, there is no assurance that the data being shared across supply chains and with governments are accurate. In its public-facing materials on SIMP implementation, NMFS has emphasized the rates of compliance with the program.<sup>52</sup> However, high rates of compliance do not necessarily correlate with stopping the flow of IUU-fished seafood into the United States. An importer of record could report all SIMP-required data as it believes to be accurate, yet if the underlying information is incorrect or falsified, IUU or fraudulent seafood can still enter the United States undetected—so long as the data are formatted correctly. Equating compliance with filling in data fields rather than verifying the accuracy of the data was a cause of concern for many companies.

In fact, a staggering 90 percent of interviewees raised doubts about data verification and/or the SIMP audit process.<sup>53</sup> Without proper data verification and assurance that supply chain documentation and product information are accurate, companies were concerned that the U.S. government is operating SIMP on what is essentially an honor system.<sup>54</sup>

At the same time, some companies reported feeling unprotected against unverified or incorrect data reported to them by their suppliers, especially if the parties don’t have



Tuna fishing vessels, Pohnpei, Federated States of Micronesia.

a strong business relationship.<sup>55</sup> Importers of record to the United States handle a variety of products and do not always have the relationships within their seafood supply chains that would instill better confidence in the data for which they are ultimately responsible. A possible remedy can be found in the EU catch certification scheme and certain regional fisheries management organizations (RFMOs), which require a “competent authority” with jurisdiction over the harvest to verify the catch and supply chain information being reported.<sup>56</sup>

Some companies also noted that they encounter obstacles when they are flagged for noncompliance because of data that they were unaware were insufficient or incorrect.<sup>57</sup> Data misreporting may be intentional or accidental, but in either case the consequences are imposed on the U.S. importer of record, who is legally responsible for SIMP compliance and can be penalized for faulty information being passed down the supply chain. This is true even when they rely on customs brokers to submit information to ACE, something they often do because the import process is complex and requires knowledge about frequently changing import regulations. Although a broker may report SIMP data to ACE, the importer of record is still responsible for its accuracy and completeness and the import’s legality.<sup>58</sup> Yet many importers do not check the final data their broker submits to the U.S. government.<sup>59</sup>

Once SIMP data are submitted, an importer of record has a limited timeframe to edit the submission to ACE. One company representative cited issues with this limited window of time to make changes, stating, “You can only make changes to entries for 10 days, but why would you make changes if you don’t know anything is wrong?” The respondent added, “It isn’t until later when it is flagged that you know there was an error. By then it’s too late to make changes.”<sup>60</sup> Challenges with importers of record not receiving timely feedback from NMFS also undermined companies’ confidence that SIMP inputs are accurate.

**FINDING 5.**  
**THE RATIONALE FOR AUDIT SELECTION AND THE IMPACT OF AUDITS ARE UNCLEAR.**

Audits to trace a shipment back to the point of harvest are essential to accountability and enforcement of SIMP. However, many companies found the SIMP audit process and rationale in audit choices to be opaque and confusing.<sup>61</sup> They noted that NMFS has not been clear about how or why particular companies are chosen for audits, nor about how specifically audits help deter illegal product from entering commerce.<sup>62</sup> While audits are an opportunity for NMFS to demonstrate that SIMP is working to prevent IUU-fished shipments and that the program is rigorously enforced, the FishWise study revealed concerns that NMFS’s outreach has focused largely on the entry-filing requirements of SIMP, and less on how it is managing and implementing the program through audits and investigations.<sup>63</sup>

Almost 60 percent of responding companies had been audited by the time they provided feedback to FishWise, and these companies raised concerns about the cursory nature of the overall audit methodology.<sup>64</sup> Further, because of the lack of standardized forms, documentation that is acceptable to one auditor might be unacceptable to another, causing frustration and uncertainty around what is expected for compliance. NMFS’s “Guide to Audit Requirements for the Seafood Import Monitoring Program” notes that audits may be directed or random; in fact, random audits are a key enforcement tool.<sup>65</sup> Nonetheless, many companies desired more clarity about the logic that dictates which companies are chosen and whether the number of audits is based on previous passing or failing rates.<sup>66</sup> One company was perplexed by being audited four or five times, but only for their Indonesian containers, although they also sell Vietnamese products.<sup>67</sup> This was confusing to the company because the EU had put Vietnam on notice for violating IUU fishing requirements. As described above, companies also reported a lack of consistent standards for the auditing process.<sup>68</sup> Finally, some companies reported

being confused about what happens to data collected during audits and what enforcement actions are taken when products are found to have been sourced from dishonest actors.<sup>69</sup>

Forty-five percent of respondents reported that they had been audited between two and five times, while 48 percent had not been audited in the two years since SIMP implementation (see Figure 1).<sup>70</sup> Survey respondents noted that the inconsistency of audit selection—with some companies experiencing repeat audits with many never being audited—eroded trust that NMFS was making informed and deliberate decisions about whom to audit.<sup>71</sup>

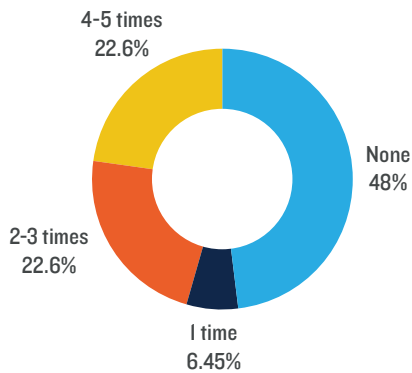
**FINDING 6.**  
**COMPANIES ARE SKEPTICAL THAT SIMP IS WORKING TO BLOCK IUU-FISHED SEAFOOD FROM U.S. COMMERCE**

As described previously, the goal of SIMP is to prevent the entry of illegally fished and fraudulent seafood from entering U.S. markets. However, 67 percent of companies surveyed believed that SIMP had not yet been effective at stopping IUU products from entering the United States or substantially curbing IUU fishing.<sup>72</sup> Two years after the FishWise study, NMFS validated these concerns, stating in its first progress report on SIMP implementation, “As currently implemented, SIMP does not prevent or stop IUU fish and fish products from entering U.S. commerce.”<sup>73</sup>

This problem relates, in part, to companies’ previously discussed doubts regarding data accuracy, the lack of transparency around audits, and how the government is using the data collected through SIMP.<sup>74</sup> For the United States to use SIMP data to deter unscrupulous actors and illegal products from entering the country, the data must be accurate and comprehensively screened, and the government must have meaningful enforcement.<sup>75</sup> Companies that are responsible for SIMP compliance expressed doubt that these necessary elements were in place. Without assurance

**FIGURE 1: NUMBER OF SIMP AUDITS AMONG 31 SURVEY RESPONDENTS**

(Note that two survey respondents did not answer this question.)  
 Percentages do not equal 100 due to rounding.



Source: FishWise, Seafood Import Monitoring Program Feedback Project: Survey Findings and Analysis (unpublished).



Snapper and sharks seized by the Coast Guard from a lancha near the U.S.-Mexico maritime border.

© U.S. Coast Guard

or proof that SIMP is having its desired effect, companies felt that allocating financial resources and staff time to comply was too heavy a burden for such little reward. Some companies clearly stated that the effort to comply with SIMP would feel more valuable if they knew the program was resulting in enforcement actions against unscrupulous actors and effectively deterring IUU and fraudulent seafood from entering commerce.<sup>76</sup>

Companies frequently mentioned that NMFS's capacity to enforce SIMP was a concern and wanted more insight into NMFS's enforcement process.<sup>77</sup> Their chief questions about SIMP enforcement were:

- What happens to the data provided, and is the information verified?
- What happens when a product's origin is questionable?
- What follow-up conversations, trace-backs, or enforcement actions are taken?
- What happens to products that are rejected as a result of a SIMP enforcement action?

Some companies that had made considerable efforts to comply with SIMP felt that the onus of enforcement had fallen on them when it should fall on the government. One company shared this view: "You shouldn't have to prove that every step of the way you're following the law; the government should be enforcing those regulations rather than making companies do all the work."<sup>78</sup> That said, NRDC notes that it is illegal to import a seafood product harvested or produced illegally, including with forced labor, meaning that importing companies do bear responsibility for ensuring that their supply chains are untainted by such practices.<sup>79</sup>

Many companies were concerned that NMFS lacks capacity to handle the sheer volume of data coming into ACE, leading to questions about whether review and verification can be automated in the future.<sup>80</sup> Some companies said that building out NMFS's capacity (e.g., hiring and training staff, improving internal processes, enhancing access to import data) would help address the large number of SIMP-related program inquiries.<sup>81</sup>

## FINDING 7. VIEWS ON SIMP EXPANSION ARE MIXED.

Company representatives were asked for their opinion on whether SIMP should be expanded to cover all seafood species, as was the federal government's plan. Responses were markedly varied, and concerns about the effectiveness of the program influenced attitudes and concerns about SIMP expansion.<sup>82</sup>

### **33 percent of survey respondents supported SIMP expansion, and 25 percent were neutral on the matter.**<sup>83</sup>

The 33 percent in favor supported SIMP expansion to deter additional illegal fishing, increase supply chain transparency, and meet consumer expectations.<sup>84</sup> The remaining 25 percent of participants did not have a clear stance for or against expansion.<sup>85</sup> Of those companies who supported expansion of SIMP, one respondent stated: "As a company, we're open

about [our] commitment to [curbing] IUU—why not include all species[?] That doesn't mean we're advocating for including other species until the program has been figured out, but it wouldn't be a burden."<sup>86</sup>

Among the 42 percent of respondents who said they opposed SIMP expansion to all species, there were four main reasons for opposition, two of which focused on the program's current performance:

- Concerns that the program has not been effectively implemented;
- A perceived need to improve the functions of the current program prior to expansion;
- A preference to focus SIMP exclusively on high-risk species; and
- Concerns regarding the high costs of compliance without assurance of program effectiveness.<sup>87</sup>

These responses suggest that we would see greater industry support for program expansion if SIMP can meet its intended goal as an import control to help keep IUU seafood out of the United States and thereby level the playing field for those who play by the rules.

## III. POLICY RECOMMENDATIONS TO STRENGTHEN SIMP EFFECTIVENESS

NRDC's policy recommendations are based on industry feedback, as provided through the FishWise study, on improving SIMP and companies' experience with compliance. In addition to the direct benefits of strengthening SIMP implementation, taking meaningful steps in this direction would also build industry confidence that compliance with SIMP is worth the effort and has tangible benefits for honest operators.

### I. PRIORITIZE DATA STANDARDIZATION, COMPLETENESS, AND VERIFICATION.

To ensure NMFS receives data that are suitable for verification, NMFS should standardize and digitize all SIMP data and records. This would include standardizing data fields in ACE to minimize errors and ensure that all



A school of jack mackerel.

© Adam Obaza/WCR-PRD/NOAA

required data are reported. The standardized, digitized records should detail the data requirements for each stage in a supply chain (e.g., processing, landing, transshipment). This includes standardizing the type of information NMFS is asking for in an audit by listing exactly which documents meet the requirements of SIMP and which data elements each supporting document must contain. Data reporting using these new standardized forms should be mandatory.

To enable completeness and verification of SIMP data, NMFS should also work with Customs and Border Patrol (CBP) to enhance the interaction between SIMP data and ACE in several key ways:

- Make programming changes to ACE that minimize the number of open text fields, and make mandatory the “conditional” fields (such as the unique vessel identifier (UVI) and “authorization to fish” key data elements) that now exist;
- Validate key data elements at the time of data entry wherever possible; and
- Establish data sharing agreements across partner agencies (e.g., Department of State, Department of Labor, U.S. Coast Guard) to support risk targeting of imports.

NMFS should establish a timeline for transitioning to a fully electronic traceability system for capturing critical tracking events. A truly electronic traceability system will support faster and more comprehensive import data screening and will better enable NMFS and partner agencies to identify high-risk seafood shipments. For instance, having information stored and available in the cloud would allow NMFS and CBP regulators to access data quickly without having to wait for an importer to upload paper records. Importantly, transitioning to an electronic system would also address companies’ complaints about unwieldy volumes of paperwork.

To support consistent data verification, improve risk targeting, and boost the chances of stopping IUU and fraudulent seafood before it enters the U.S. stream of commerce, NMFS should modify SIMP to require importers of record to submit SIMP data 72 hours in advance of a product’s arrival at a U.S. port of entry. Having access to import records before a product enters the United States will make NMFS’s job of rooting out high-risk shipments easier and may help address industry concerns that SIMP data are not being verified.

Given the concerns about the audit and verification processes expressed by an overwhelming majority—90 percent—of FishWise interviewees, NMFS should accelerate its plans to apply predictive analytics and machine learning to SIMP’s import data to help target high-risk seafood shipments. These tools should be built using the best available, real-time intelligence from international and U.S. sources. Further, NMFS should require external verification of the data by a third party or competent authority with jurisdiction over the catch/harvest. The use of a third party to verify data inputs is already required by the EU and certain RFMO traceability systems.<sup>88</sup>

## 2. COORDINATE AND ALIGN REQUIREMENTS WITH THOSE OF FOREIGN GOVERNMENTS.

One-third of respondents noted that coordination with foreign government counterparts would be beneficial and help address concerns about verifying SIMP data. As one interviewee explained, “If the goal of SIMP is to make sure the information is true and that the program is effective, there should be an effort to make sure that the information is checked earlier on via cooperation with foreign governments.”

Companies also want to see increased coordination between the United States and other governments that have seafood traceability programs. The need for companies to comply with multiple import monitoring systems creates redundant work for them, and the lack of synchronization among individual U.S. programs hampers full traceability. NMFS should work to make SIMP interoperable with other traceability systems worldwide, particularly in the EU and Japan, to decrease reporting redundancy, support data verification, and improve enforcement efforts. NMFS should work with domestic agencies to develop formal and informal partnerships with nations that have their own import monitoring systems and begin to share required data across these programs.

Enhanced international cooperation to better leverage market-state traceability systems will make SIMP an important tool to drive change on the water. This, paired with U.S. efforts to strengthen use of the High Seas Driftnet Fishing Moratorium Protection Act and a goal to encourage other nations to require baseline catch reporting as a foundation of sustainable fisheries management, can greatly enhance the United States’ international leadership in stopping IUU fishing and human rights abuses.<sup>89</sup>

## 3. EXPAND SIMP BY A SET DATE.

Pursuant to the IUU task force recommendations, SIMP’s primary goal is to block IUU-fished and fraudulently labeled seafood from entering the U.S. stream of commerce. Currently, SIMP’s limited scope, accounting for less than half of all imports, means that seafood caught using IUU fishing practices will continue to enter the U.S. market unless SIMP is expanded to all species and ensures full supply chain traceability. NMFS should commit to expanding SIMP to all seafood imports by a set date.

In addition to strengthening the functionality of the program, survey respondents wanted to see NMFS expand SIMP to all seafood. Among those companies surveyed, almost 60 percent either supported SIMP expansion or were neutral on the matter. Moreover, of the companies who oppose expansion, many want the program to be improved before it is expanded. This supports the idea that if NMFS builds confidence in the program through greater transparency around audits and increased efficacy, industry support for expansion will grow. Committing to SIMP expansion by a set date would allow companies to gradually bring their non-SIMP species imports into compliance as they establish traceability systems for all of their imported products.





A group of migrant workers haul a fishing net in Thailand.

Companies have already adjusted to having separate reporting requirements for SIMP and non-SIMP species; having only one system for all a company's imports could lead to cost savings and efficiencies stemming from not having to toggle between regulatory systems when entering import data.

SIMP does not currently address the link between seafood traceability and forced labor and human trafficking in seafood supply chains. Along with undermining fisheries management efforts and food security, IUU fishing is a locus for labor abuse and comes with a terrible human toll.<sup>90</sup> For these reasons, NRDC recommends that SIMP go further to collect specific information relating to labor conditions in fisheries that supply U.S. markets. As NMFS takes steps to expand SIMP, it should also incorporate requirements that will ensure that the U.S. does not remain a market for seafood harvested using forced labor.

#### **4. INCREASE TRANSPARENCY AND ACCOUNTABILITY AROUND SIMP PERFORMANCE.**

NMFS should provide greater transparency on enforcement actions, data verification, and audits. It should ensure that companies understand the procedures and requirements of the program, including by offering more detailed information about the audit process and the success of interventions resulting from SIMP. This information should include explanations of the method for choosing companies to audit, what happens to audit data, the repercussions of negative findings, the process for follow-up and enforcement, and the fate of problematic goods that are intercepted during auditing. Finally, companies requested that NMFS coordinate regular meetings with industry members to provide them with a SIMP progress report and to give them a platform to discuss common issues with one another.

#### **5. EXPAND OUTREACH AND COMPLIANCE SUPPORT TO OVERSEAS STAKEHOLDERS.**

To improve the long-term effectiveness of SIMP and to bolster industry confidence in the capacity of supply chain actors to provide the required SIMP data, we recommend that NMFS build on its past efforts to support industry compliance overseas. NMFS should partner with international governments to host workshops and trainings for workers at all stages of the seafood supply chain. These workshops should be conducted in the local language and include instruction on the purpose of SIMP, the type of data required, and the intended benefits of collecting this data. NMFS should prioritize outreach in three to five countries exporting large volumes of seafood to the United States, especially if those countries (as the country of harvest or origin) have a lower-than-average rate of their seafood passing SIMP audits.

Although the U.S. government is not legally responsible for training international stakeholders on program requirements, it has been increasingly working with foreign governments and suppliers on SIMP compliance. This overseas capacity building helps companies better understand SIMP and fulfill importer requests faster and more accurately. Companies stated that it would be helpful to industry, and to the success of the program, if NMFS conducted more outreach to overseas suppliers to clarify SIMP reporting requirements and to reinforce the benefits of U.S. market access that SIMP compliance brings.

#### **IV. CONCLUSION**

The Seafood Import Monitoring Program is a promising tool for stemming the flow of IUU-sourced or fraudulent seafood into the United States and improving the sustainability of seafood sold in the U.S. market. By building on lessons learned and incorporating the recommendations highlighted in this report, SIMP can offer robust traceability for all seafood imported into the United States and make a difference in the global IUU-fishing crisis. A fully scaled, efficiently functioning program would ensure that U.S. consumers can feel confident about the fish they buy and that the companies supplying seafood can be rewarded for supporting responsible fishing practices.

## Acknowledgments

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