



eFiling Options for Commission Consideration

Staff Report

June 2020

*This report was prepared by CPSC staff, and has not been reviewed or approved by,
and may not reflect the views of, the Commission.*

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Executive Summary

Over the past decade, CPSC's Office of Import Surveillance (EXIS) has been building a risk methodology to continuously improve the prevention of non-compliant and hazardous imported products from reaching consumers while facilitating trade for compliant importers. The eFiling initiative, conceived in 2014, is intended to improve CPSC's import targeting capabilities. The eFiling Alpha Pilot (Alpha Pilot), which ran for 6 months in 2016, was a joint initiative between CPSC and U.S. Customs and Border Protection (CBP) to test the electronic filing of targeting/enforcement data for certain imported products under CPSC's jurisdiction. The Alpha Pilot successfully demonstrated that importers can provide targeting/enforcement data and that CPSC, in collaboration with CBP, is able to receive such data.

At the conclusion of the Alpha Pilot, staff recommended a two-pronged approach for continuing eFiling at CPSC: (1) conduct a Beta Pilot as a larger and broader test of eFiling, and (2) conduct a Certificate Study to evaluate how helpful certificate of compliance data could be in the agency's import targeting efforts. In June 2017, the Commission approved proceeding with the Certificate Study. Staff conducted the Certificate Study from October 2017 to February 2018, to assess the correlation between the timing and availability of a certificate, as well as the specific data on a certificate, with finished product compliance. The results conclusively showed a correlation between the ability to provide a certificate in a timely manner and the rate of product violations. Staff found that an entry is five times more likely to have a violation if a certificate is never provided to CPSC, and three times more likely to have a violation if a certificate is provided beyond 24 hours of CPSC's request. The Certificate Study also provided information about what specific fields on a certificate CPSC should collect before importation to target violative products.

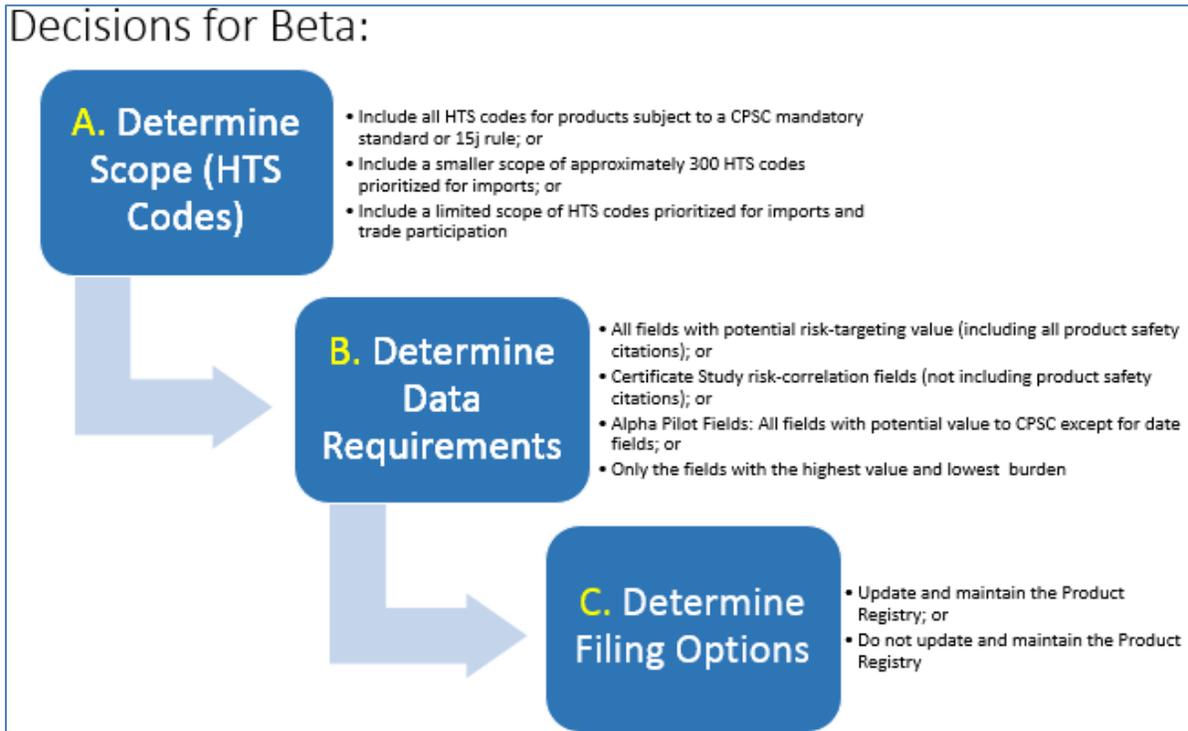
The Alpha Pilot and Certificate Study results provide a compelling case for continuing the CPSC eFiling initiative. Staff's proposed eFiling Beta Pilot (Beta Pilot) would test CPSC's ability to work with a much larger set of filers and allow refinement of algorithms to intercept more efficiently violative products at the ports.

Leveraging the feedback and results from the Alpha Pilot and Certificate Study, staff identified several decision points for the Commission to consider in proceeding to a Beta Pilot:

- The scope of HTS codes to be included in a Beta Pilot;
- The scope of data requirements for a Beta Pilot; and
- Whether to maintain a Product Registry as an option for submitting eFiling data.

The graphic below provides an overview of these decision points:

Figure 1: Beta Pilot Decision Tree



An eFiling Beta Pilot is a substantial undertaking with many internal and external dependencies which affect planning and execution. If the Commission decides to move forward, staff must create a plan that incorporates the three items below into the budget and timeline.

1. Project Management, Documentation, and Requirements Updates

Staff identified eight initial documents covering requirements, functional specifications, and training that were created for the Alpha Pilot and may need updates. In addition, Beta Pilot participants will require ongoing project support.

2. CPSC and CBP IT Development, Documentation, Testing, and Support

The CPSC eFiling IT infrastructure, built in support of the Alpha Pilot, will require updates, documentation, and ongoing support. In addition, CPSC depends upon CBP for IT development and testing of the CBP system for the potentially revised eFiling data requirements, as well as ongoing support during the filing period. CPSC must follow CBP’s development and change control process, which was recently implemented under the Single Window Sustainment Model. Staff anticipates IT development will take at least a year to complete. CPSC must fund any IT development for the project, including any modifications to CBP’s ACE system. Any funding will need to be aligned with CPSC’s budget and will most likely involve modifications to both CPSC and CBP systems.

3. Paperwork Reduction Act (PRA) Requirements

CPSC must apply for and receive a Paperwork Reduction Act control number for a Beta Pilot, a process that can take up to six months.

The results of the e-Filing Alpha Pilot were positive and promising. Based on that experience, participant feedback, import surveillance capabilities and priorities, as well as the Certificate Study results, staff recommends that the Commission consider pursuing a Beta Pilot, as discussed in the Alpha Pilot report. As part of the decision-making process, the Commission must balance the value, cost, and burden of the Beta Pilot, as described in Figure 1.

Section I: Overview of Import Surveillance and eFiling at CPSC

CPSC established an Import Surveillance Division (now the Office of Import Surveillance) in 2008, co-locating investigators with CBP staff at select ports. Initially, CPSC had limited software tools to analyze and target shipments and was unable to conduct consistent and automated risk assessment of imported consumer products. Staff used locally developed programs, manual analyses, and ad hoc reports to target products and companies deemed to be high risk. Staff's analysis and reporting required significant time from the office's limited resources.

In late 2011, CPSC launched a pilot targeting system to test the effectiveness of a new Risk Assessment Methodology (RAM) to intercept shipments containing potentially hazardous products¹. This pilot RAM system used a rules-based approach and aggregate-scoring models to highlight potential risks, patterns, and targets. The RAM provided CPSC staff with easy access to key data, including calculated risk scores, to enable EXIS Compliance Investigators (CIs) to review entry lines and act on them, as appropriate. In 2017, CPSC transitioned to the RAM 2.0 system. Analytic and performance reports in RAM 2.0 aid staff in modifying and fine-tuning risk assessment and targeting rules to select shipments for examination.

In September 2014, CPSC staff began engaging stakeholders² about electronic filing of import-related data from a Certificate of Compliance. Staff envisioned a pilot program, known as the "eFiling Alpha Pilot," as the next step to refine CPSC's targeting capabilities. Beginning in July 2016, the CPSC Alpha Pilot was a 6-month, joint initiative between CPSC and CBP to test the electronic filing of targeting/enforcement data for certain imported products under CPSC's jurisdiction.

The Alpha Pilot established and assessed the infrastructure and processes required for successful eFiling. Based on feedback from the trade, CPSC designed a Product Registry for the Alpha Pilot to reduce the burden of entering the same data multiple times. The Product Registry created an alternate filing method that allowed targeting/enforcement data for each imported product to be filed one time before importation. Once product information was entered into the Product Registry, participants were able to

¹ In 2008, Congress enacted the Consumer Product Safety Improvement Act (CPSIA). Section 222 of the CPSIA required CPSC to develop a Risk Assessment Methodology (RAM) to screen shipments of consumer products intended for import into the United States, including consumer products potentially in violation of health and safety laws. Section 222 also required the CPSC to collaborate with CBP and use the International Trade Data System (ITDS) to evaluate information about consumer products intended for import. Thus, CPSC staff created a RAM detailing how CPSC could use import data in a holistic approach to targeting and enforcement. ITDS is a part of the U.S. CBP ACE Modernization effort (<https://www.cbp.gov/trade/automated>).

² Since 2014, CPSC staff has engaged the public on CPSC's eFiling initiative many times, including: a public workshop on electronic filing of certificates, as included in proposed rule on Certificates of Compliance – September 18, 2014; webinars and meetings with CBP's Commercial Customs Operations Advisory Committee (COAC) Working Group – March 12, 2015, March 26, 2015, April 9, 2015, and May 13, 2015; Chairman Kaye Meeting with Members of the COAC 1USG Subcommittee-CPSC Working Group – April 28, 2015; webinar with the Border Interagency Executive Council (BIEC) – September 16, 2015; working meetings with the Trade Support Network (TSN) – September 16, 2015 and September 23, 2016; webinars to demonstrate the eFiling Product Registry – October 1, 2015 and February 25, 2016; kickoff meeting with eFiling Alpha Pilot participants – November 18, 2015; adult wearing apparel webinar on Enforcement Discretion Regarding GCCs for Adult Wearing Apparel Exempt from Testing with eFiling Alpha Pilot Participants – April 13, 2016; broker feedback meeting on eFiling with Bureau Veritas – August 4, 2016; public meeting for review and feedback on the eFiling Alpha Pilot with participants – January 26, 2017.

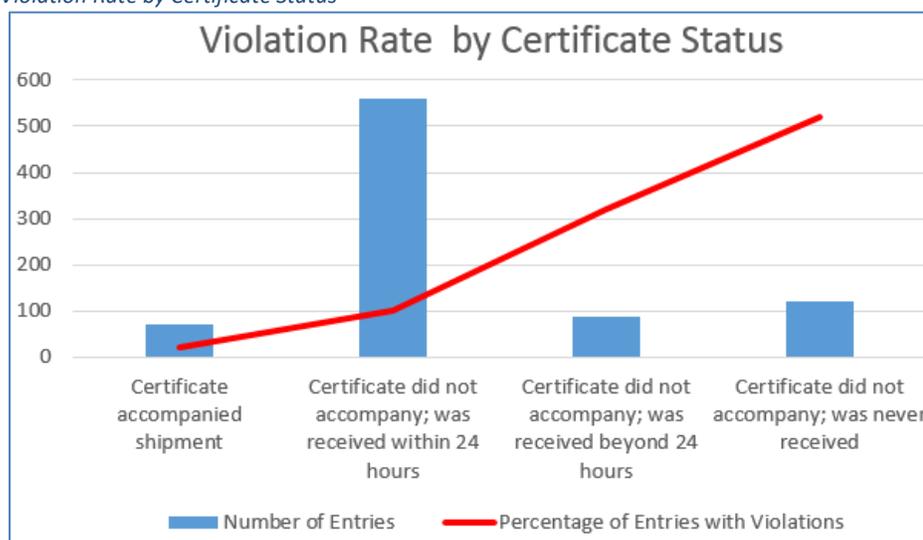
reference the data through a shorter Reference PGA Message Set³ each time the same product was imported thereafter.

The Alpha Pilot demonstrated that importers are capable of providing targeting/enforcement data and that CPSC, in collaboration with CBP, is able to receive such data in the RAM. Before the Alpha Pilot, no mechanism existed for CPSC to gather these data electronically. However, because of the limited scope of the Alpha Pilot, CPSC staff could not use the targeting/enforcement data when assigning risk scores in the RAM to target shipments.

After the Alpha Pilot, staff recommended a two-pronged approach to advancing the agency's eFiling initiative: (1) conduct a Beta Pilot with a larger set of volunteer participants to test and optimize the eFiling of data along with construction of risk-based rules in the RAM; and (2) conduct a Certificate Study to assess how helpful certificate data would be in the agency's import targeting efforts.⁴ In June 2017, the Commission approved moving forward with the Certificate Study. Staff conducted an eFiling Certificate of Compliance Study from October 2017 to February 2018 to assess the correlation between the timing and availability of a certificate, as well as the specific data on a certificate, with finished product compliance.

Staff's analysis of the data collected in the Certificate Study indicated that the ability to provide a certificate within 24 hours of CPSC's request is strongly associated with product compliance. Staff found that an entry is five times more likely to have a violation if a certificate is never provided to CPSC, and three times more likely if one is provided beyond 24 hours of CPSC's request.

Figure 2: Violation Rate by Certificate Status



The Certificate Study also provided valuable information on what elements on a certificate could potentially be used to validate the presence of a certificate (without providing the entire certificate) and improve the agency's import targeting. Staff found that testing labs, manufacturing locations, and

³ A "PGA Message Set" is CBP's term for additional importer data that an agency other than CBP requires.

⁴ eFiling Alpha Pilot Report: https://www.cpsc.gov/s3fs-public/eFiling_Alpha_Pilot_Evaluation_Report-May_24_2017.pdf

manufacturing and testing dates, have the potential to: (1) validate the existence of a certificate, and (2) allow staff to refine RAM modeling and target shipments for examination.

The results from the Certificate Study show that the eFiling of key certificate data before importation will allow CPSC to improve its targeting and enforcement at the ports and better protect consumers. This study, combined with the Alpha Pilot, which showed that importers are able to provide these data, offers a compelling case for continuing the CPSC eFiling initiative.

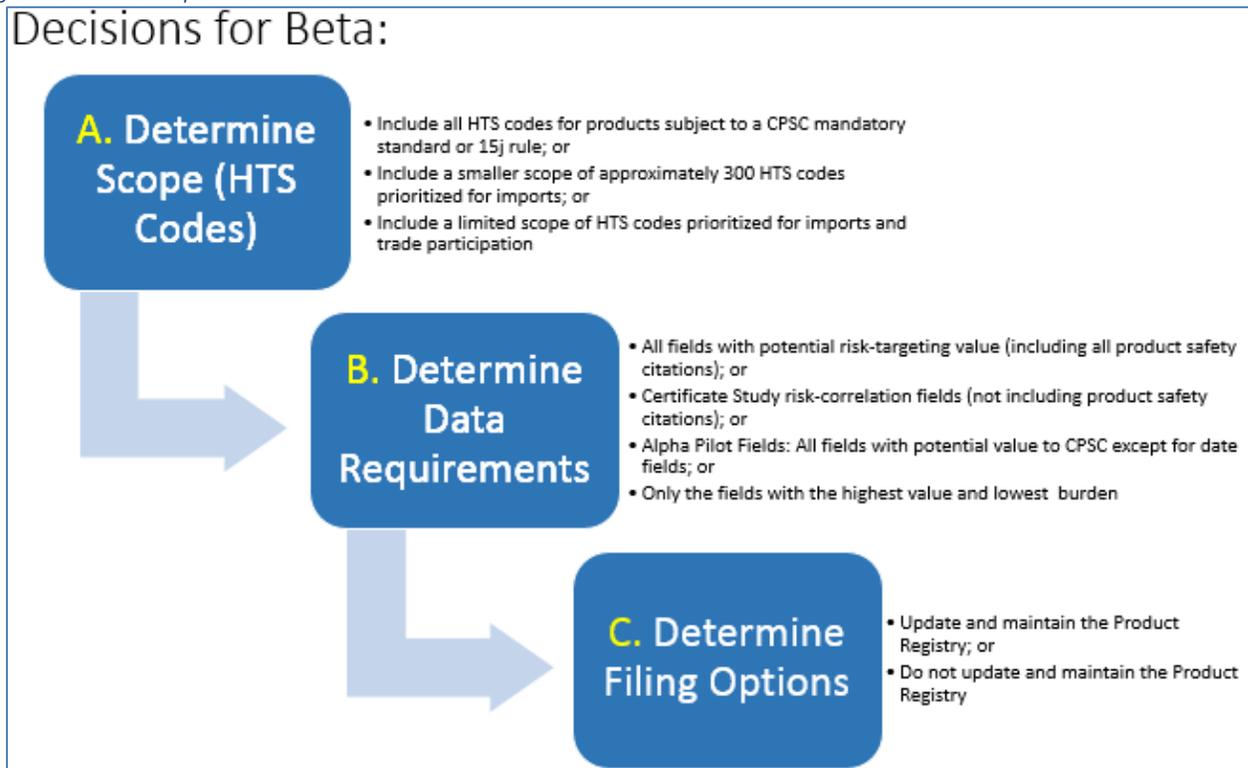
As discussed in the Alpha Pilot report, staff proposed a Beta Pilot as the next step if the Commission continues to pursue eFiling to enhance rule-based decision making for import safety. Based on the results of the Alpha Pilot and the Certificate Study, this report details Commission options for a Beta Pilot.

Section II: eFiling Beta Pilot Options

The Alpha Pilot was designed to develop and assess the infrastructure and processes required for successful eFiling. A Beta Pilot would test CPSC’s technical capability to handle approximately 10 times the volume of the Alpha Pilot, allow staff to assess and optimize algorithms in the RAM to target product shipments, and help staff to understand the scope and any potential burden of the Disclaimer Message Set, which was not used or filed consistently by the Alpha Pilot participants. A disclaimer message is filed when CPSC would normally expect to receive PGA Message Set data for a Harmonized Tariff Schedule (HTS) code. However, the information is not required for the imported product because it is not subject to a consumer product safety rule.

CPSC staff envisions a Beta Pilot that would allow for the eFiling of data to optimize construction of rules in the RAM to increase or decrease an entry line’s risk score. Staff anticipates a Beta Pilot would include up to 100 companies filing data for approximately 1 year. In Figure 3, we illustrate the components of a Beta Pilot approach and the decisions required.

Figure 3: Beta Pilot Options Decision Tree



A. Determine the Scope of the eFiling Beta Pilot

When CPSC staff accepted volunteers to participate in the Alpha Pilot, staff asked them to provide a list of HTS codes and products for which they would prefer to file the requested targeting/enforcement data. CPSC staff did not select mandatory HTS codes, nor did staff leave out any HTS from the Alpha Pilot. Each participant opted to file PGA Messages for anywhere between 1 to 32 HTS Codes. Staff took this

approach for the Alpha Pilot because the core goal was to develop and test the ability for participants to file data and for CPSC staff to collect and process the data in the RAM, not to test targeting or risk assessment.

In a Beta Pilot, staff would test how to optimize the data collected for risk assessing imported consumer products, in addition to testing the scalability of the systems and processes developed during the Alpha Pilot. To accomplish this, staff would incorporate the PGA Message Set data into the RAM rules' engine and use it in the risk-scoring algorithms to guide staff's targeting and enforcement efforts.

Currently, CPSC staff does not risk assess all HTS codes under its jurisdiction, which encompasses a broad range of products imported under a large number of HTS codes. To leverage the CPSC's limited resources, staff prioritizes products for targeting based on current risk and addressability. Accordingly, the Commission's decision regarding the scope of HTS codes for a Beta Pilot is an important burden versus benefit consideration.

OPTION 1: Include All HTS Codes for Products Subject to a CPSC Mandatory Standard or 15j Rule

Collecting PGA Message Set data for all HTS codes associated with a CPSC mandatory standard and 15j rule would test the true burden of eFiling on importers and provide CPSC a wealth of information from which to target and conduct post-import assessments. However, much of these data would not be immediately used by CPSC staff. Staff is unable to target every product subject to a mandatory standard or 15j rule due to resource constraints. Staff typically targets a subset products, and would continue this approach during a Beta Pilot. Accordingly, during a Beta Pilot, staff would integrate a subset of data into the RAM and use these data for targeting purposes. Essentially, under this approach, CPSC may collect a large amount of data during the Beta Pilot that staff is unlikely not use in the short term.

Requiring participants to file PGA Message Set data on products from the full set of HTS codes subject to a mandatory standard or a 15j rule could also negatively impact participant recruitment efforts for a Beta Pilot. Although this approach would offer CPSC the most flexibility in choosing participants from across the range of CPSC's jurisdiction, it could significantly increase a participant's burden if they were required to file data for all regulated products and those subject to a 15j rule.

OPTION 2: Include a Smaller Scope of Approximately 300 HTS Codes Prioritized for Imports

Alternatively, CPSC could limit the scope of the HTS codes in the Beta Pilot to those codes staff defines as "highest priority," and for which the data staff actively uses in current risk assessment efforts. EXIS staff understands the highest-priority, highest-risk products for which data can be used for targeting. Staff reviews and updates this subset of approximately 300 HTS codes regularly in consultation with the Office of Compliance and Field Operations.

Prioritizing HTS codes in a Beta Pilot ensures that the CPSC does not collect data that staff may not immediately use, keeps the volume of data manageable for staff and participants, and lessens the

technology infrastructure required to store and manage the data. However, prioritizing HTS codes would also limit potential participants to those importing under the identified subset of codes.

OPTION 3: Include a Limited Scope of HTS Codes Prioritized for Imports and Trade Participation

A third approach is to limit the scope of the HTS codes to an even smaller prioritized subset, to encourage and support participation by large importers with many imported products. CPSC staff would select the HTS codes to include an appropriate breadth of products and importers, balancing CPSC and participant priorities by ensuring a large filing volume while minimizing participant burden.

Limiting the scope of HTS codes could, however, potentially skew participation away from some smaller and medium-sized companies that would otherwise be willing to participate, but for the limited scope of products they import. This approach would also exclude many products that CPSC considers high priority, limiting CPSC's ability to refine search algorithms for many high-priority HTS codes in the RAM. Additionally, testing a smaller set of codes may mask issues associated with the excluded codes or their importers. However, this option would allow staff to test eFiling on a larger scale than the Alpha Pilot; and, while not optimal, it would provide valuable data to advance the eFiling program.

Pragmatically, this option limits the scope of HTS codes, thereby ensuring that CPSC staff does not collect data that it is unlikely to immediately use, while also minimizing the technology infrastructure required to store and manage the data.

B. Determine the Data Requirements for the eFiling Beta Pilot

Certificates of Compliance contain seven required data elements (16 CFR § 1110.11):

1. Identification of the finished product;
2. Each consumer product safety rule or statutory requirement to which the product is being certified;
3. Certifier (name and contact information);
4. Contact information for the person maintaining records of test results (name and contact information);
5. Date and place where the finished product was manufactured (including identity and address of the manufacturer);
6. Date and place where the finished product was tested; and
7. Third party laboratory on whose testing the certificate depends (name and contact information).

CPSC began soliciting input on the prospect of collecting Certificate of Compliance data electronically in 2014. EXIS and CBP hosted several Commercial Customs Operations Advisory Committee (COAC) webinars on the potential CPSC Pilot, to engage and educate stakeholders, including manufacturers, importers, and brokers. Through the COAC process, stakeholders expressed apprehension

over the additional burden posed by electronically submitting all Certificate of Compliance data elements. In response, for the Alpha Pilot, the Commission required only four data elements and a checkbox attesting to the existence of the required certificate of compliance:

- a) Identification of the finished product;
- b) Each consumer product safety rule to which the finished product has been certified under 16 CFR part 1110;
- c) Place where the finished product was manufactured, produced, or assembled, including the identity and address of the manufacturing party;
- d) Parties on whose testing a certificate under 16 CFR part 1110 depends (name and contact information of the testing entity); and
- e) A check box indicating that a required certificate currently exists for the finished product, as required by Sections 14 and 17 of the CPSA.

In post-Alpha Pilot feedback, participants indicated that the scope of the Pilot eased participation. Although each participant approached data-gathering differently, they all indicated the data gathering was relatively easy and that providing additional data elements to support the Alpha Pilot did not significantly affect their operations.

The Alpha Pilot provided evidence that the CPSC, working with CBP, could collect eFiling data filed by importers, but did not provide information about the usefulness of the individual data elements for targeting purposes. The subsequent Certificate Study sought to determine which data provide the most value to CPSC's targeting and enforcement efforts. The Certificate Study was not limited to the targeting/enforcement data elements collected as part of the Alpha Pilot, but rather, was designed to provide information about all the data elements on a certificate and their correlation to risk/compliance.

Using the Alpha Pilot, Certificate Study findings, and participant feedback, staff assessed each of the fields on a certificate in three ways: (1) the usefulness of the data, (2) the burden on importers to provide the data, and (3) the burden on CPSC to collect and use the data. Ultimately, staff grouped the certificate data into three categories, color-coded in the "Staff Assessment" column in the table below as green, blue, and red. Staff considers the four green fields to be essential to the eFiling initiative and would provide the highest value in risk assessment and targeting with the lowest burden on importers to provide. Staff analysis demonstrates that the three blue fields have value to CPSC for risk assessment and targeting, but provide a medium-to-high burden for importers and CPSC. Staff does not consider the three red fields useful for targeting and does not recommend them for eFiling.

For this assessment, and to determine the best options for eFiling, staff separated the Date of Manufacture and Date of Testing fields from the CPSC certificate data definitions of "date and place where the finished product was manufactured" and "date and place where the finished product was tested." These fields are listed separately in the table below as 5a, 5b and 6a, 6b. In both instances, the date and place can be used in different ways for risk assessment. The collection of dates also provides unique opportunities and challenges, as detailed below. Staff has included an additional element, a checkbox filed by the importer, to confirm the existence of a required certificate. CPSC included this checkbox in

the Alpha Pilot and, based on the results of the Certificate Study, staff considers the checkbox to be a useful indicator of compliance. This field is additional element number 8 below. Table 1 summarizes staff data assessment, with a more detailed explanation to follow.

Table 1: Assessment of Certificate Data

Data Field	Staff Assessment
1. Identification of the finished product;	
2. Each consumer product safety rule or statutory requirement to which the product is being certified;	
3. Certifier (name and contact information);	
4. Contact information for the person maintaining records of test results (name and contact information);	
5a. Date when the finished product was manufactured;	
5b. Place where the finished product was manufactured (including identity and address of the manufacturer);	
6a. Date when the finished product was tested	
6b. Place where the finished product was tested	
7. Laboratory on whose testing the certificate depends (name and contact information).	
8. Checkbox to show that a required certificate exists (non-statutory)	

	Valuable import data; low burden to collect
	Valuable import data; medium to high burden to collect
	Not valuable for import assessment

Staff considers the four green fields the highest priority for eFiling, based on the usefulness of the data for targeting and enforcement. Staff tested all of these fields in the Alpha Pilot, and none were found to pose a significant burden to file or collect.

- Identification of the finished product – Critical information for staff to perform risk assessment as it relates to the product being imported. In addition to the name, the identification of the product could include identifiers, such as a stock-keeping unit (SKU), Model Number or Global Trade Item Number (GTIN), which are some of the values tested in the Alpha Pilot. A universal identifier could help staff track and identify violative products more readily.
- Place where the finished product was manufactured (including identity and address of the manufacturer) – Identifying the actual foreign manufacturer is critical to staff for targeting and enforcement. Additionally, the Certificate Study showed a potential correlation between violation rates and the location of manufacture, specifically the city of manufacture. Certain locations of manufacture did possibly correlate to a higher violation rate, compared to other manufacturing cities.

- Laboratory on whose testing the certificate depends – These data could be used in several ways. First, the identification of a third party lab provides a strong data point for children’s products, as it indicates the importer understands that testing is required by CPSC regulations. Because children’s products must be tested by a third party laboratory, whose accreditation has been accepted by CPSC, this element provides staff with the ability to do additional, automated data checks to verify that the accreditation of each lab listed is CPSC-accepted for the timeframe and test performed. Finally, the Certificate Study demonstrated that the lab name has potential correlation to violations. Staff found that certain testing labs had higher violation rates compared to other labs.
- Checkbox to show that a required certificate exists – The Certificate Study showed that the ability to provide a certificate within 24 hours of CPSC’s request is strongly associated with product compliance, and requiring importers to attest to the existence of a certificate would be useful to targeting. While not a statutory element of a Certificate, staff considers this attestation to be an important element of the eFiling program.

Staff considers the three blue fields to have value for targeting and enforcement, but also higher complexity and cost compared to the green fields.

- Each consumer product safety rule or statutory requirement to which the product is being certified – EXIS staff assesses product risk and violations based on whether a product meets the rule(s) and requirement(s) to which the product must be certified. Because of the non-standard, free-form entry on current certificates, however, in the Certificate Study staff was unable to identify a correlation between a product’s violation and whether the certificate correctly listed all rules to which the product must be certified. If CPSC required eFiling using a drop-down selection of applicable rules, this data could be standardized and allow for automated risk assessment based on the ability to distinguish the testing conducted against the testing that staff would expect. Staff could then use this information to target products that certify or fail to certify to certain standards. For example, staff could run an automated query targeting shipments under the HTS code for toys intended for children 0-3 years that do not certify for small parts. Including citation information for toys, however, would increase the number of required fields because toys must typically be certified to more than one rule or section of the toy standard. In Alpha Pilot feedback questionnaires, participants said that providing the rule(s) to which a product was certified was the most time-consuming/costly data element. Overall, however, participants in the Alpha Pilot did not report a significant burden to provide all of the data elements included in the Alpha Pilot.
- Date when the finished product was manufactured (and) Date when the finished product was tested – As described in the Certificate Study, electronic receipt of both testing and manufacture date before entry would allow staff to automate targeting based on a comparison of the dates. Although neither data element individually provided insight into possible violations, when

compared with each other, possible correlations emerged. Certificates with a testing date after the manufacture date were more than three times more likely to have a violation.⁵

Because the dates on a certificate change, those fields are variable and more burdensome to collect and maintain. Date of testing and manufacture change at a minimum yearly, and more often for products that are manufactured continuously. Due to the complexity of collecting, maintaining, and filing versions of certificates based on dates, inclusion of these dates would also require more advanced coding/development in the Product Registry for CPSC. Collecting dates would increase the burden on importers and brokers to match products to the correct version of a certificate at importation.

Staff found three fields that are not useful for targeting, and thus, are not recommended for inclusion in any of the Beta Pilot options listed below:

- Certifier (name and contact information) – Currently, the certifier is the importer of record, so this information is already received in entry data from CBP.
- Contact information for the person maintaining records of test results – This does not provide any targeting usefulness.
- Place where the finished product was tested – Based on data from the Certificate Study, staff found no correlation to violations from the city/state/country of testing; although, this could be due to a lack of standardization of the term “place.” Additionally, place of testing is potentially duplicative of field #7, the lab name, for which staff did find violation correlations.

Based on the assessment of each field, staff identified four options for a Beta Pilot. All of the options include the four green fields, as staff considers these to be critical components of an eFiling risk assessment strategy. Thus, the variations in each option are ultimately about which blue fields, if any, CPSC should include in a Beta Pilot. The table on the next page summarizes these options, and more detailed assessments of the advantages and disadvantages of each follows.

⁵ The correlation of this date comparison is a factual finding of the Certificate Study and does not indicate compliance with, or violation of, the Commission’s testing regulation at 16 CFR part 1107. Compliant testing regimes depend on each manufacturer’s testing and manufacturing scheme, for which they are required to have appropriate documentation. Staff did not assess whether firms with violative products were otherwise compliant with the Commission’s testing regulation.

Table 2: Data Options

Data	Option 1	Option 2	Option 3	Option 4
1. Identification of the finished product;	✓	✓	✓	✓
2. Each consumer product safety rule or statutory requirement to which the product is being certified;	✓		✓	
3. Certifier (name and contact information);				
4. Contact information for the person maintaining records of test results (name and contact information);				
5a. Date when the finished product was manufactured;	✓	✓		
5b. Place where the finished product was manufactured (including identity and address of the manufacturer);	✓	✓	✓	✓
6a. Date when the finished product was tested	✓	✓		
6b. Place where the finished product was tested				
7. Laboratory on whose testing the certificate depends (name and contact information).	✓	✓	✓	✓
8. Checkbox to show that a required certificate exists (non-statutory)	✓	✓	✓	✓
Total Data included in option:	7	6	5	4

	Valuable import data; low burden to collect
	Valuable import data; medium to high burden to collect
	Not valuable for import assessment

OPTION 1: All Fields with Potential Risk-Targeting Value (including all product safety citations) (green and blue)

The first option is to have the Beta Pilot include all seven of the green and blue-coded data elements from a certificate.

Table 3: Option 1 Data

Data	Option 1
1. Identification of the finished product;	✓
2. Each consumer product safety rule or statutory requirement to which the product is being certified;	✓
5a. Date when the finished product was manufactured;	✓
5b. Place where the finished product was manufactured (including identity and address of the manufacturer);	✓
6a. Date when the finished product was tested	✓
7. Laboratory on whose testing the certificate depends (name and contact information).	✓
8. Checkbox to show that a required certificate exists (non-statutory)	✓
Total Data included in option:	7

As detailed above, staff considers all of these items (including the checkbox attesting to a certificate) useful to improve the targeting of potentially violative products. Each field allows staff to create a unique set of rules in the RAM that can increase or decrease the risk score. Including all of these elements will create the most robust measures by which staff can interdict potentially violative products. This option also allows CPSC to grow its import surveillance targeting capabilities with new and innovative approaches to assessing the data in the future.

Using all of these data in the RAM algorithm will also enhance staff’s ability to identify the lowest risk importers and non-violative products. The benefit to trade is that staff is less likely to stop at entry products from importers that test and certify compliance with applicable consumer product safety standards. Trade facilitation is an important part of the eFiling initiative, and this option provides the broadest data set from which to identify importers who are putting consumer safety first.

Drawbacks of this option include the costs and burdens for each of the blue-coded fields above. The identified increased burden could have a potentially negative impact on the participant-recruiting effort for the Beta Pilot and increase the cost of participation for importers and brokers.

OPTION 2: Certificate Study Risk-Correlation Fields (not including product safety citations) (green and blue, except for #2)

The second option is very similar to the first, but excludes the consumer product safety rule(s) or statutory requirement(s) to which the product is being certified, reducing the cost and burden on both participants and the CPSC, as outlined above. Essentially this option includes all fields for which the Certificate Study indicated a potential correlation with violations.

Table 4: Option 2 Data

Data	Option 2
1. Identification of the finished product;	✓
2. Each consumer product safety rule or statutory requirement to which the product is being certified;	
5a. Date when the finished product was manufactured;	✓
5b. Place where the finished product was manufactured (including identity and address of the manufacturer);	✓
6a. Date when the finished product was tested	✓
7. Laboratory on whose testing the certificate depends (name and contact information).	✓
8. Checkbox to show that a required certificate exists (non-statutory)	✓
Total Data included in option:	6

A significant downside to this option is that staff would lose the ability to build a risk assessment protocol using standardized rules around statutory and regulatory citations now and in the future. Given that the statutes and rules required for testing are the central tenants of a certificate, this is a substantial shortcoming. As noted above, one of staff’s issues with assessing the citations data in the Certificate Study was that the data are currently provided in a non-standard way and at varying levels of detail. As seen in the Alpha Pilot, the electronic filing of the rules forced a standardization of the data through the use of drop-down menus, rather than free text. Staff concludes that many more options to use standardized data entry for this field exist that would enhance risk assessment, especially in relation to toys. If this data is standardized and electronically filed, staff can better correlate rules with violation.

OPTION 3: Alpha Pilot fields: All Fields with Potential Value to CPSC Except for Date fields (green and blue, except for #5a and 6a)

The third option is also similar to Option 1, in that it includes all of the lower burden green fields and consumer product safety rules, but excludes test and manufacture dates. Essentially this option includes only those fields that were included and tested in the Alpha Pilot.

Table 5: Option 3 Data

Data	Option 3
1. Identification of the finished product;	✓
2. Each consumer product safety rule or statutory requirement to which the product is being certified;	✓
5a. Date when the finished product was manufactured;	
5b. Place where the finished product was manufactured (including identity and address of the manufacturer);	✓
6a. Date when the finished product was tested	
7. Laboratory on whose testing the certificate depends (name and contact information).	✓
8. Checkbox to show that a required certificate exists (non-statutory)	✓
Total Data included in option:	5

CPSC and participants would receive many benefits from maintaining the same Alpha Pilot data elements in a Beta Pilot. First, maintaining the required data set has the least risk to potential participants and CPSC, given that the five data elements have been vetted through the Alpha Pilot. Conducting a Beta Pilot with the same data elements reduces the risk of introducing new filing or unforeseen burdens for participants, an important factor given the approximately 100 participants anticipated in a Beta Pilot versus the eight participants in the Alpha Pilot.

Requiring the same data elements would also limit CPSC’s risk by eliminating the need to develop new fields in the Product Registry. Accordingly, the Product Registry would require less new development from the technical team, reducing risk, cost, and development cycles for CPSC.

Another distinct risk-mitigation factor is that this approach would require staff to make minimal changes to the CBP PGA Message Set Implementation Guide, or “CATAIR,” as it is known. The CATAIR is extensive and technical, detailing each message set and its requirements. CPSC’s CATAIR was reviewed and assessed by the CBP’s Trade Support Network (TSN) and their feedback was incorporated into the Alpha Pilot. All participants, their brokers, and software developers used the CATAIR in the Alpha Pilot. Accordingly, CPSC’s CATAIR has been tested and proven to be an effective implementation approach.

Finally, CPSC’s ability to recruit new participants may be easier if the Beta Pilot is limited to the previously tested data elements. The Alpha Pilot demonstrated that these data elements are available before importation and can be submitted by importers without significant impact or burden to their operations. This finding allows the Commission to make the case that other importers would not be overburdened in the Beta Pilot.

For all the advantages listed above, drawbacks exist as well. This option includes the rules/citations data, with the pros and cons as detailed in the field overview above. This option does not include the manufacturing date or testing date; and while these are higher burden fields, they also showed potential correlations to violations in the Certificate Study. Although the five data elements selected for the Alpha Pilot have great potential for use in risk scoring in a Beta Pilot and beyond, the loss of the two key date fields does remove data elements that potentially enhance and refine targeting efforts.

OPTION 4: Only the Fields with the Highest Value and Lowest Burden (green)

The fourth option is to reduce the required data to just the four green-coded data elements. EXIS has identified these fields as having high value for risk assessment at importation, but also among the easiest fields to file and collect. These fields include the product identifier, manufacturer name and address, name of the testing facility, and a checkbox to indicate that a certificate exists.

Table 6: Option 4 Data

Data	Option 4
1. Identification of the finished product;	<input checked="" type="checkbox"/>
2. Each consumer product safety rule or statutory requirement to which the product is being certified;	<input type="checkbox"/>
5a. Date when the finished product was manufactured;	<input type="checkbox"/>
5b. Place where the finished product was manufactured (including identity and address of the manufacturer);	<input checked="" type="checkbox"/>
6a. Date when the finished product was tested	<input type="checkbox"/>
7. Laboratory on whose testing the certificate depends (name and contact information).	<input checked="" type="checkbox"/>
8. Checkbox to show that a required certificate exists (non-statutory)	<input checked="" type="checkbox"/>
Total Data included in option:	4

Of the options presented, this approach would be the least burdensome for participants and CPSC. Option 4 requires participants to submit the least data while still providing valuable information for risk assessment. Staff believes that Option 4 could increase industry participation in a Beta Pilot because of the decrease in burden.

A “Full PGA Message Set” under Option 4 requires only three data elements and a checkbox. This approach would be easier to achieve technologically than the other options, and may obviate the need to develop a product registry. As this option would make it easier for participants to file data, if the Commission chooses Option 4, staff advises that CPSC seek stakeholder input on whether a Product Registry is still necessary. Section C below addresses the options around the Product Registry in more detail.

The drawback to this approach is that it provides less targeting/enforcement data for use in import surveillance and limits staff’s ability to create additional risk-assessment rules.

C. Determine eFiling Options

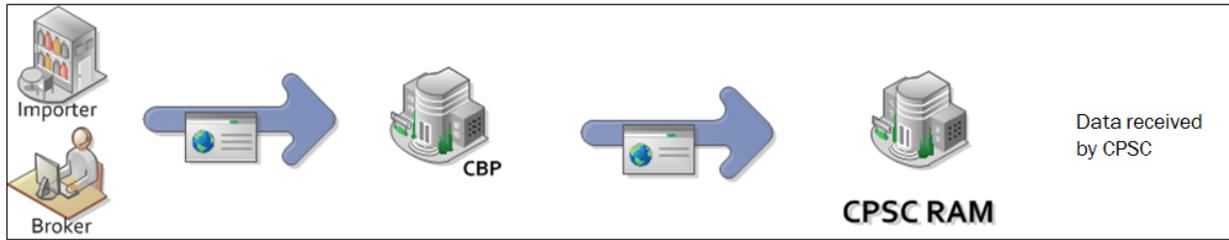
Once the Commission determines the scope and data requirements of a Beta Pilot, the Commission must decide whether to implement and maintain the Product Registry as an option for filing data.

CPSC designed the Product Registry for the Alpha Pilot to address the burden, identified by stakeholders, of entering the same data multiple times for repeat shipments of the same product. The Product Registry created an alternate filing method that allowed participants to submit full targeting/enforcement data for each imported product one time prior to importation. Once participants entered product information into the Product Registry, participants could reference the data through a shorter Reference PGA Message Set containing the CBP-required data and the reference number each time the product was imported thereafter. Participants could use this reference number repeatedly, as long as the information was current, significantly reducing data requirements for each entry.

The Product Registry did not eliminate data entry requirements, but reduced burden on stakeholders by allowing the same targeting/enforcement data to be used for multiple shipments. With the implementation of the CPSC Product Registry, Alpha Pilot participants were able to file data in two ways:

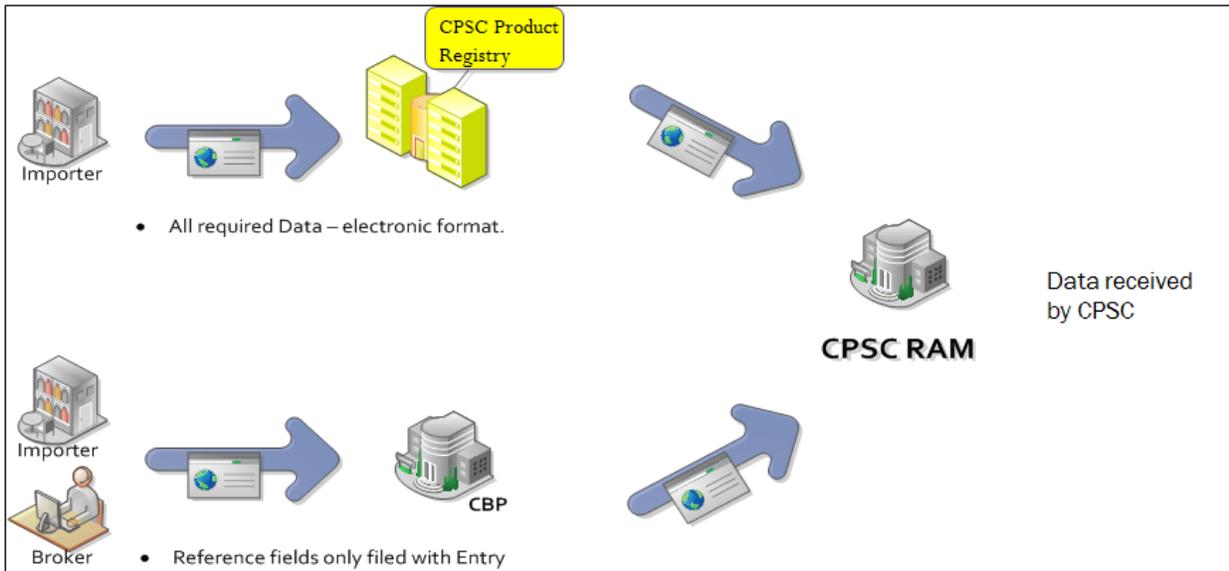
- 1) *Full PGA Message Set*: This option allowed customs brokers and importers to file all required data elements through the Automated Broker Interface (ABI). Participants using the Full PGA Message Set were required to enter all mandatory targeting/enforcement data for each imported product as part of the transmission of entry data normally required by CBP.

Figure 4: Full PGA Message Set



- 2) *Reference PGA Message Set*: This option allowed importers to file the required data elements in the Product Registry maintained by CPSC before submitting entry data. Once data were submitted to CPSC, filers could provide the Product Registry reference number instead of filing all the data elements each time the product was imported. Filers using the Reference PGA Message Set could continue to use the reference number each time that product was imported, as long as the targeting/enforcement data in the Product Registry remained valid.

Figure 5: Reference PGA Message Set:



Of the eight Alpha Pilot participants, seven used the Product Registry along with the Reference PGA Message Set, and three filed Full PGA Message Sets. Participants and brokers overwhelmingly indicated that the Product Registry and Reference PGA Message Set option reduced the filing burden in the Alpha Pilot. The ability to re-use the Product Registry reference number for each shipment of a product for which the testing data were valid reduced the time it took brokers to file the CPSC data at entry and the limited data fields required far less development by brokers.

Participants manually entered data into the Product Registry and provided a reference number to their Broker to use in filing the Reference PGA Message Set. Participants noted that manual data entry into the Product Registry was somewhat time-consuming and that manual entry would not be feasible for a larger test with a larger volume of products. Although CPSC developed an automated web services capability for the Alpha Pilot to ease this burden, participants indicated that the IT investment to automate

the data load was too great for a short-term pilot. They did indicate that they would use it for a longer term initiative as the ongoing entry costs to filers would be negligible on a per-product and entry-line basis after the initial investment.

Based on participant feedback, staff recognizes that the Product Registry and the associated ability to file the Reference PGA Message Set was an important part of the Alpha Pilot. Maintaining a Product Registry requires CPSC to expend ongoing IT resources to update and maintain it. CPSC staff would need to support all users in a Beta Pilot to use these applications, although CPSC would need to provide support for use of the Full PGA Message Set as well. However, not implementing the Product Registry increases the burden on importers and the risk that trade will not participate in a Beta Pilot. CPSC should carefully consider the long-term implications of the Product Registry and balance the cost and risk components to the agency with the ideal of minimizing burden on trade.

OPTION 1: Update and Maintain the Product Registry

The Product Registry was an important part of the Alpha Pilot and was overwhelmingly supported by participants as a tool that reduced the burden of filing targeting and enforcement data. Based on the results from the Alpha Pilot, staff anticipates that a large majority of filers in the Beta Pilot would choose to file via the Product Registry, if given the option.

The drawback to the Product Registry for CPSC is the cost. The Product Registry would decrease the cost and burden to trade, however, would significantly increase the cost of the Beta Pilot to CPSC from a development, operations and maintenance, and customer support perspective. Beyond the Beta Pilot, the number of resources required to support trade will increase over time as more importers take part in filing targeting and enforcement data. This means that, unlike many of the other one-time or short-term costs required for the Beta Pilot and eFiling, the cost to maintain the Product Registry will be an on-going, increasing, perpetual cost to the CPSC eFiling program. This is an important consideration as the Commission contemplates the future of eFiling.

OPTION 2: Do Not Update and Maintain the Product Registry

The advantage of the Product Registry, and therefore the need for it, varies according to which data filing requirement the Commission selects. The more data CPSC seeks to collect in a Beta Pilot, the more essential the Product Registry is in the overall eFiling initiative to lessen the burden on trade. However, staff believes the trade would benefit from the Product Registry if any of the four options are selected. Lessening the burden on trade while increasing CPSC's ability to better protect consumers has been a goal of the eFiling initiative from the beginning.

If CPSC chooses to not update and maintain the Product Registry, the cost for eFiling, both during a Beta Pilot and in the potential long term, is lower for the agency. However, shifting the cost of eFiling to the trade is a significant risk to the eFiling initiative's success. Based on the experience of the Alpha Pilot, the Full PGA Message Set is significantly more burdensome to file. For example, a participant (importer) who filed the full message set was delayed by months due to programming issues encountered by their

broker. Participants overwhelmingly provided feedback in support of the Product Registry, and brokers were able to file data much more quickly and with far fewer issues during the Alpha Pilot. The more fields that are required to be filed, the more the risk and burden increases without a Product Registry. This should be carefully considered as the Commission considers future options for eFiling.

Section III: eFiling Beta Pilot Dependencies and Costs

The CPSC Beta Pilot would have many internal and external dependencies. To ensure a Beta Pilot's success, CPSC must understand each of these and incorporate them into the timeline.

A. Project Management, Documentation and Requirements Updates

The Alpha Pilot provided many important lessons from which to define and plan for a possible Beta Pilot. While a Beta Pilot would leverage the Alpha Pilot's documentation and infrastructure, staff will need to make changes before the Beta Pilot can begin. Staff will need to incorporate the feedback from the Alpha Pilot's volunteer participants into the Beta Pilot's technical design. In addition, the Certificate Study provided critical information to the CPSC about the key data fields on a certificate, which will potentially alter the data the CPSC requests going forward.

Staff identified eight initial documents of requirements, functional specifications for IT solutions, and training that all may need updates, depending on the changes from the Alpha Pilot, before the Beta Pilot can begin:

- CBP PGA Message Set Implementation Guide (CATAIR)
- CPSC Business Rules documents
- Product Registry requirements
- Web services/batch upload to the Product Registry requirements
- Interface between the Product Registry and RAM requirements
- Participant onboarding documentation
- Participant training documents
- Federal Register Notice

EXIS staff must complete all technical requirements documentation before EXIT can begin development on the IT solution. Unless the Beta Pilot includes the same fields as the Alpha Pilot, staff must revise CPSC's CATAIR and Business Rules and have them reviewed and assessed by CBP's Trade Support Network (TSN). As in the Alpha Pilot, feedback from the TSN must be incorporated into the documents before they can be provided to participants and CBP. Based on the Alpha Pilot, staff anticipates this to be a straightforward and streamlined process.

Project support for the participants, from onboarding, training, troubleshooting, and escalating issues as necessary will continue throughout the Beta Pilot. Full time support for 100 participants will require contract resources, as detailed in the Appendix.

B. CPSC and CBP Development, Documentation, Testing and Support

Since EXIS' inception in 2008, CPSC and CBP have worked closely on a daily basis to identify and stop noncompliant products from entering the U.S. This partnership was vital to the Alpha Pilot's success and ongoing collaboration is critical to the implementation of a Beta Pilot. Before the Alpha Pilot went

into production in July 2016, CPSC and CBP worked closely to test the eFiling process and ensure that the CPSC PGA Message Set and business rules were fully integrated into CBP's systems. CBP staff ensured that their databases included CPSC-required reference tables, including HTS and port code combinations for each of the participants and the applicable laboratory IDs and citation codes.

The Beta Pilot will depend on CBP for development and testing of the potentially revised message set data and ongoing support during the filing period. Recently CBP's development and change control process has changed, and these changes will affect a Beta Pilot's timeline. In order for the revised CATAIR and Business Rule requirements to be implemented in CBP's system, CPSC will need to follow the CBP's Single Window Sustainment process:

1. CPSC will outline the changes, if any, required in a Request For Development, for CBP review
2. CPSC will develop a Statement of Work (SOW) and CBP will estimate the Level of Effort (LOE)
3. CPSC and CBP submit the SOW and LOE into a development prioritization queue for a vote by participating PGA members (meeting currently held twice a year)
4. CBP provides a basic timeline for development to CPSC
5. CPSC must provide the required funding and resources
6. Once CBP receives funding, it plans development with CPSC
7. CBP and CPSC collaborate to develop and test changes

This new process will significantly impact a Beta Pilot's timeline and as such would need to be planned for and initiated early in a Beta Pilot lifecycle. Staff anticipates that this process will take a minimum of a year. Accordingly, the SOW should be prioritized with the documentation required in Section A above.

CBP requires that CPSC fund the development needed in CBP's ACE system. EXIS cannot accurately estimate these costs until the Commission defines the scope of a Beta Pilot.

In support of the Alpha Pilot, the CPSC team also built and supported new IT infrastructure, including the Product Registry, PGA Message Set interface, and Product Registry to RAM interface, to support the collection of PGA Message Set data by CPSC. Prior to the Alpha Pilot, no mechanism existed for CPSC to gather these data electronically. To support the Beta Pilot, each of these technical solutions will require updates, documentation, and ongoing support. Staff anticipates that required changes include those necessary to update the system based on changes from the Alpha Pilot to the Beta Pilot, as well as to scale the systems from 8 users to approximately 100 users.

To support the primary objective of the Beta Pilot, which is to use targeting/enforcement data to develop risk score algorithms, staff must integrate the PGA Message Set data filed by participants into the RAM. Data integration will allow CPSC to test the implementation of rules to increase or decrease an entry line's score based on the data filed. CPSC must update the RAM user interface to display the new data, and test all systems and integration.

CPSC staff must document and create user instructions for all of the development, enhancements, and updates for filing data electronically, while providing ongoing support for all systems and interfaces used by the volunteers and their brokers.

C. Paperwork Reduction Act (PRA) Requirements

Before participants can be recruited for a Beta Pilot, the project will need to apply for and receive a Paperwork Reduction Act (PRA) control number. This process can take six months or more and needs to be considered and incorporated into the planning and timeline. In accordance with the PRA, OMB approval must be obtained prior to collecting federally sponsored data if information is collected from 10 or more respondents. If CPSC uses standardized questions to solicit information, the PRA applies whether responses to the request for information are voluntary or mandatory, and whether they are delivered in-person, on the phone, or online. The PRA imposes a number of procedural requirements on CPSC to implement a reporting or recordkeeping requirement on the public, including an analysis of the estimated burden imposed on the public and the government to collect and maintain the information. The CPSC is required to publish notice of a proposed collection in the *Federal Register* and allow at least 60 days for public comments on the need for and burden related to the collection. The CPSC must respond to the comments, if any, and publish such responses in the *Federal Register* with an additional notice and 30 day comment period.

Section IV: Conclusion

The results of the eFiling initiatives to date have been extremely positive. Through the Alpha Pilot and the Certificate Study, CPSC staff has demonstrated that the agency can derive significant value in collecting targeting and enforcement data electronically in advance of entry to enhance our import surveillance capability and advance our mission to protect consumers from unreasonable risks associated with consumer products.

If the Commission chooses to move forward with a Beta Pilot, the Commission must make three key decisions. Staff recommends that the Commission make these decisions by balancing the value, cost, and burden of each option to importers and CPSC.

Figure 6: Beta Pilot Key Decision Points

