



eFiling Alpha Pilot Assessment and CPSC Staff's Recommendations for eFiling Beta Pilot

Staff Report

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*This report was prepared by CPSC staff, and has not been reviewed or approved by,
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Executive Summary

CPSC created the eFiling Alpha Pilot to support the strategic objective of increasing the Commission's import targeting capabilities. The eFiling Alpha Pilot represents a 6-month joint initiative between CPSC and CBP to test the electronic filing (eFiling) of targeting/enforcement data for certain imported products under CPSC's jurisdiction.

Initially, staff envisioned an eFiling pilot allowing electronic versions of a Certificate of Compliance (certificate) to be filed. Stakeholders expressed concern about the potential additional burden of submitting all data on a certificate. Accordingly, for the eFiling Alpha Pilot, the Commission determined that eFiling Alpha Pilot Participants (Participants) would electronically file only five data elements related to a certificate, termed "targeting/enforcement data elements," for regulated consumer products, and two data elements related to three products on the Commission's Substantial Product Hazard List (SPH-Listed Products). Additionally, CPSC designed a Product Registry to ease the burden of re-entering the same data when a product is imported multiple times.

The eFiling Alpha Pilot was not a test of staff's ability to target potentially noncompliant shipments. Rather, the Pilot established and assessed the infrastructure and processes required for successful eFiling. Eight U.S. importers, using three Customs Brokers (Brokers), volunteered to participate in the eFiling Alpha Pilot. Pilot Participants began entering their product data into the Product Registry in May 2016. The first Participants began filing their PGA Message Set data in July 2016. The Pilot ran 6 months, ending on December 31, 2016.

The eFiling Alpha Pilot's six key objectives:

- 1) To demonstrate CPSC's ability to partner with CBP and industry Participants to collect the required data elements using the PGA Message Set;
- 2) To assess importers' ability to provide additional data in advance of importation;
- 3) To test the CPSC technical solution for eFiling, including the ability to import PGA Message Set data into CPSC's Risk Assessment Methodology (RAM) system and the ability to create, manage, and integrate the Product Registry;
- 4) To evaluate the differences between filing using the Product Registry/Reference PGA Message Set and Full PGA Message Set;
- 5) To identify issues in implementing eFiling, as well as resources (time/costs) associated with implementation; and
- 6) To inform future Commission decisions regarding the need for eFiling of targeting/enforcement data.

The eFiling Alpha Pilot met these strategic goals and provided abundant information that CPSC staff can leverage to determine options and make recommendations for the future of eFiling. Staff's collaboration with CBP, and the dedication of the volunteer Participants, contributed to the success of the Pilot. The eFiling Alpha Pilot successfully demonstrated the ability of importers, Brokers, CBP, and CPSC to work together to gather and file electronically PGA Message Set data at import.

Based on the findings of the eFiling Alpha Pilot, staff recommends proceeding with an eFiling Beta Pilot. The Beta Pilot will test how effective using the five data elements in the RAM are at identifying potentially noncompliant shipments as well as CPSC's ability to scale-up the implementation from the small number of Participants in the Alpha Pilot. CPSC staff believes that introducing the PGA Message Set data to the RAM rules and risk-scoring engine is critical to CPSC's proficiency at identifying and stopping violative consumer products from being imported into the United States.

CPSC staff envisions the Beta Pilot as a two-pronged approach: (1) electronic filing of targeting/enforcement data by volunteer Participants; and (2) a concurrent study, for a subset of HTS codes, of importers' certificate of compliance data and correlation of such data to the overall compliance of products examined at import (certificate study). The certificate study would involve staff assessing certificate data across importers who are compliant and noncompliant, rather than focusing only on volunteer eFiling Participants, who are expected to be mostly compliant.

If the Commission proceeds with an eFiling Beta Pilot, they also must consider:

- Whether to implement the certificate study concurrently with electronic filing or implement the eFiling Beta Pilot in two stages, beginning with the certificate study;
- Determine the scope of HTS codes to be included in the eFiling Pilot; and
- Determine the scope of data requirements for a Beta Pilot.

Based on the Alpha Pilot experience, Participant feedback, import surveillance capabilities and priorities, and an analysis of the pros and cons presented in this report, staff recommends pursuing the eFiling Beta Pilot with the following components:

1) Perform Analysis of Certificate Data in Conjunction with the eFiling Beta Pilot

CPSC staff recommends conducting the certificate study in conjunction with the eFiling of targeting/enforcement data by the volunteer Participants. Performing the certificate study with the eFiling of targeting/enforcement data by the volunteer Participants will maintain the momentum of the CPSC eFiling effort and fill gaps in data that may present because of the volunteer nature of the eFiling project.

2) Include a Limited Scope of HTS Codes Prioritized for Imports and Participation

Staff recommends limiting the scope of the HTS codes in the Beta Pilot to a small subset of to-be-defined codes, to ensure full participation by importers and sufficient allocation of staff resources. CPSC staff believes that any gaps in data can be mitigated by choosing a diverse group of products and manufacturers.

3) Keep the Same Five Data Elements Required in the eFiling Alpha Pilot

CPSC staff recommends continuing to use the Alpha Pilot-required data set to ensure the least risk to the Beta Pilot. Staff has no basis to recommend changing the structure of the eFiling Beta Pilot until completion of the certificate study, which should provide information on the benefits and burdens of adding or removing each data element.

Section I: Overview of Import Surveillance at CPSC

To comprehend fully the value of the eFiling Alpha Pilot and its PGA Message Set data for CPSC, it is important for stakeholders to understand the history of import surveillance at CPSC. In February 2008, CPSC established an Import Surveillance Division (now the Office of Import Surveillance), which resulted in the Commission co-locating CPSC personnel with CBP staff at selected ports of entry. Initially, CPSC had a limited set of software tools to facilitate analysis of data, and the agency was unable to conduct consistent and automated risk assessments of imported consumer products. The Commission's targeting capabilities at that point revolved around locally developed programs focused on targeting products and companies determined to be high risk. Staff manually performed analysis and metrics reports on an as-needed basis, rather than on a scheduled, recurring basis, and required significant time from the department's limited resources.

In 2008, Congress enacted the CPSIA. Section 222 of the CPSIA required the CPSC to develop a Risk Assessment Methodology for the identification of shipments of consumer products intended for import into the United States, including consumer products potentially in violation of product safety laws. Section 222 also required the CPSC to collaborate with CBP and use the International Trade Data Systems (ITDS) data to evaluate information about consumer products intended for import into the customs territory of the United States. To meet the requirements of this law, the CPSC began an in-depth analysis of current and potential targeting approaches. CPSC staff created a RAM that detailed the ways the CPSC could use import data to create a holistic approach to targeting and enforcement for imported products.

In late 2011, CPSC launched a pilot targeting system to test the effectiveness of the defined methodology. This pilot RAM system used a rules-based approach and aggregate-scoring models to highlight potential risk, patterns, and targets. The RAM's goal was to provide CPSC staff with easy access to key data, including calculated risk scores, to enable investigators from the Office of Import Surveillance (EXIS) to review entry lines and act on them as required. CPSC intended the RAM to also provide CPSC staff a single, shared view of entry line data, analysis, workflow transitions, and basic metrics and reports.

The initial pilot RAM system was in operation for more than 5 years and its use by CPSC staff successfully proved the benefits of consistent and timely data access and analysis. CPSC recently transitioned to the RAM 2.0 system. Analytic and performance reports provide Import Surveillance management a better window on operational activities and support enhancements to processes and risk management methods. In addition, analytic outputs provide performance measurements and indicators that aide staff in modifying and tuning risk assessment and targeting rules.

Section II: Overview of the eFiling Alpha Pilot

The CPSC eFiling 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 was the first step in understanding better not only the benefits and uses, but also the limitations and challenges of eFiling targeting/enforcement data.

Several factors led to the CPSC eFiling Alpha Pilot. In the mid-1990s, CBP was tasked with modernizing the trade monitoring and tariff collection management system, known as the Automated Commercial Environment (ACE). Taken together, provisions of the Safe Port Act of 2006, the CPSA, and the CPSIA direct the Commission to align with CBP's modernization efforts to improve CPSC's risk assessment. These efforts included a single government interface for shipments entering or exiting the United States where all required information could be transmitted electronically, thereby streamlining data sharing for all parties. CBP created the Partner Government Agency Message Set (PGA Message Set) to facilitate the collection of additional information required by federal agencies.

In 2008, the Commission issued a direct final rule on "Certificates of Compliance" (73 FR 68328), which is codified at 16 C.F.R. part 1110 ("1110 rule"). Among other things, the 1110 rule limits the parties who must issue a certificate to importers for products manufactured outside the United States, and to manufacturers for products manufactured inside the United States. The rule also establishes that certificates may be submitted in hard copy or electronic form. In May 2013, the Commission issued a notice of proposed rulemaking to amend the 1110 rule (78 FR 28080) ("1110 NPR") to clarify certificate requirements in light of new rules related to testing and labeling of children's products and component part testing, 16 C.F.R. parts 1107 and 1109, and to require eFiling of certificates for imported products, as provided in section 14(g)(4) of the CPSA.

Finally in 2014, President Obama issued Executive Order (EO) 13659 to streamline the Export/Import Process. The EO required certain federal agencies to enhance their technology use to modernize and simplify the trade processing infrastructure. The EO also mandated that applicable government agencies use CBP's ITDS and supporting systems, such as ACE, to create a "single window" through which importers could electronically submit import-related data for clearance. Although as an independent agency the CPSC was not included in this mandate, the Commission sought, to the extent possible, to conform to this initiative.

In September 2014, CPSC staff held a workshop for stakeholders to provide feedback on the eFiling aspects of the 1110 NPR. Stakeholders expressed concern about filing data for multiple/ongoing shipments of the same product. Stakeholders explained that manufacturers and importers sometimes use one certificate for multiple products or entries, and added that it would be burdensome and inefficient for importers to provide the same certificate data more than once for the same product. Staff learned that other agencies have existing databases that can be referenced during the CBP entry process without re-entering large amounts of data. Workshop discussions led to creating the CPSC Product Registry, as discussed below.

In November 2014, the eFiling Alpha Pilot team began engaging stakeholders about eFiling additional data for CPSC purposes. The CPSC team and CBP hosted several Commercial Customs Operations Advisory Committee (COAC) webinars to engage and educate stakeholders, including manufacturers, importers, and Brokers, on the potential CPSC Pilot. The CPSC team also participated in

CBP's Trade Support Network (TSN), working with software developers and Brokers to ensure optimization of the technical design.

Through the COAC process, stakeholders reiterated apprehension over the additional burden that electronically submitting the 10 data points on a Certificate of Compliance would impose on importers. In response, the Commission implemented the eFiling Alpha Pilot using five required data elements for regulated products:

- 1) Identification of the finished product;
- 2) Each consumer product safety rule to which the finished product has been certified under 16 C.F.R. part 1110;
- 3) Place where the finished product was manufactured, produced, or assembled, including the identity and address of the manufacturing party;
- 4) Parties on whose testing a certificate under 16 C.F.R. part 1110 depends (name and contact information of the testing entity); and
- 5) 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 addition to regulated products, the Commission also included in the Pilot three specific SPH-Listed products: seasonal lights, handheld hair dryers, and power cords. Because SPH-listed products do not have certification requirements, only two data elements were required:

- 1) Identification of the finished product; and
- 2) Place where the finished product was manufactured, produced, or assembled, including the identity and address of the manufacturing party.

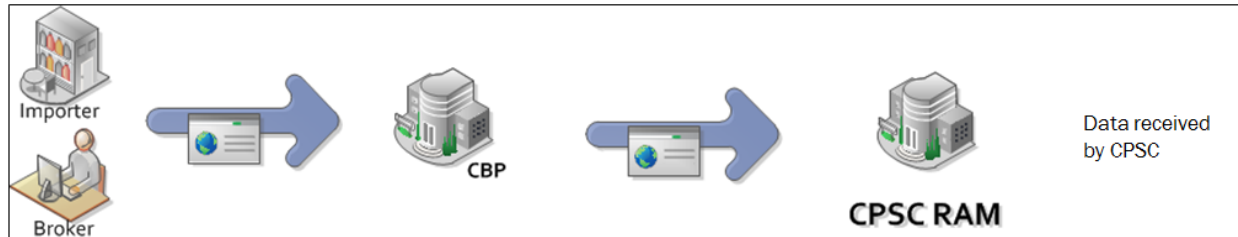
Additionally, CPSC designed the Product Registry to address the burden of entering the same data multiple times. The Product Registry created an alternative filing method that allowed full targeting/enforcement data for each imported product to be filed one time prior to importation. Once product information is entered into the Product Registry, Participants can reference the data through a shorter Reference PGA Message Set each time the product is imported thereafter. The Product Registry does not eliminate data entry requirements, but was implemented to reduce the burden on stakeholders by allowing the same targeting/enforcement data to be used for multiple shipments.

With the implementation of the CPSC Product Registry, eFiling Alpha Pilot Participants were able to file data in two ways:

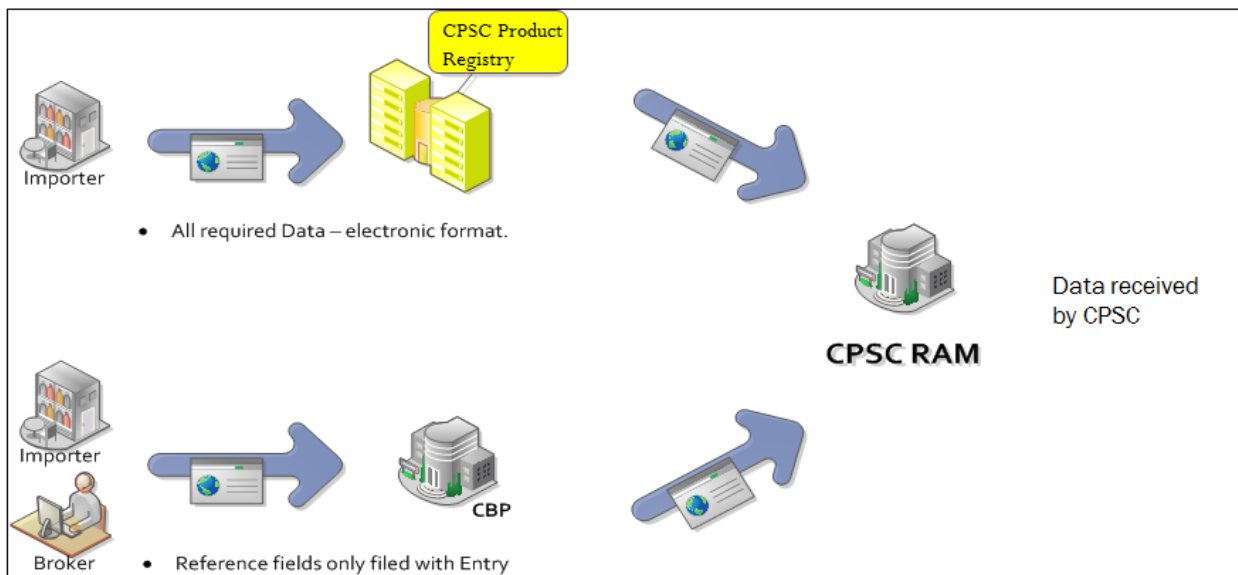
- 1) Full PGA Message Set: This option allowed Customs Brokers and importers to file all required data elements through an Automated Broker Interface (ABI). Participants who used the Full PGA Message Set were required to enter all mandatory targeting/enforcement data for each imported product at entry. The Full PGA Message Set was submitted as part of the transmission of entry data normally required by CBP.
- 2) Reference PGA Message Set: This option allowed importers to file the required data elements in the Product Registry maintained by CPSC prior to 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.

Full PGA Message Set:



Reference PGA Message Set:



A number of strategic goals drove the design and implementation of the eFiling Alpha Pilot:

- 1) To demonstrate CPSC's ability to partner with CBP and industry Participants to collect the required data elements using the PGA message Set;
- 2) To assess importers' ability to provide additional data in advance of importation;
- 3) To test the CPSC technical solution for eFiling, including the ability to import PGA Message Set data into CPSC's RAM system and the ability to create, manage, and integrate the Product Registry;
- 4) To evaluate the differences between filing using the Product Registry/Reference PGA Message Set and Full PGA Message Set;
- 5) To identify issues in implementing eFiling, as well as resources (time/costs) associated with implementation; and
- 6) To inform future Commission decisions regarding the need for eFiling of targeting/enforcement data.

The eFiling Alpha Pilot officially began in August 2015, when the Commission issued a Federal Register (FR) Notice seeking volunteers to participate.¹ The eFiling Alpha Pilot was not designed as a test to optimize rule sets for data elements in the RAM. Rather, the Pilot established and assessed the infrastructure and processes required for successful eFiling. To encourage participation in the Alpha Pilot, the Commission limited targeting Participants' products at import. The Commission balanced this incentive with a requirement that Participants have a history of compliance with CPSC product regulations. Accordingly, CPSC staff did not test targeting/enforcement data in the Alpha Pilot and had limited expectation that data collected would lead to violative findings. Staff believes that the five data elements chosen for the Alpha Pilot will enhance targeting, and envisions that the Beta Pilot will assist in optimizing the data elements in the RAM algorithm to identify potentially noncompliant shipments.

The Commission accepted eight U.S. importers, using three Brokers, as volunteers to participate in the eFiling Alpha Pilot. The CPSC team worked closely with the Participants, their Brokers, and with CBP for 8 months to ensure that all parties were progressing toward Alpha Pilot development goals and testing. In spring 2016, the CPSC Product Registry went live in test mode. At that time, staff invited Participants to log-in, navigate the system, create mock data, and provide feedback on the Product Registry design, ease of use, and desired functionality. After the testing period, the Product Registry underwent additional development to incorporate the Participants' feedback before being moved into Production in mid-May. At that time, Participants began entering their product data into the Product Registry in preparation for the start of the Pilot. On July 2, 2016, CBP moved the CPSC eFiling Alpha Pilot code into production, allowing CPSC Participants to begin eFiling their PGA Message Set data. The Pilot ran for 6 months, ending on December 31, 2016.

The table below provides an overview of the Participants, data origin and filing method:

Participant	Broker	Number of HTS Codes	Number of Ports	Filing Type
Fishman & Tobin	Geodis	4	3	Reference PGA Message Sets
Fruit of the Loom	Geodis	12	4	Full and Reference PGA Message Sets
IKEA	Geodis and Border Brokerage	20	3	Full and Reference PGA Message Sets
Mizuno USA, Inc.	Expeditors	32	3	Reference PGA Message Sets
Procter & Gamble Company	Expeditors	1	1	Reference PGA Message Sets
Russell Brands	Geodis	3	5	Full PGA Message Sets
Seventh Avenue, Inc.	Expeditors	3	4	Reference PGA Message Sets

¹ https://www.federalregister.gov/documents/2015/08/21/2015-20707/electronic-filing-of-targetingenforcement-data-announcement-of-pga-message-set-test-and-request-for?utm_campaign=email+a+friend&utm_medium=email&utm_source=federalregister.gov.

Walmart Stores, Inc.	Expeditors	2	2	Reference PGA Message Sets
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To participate in the eFiling Alpha Pilot, the Commission required each Participant to provide feedback on all aspects of the Pilot. In November 2016, CPSC staff provided Participants with a questionnaire asking for feedback on the overall experience of participating in the Pilot. In January 2017, after completing the Pilot, CPSC staff sent out a second questionnaire, requesting specific information on the costs and resource burden of participating. Finally, on January 26, 2017, CPSC staff held an open meeting to discuss the Pilot experience and to gather additional input from the Participants and stakeholders. Section III of this report summarizes Participant feedback.

Section III: Results of the eFiling Alpha Pilot

Pilot Participants began entering their product data into the Product Registry in May 2016, and the earliest Participants began filing the PGA Message Set data through CBP in July 2016. Of the participating companies, seven of the eight used the Product Registry along with the Reference PGA Message Set, and three filed Full PGA Message Sets:

Participant	Products in Registry	Total Reference PGA Message Sets Filed	Total Full PGA Message Sets Filed
Fishman & Tobin	37	342	N/A
Fruit of the Loom	805	415	23
IKEA	92	6,712	137
Mizuno USA, Inc.	152	92	N/A
Procter & Gamble Company	4	7,411	N/A
Russell Brands	0	0	4
Seventh Avenue, Inc.	60	57	N/A
Walmart Stores, Inc.	62	136	N/A
TOTAL	1,212	15,165	164

As documented in Section II, staff designed the eFiling Alpha Pilot to meet six key objectives. Staff analyzed each of these objectives based on the experiences of the Participants, the CPSC eFiling Alpha Pilot staff, and CBP.

1. To demonstrate CPSC's ability to partner with CBP and industry Participants to collect the required data elements using the PGA message Set

One of the key goals of the eFiling Alpha Pilot was to test the capability of importers to electronically file targeting/enforcement data through CBP and for CPSC to receive and review those data.

Partnership with CBP

Since the inception of the Office of Import Surveillance in 2008, CPSC and CBP have worked closely on a daily basis to identify and stop noncompliant products from entering the United States. The CPSC eFiling Alpha Pilot was the first step in the joint effort between CPSC and CBP to test the electronic filing of targeting/enforcement data using the CPSC PGA Message Set. To facilitate the collaborative effort between the agencies and to establish the foundation for a successful Pilot, CPSC created a PGA Onboarding Plan.

CPSC carefully reviewed the CBP and Trade Automated Interface Requirements (CATAIR) Implementation Guide used for PGA Messaging and modified the document to create the CPSC Supplemental CATAIR Implementation Guide. CPSC worked with CBP through the TSN to solicit industry review and feedback on the CPSC CATAIR. CPSC's TSN solicitation included a request for participation in the TSN Working Group, which was facilitated by CPSC and CBP. This working group met multiple times in September 2016 for a detailed review of the Implementation Guide. CPSC incorporated resulting stakeholder feedback into the CPSC CATAIR. The final CPSC CATAIR outlined the technical requirements for participation in the eFiling Alpha Pilot. Participants and their Brokers used the CPSC CATAIR to develop the necessary programming to support the filing of the CPSC PGA Message Set.

CBP supported Participant recruitment for the Alpha Pilot, demonstrating the strong collaboration between the two agencies. The CBP team provided feedback and guidance on the CPSC FR Notice announcing the PGA Message Set test and request for Participants. CBP also shared information on its website to assist with CPSC's recruiting.

Before the eFiling Alpha Pilot went into production in July 2016, CPSC and CBP worked closely to test the eFiling process and to ensure that the CPSC PGA Message Set and business rules were fully integrated into CBP's systems. CBP staff ensured that CBP's 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 collaboration between the agencies continued throughout the eFiling Alpha Pilot. As Participants submitted both Reference and Full PGA Message Sets, CPSC and CBP worked closely and efficiently to resolve Participants' technical issues or error messages. CBP reported any technical issues, warnings/flags, or error messages to the CPSC team to resolve.

Partnership with Industry Participants

CPSC sought to recruit as many as nine Participants for the eFiling Alpha Pilot. Although the Commission initially achieved that goal, two Participants asked to be removed from the Pilot before its "go-live" in July 2016. CPSC staff filled one vacancy, which resulted in a final Participant count of eight.

The CPSC team worked closely with Participants and their Brokers in the initial months of the CPSC eFiling Alpha Pilot to ensure that Participants understood the PGA Message Set filing requirements and timeline. The CPSC team provided Participants guidance on the CPSC Supplemental CATAIR and

confirmed that Participants had a clear understanding of expectations during each phase of the Pilot, from preparation to go-live and through post-Pilot feedback. The scope of participation in the Alpha Pilot, as defined by the number of HTS codes, ports, and products selected, varied by Participant. With some guidance from CPSC, each Participant was able to define its own scope and provide a list of the HTS codes, products, and ports to be used during the Pilot.

Participant testing of the Product Registry was an important aspect of the Pilot. Participants were asked to provide feedback regarding the Product Registry during the development and production phases. Participant feedback focused on enhancements to the functionality of the Product Registry.

CBP moved the eFiling Alpha Pilot business rules to production on July 2, 2016. To address technical issues timely and effectively, the CPSC team communicated regularly with Participants during the 6 months that the Pilot was live.

Successfully completing the eFiling Alpha Pilot demonstrates the CPSC's ability to partner with CBP and industry Participants to collect targeting/enforcement data using the PGA Message Set.

2. To assess importers' ability to provide additional data in advance of importation

Each Participant was able to file Reference and/or Full PGA Message Set data during the eFiling Alpha Pilot. Although each of the Participants approached data-gathering for the Pilot in different ways, they all indicated that gathering the required data was relatively easy and that providing additional data elements to support the eFiling Alpha Pilot did not significantly affect their operations.

Participant feedback indicates that the burden for a Beta Pilot will be driven by how willing participants are to invest in automating data entry, the number of HTS codes included in the Pilot, and the number of data elements included within the scope of the Pilot. Participants who choose to automate data collection and data entry into the Product Registry will experience an initial IT investment, but the ongoing entry costs will be reduced to negligible amounts on a per-product and entry-line basis. However, because Participants were unsure that the Alpha Pilot requirements would become mandatory, most 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 who manually entered data reported a burden of approximately 10 hours per product to gather information and reported approximately 10-15 hours per product to manually load data into the Product Registry and provide PGA Message Set data to their Broker.

One Participant noted that the difficulty and delays experienced during the pilot were due in part to internal planning and coordination issues. The company found that the data required to be filed for CPSC were stored internally across various systems. Accordingly, for that Participant, aligning the data across departments took time, as well as understanding how the data were to be stored and used.

Participants observed that the scope of the Pilot eased participation. They stated that had they been required to file more data elements, or if the HTS scope increased significantly, the burden of participating would increase, unless they made an initial IT investment to automate the process. Staff

notes that a Beta Pilot that includes more than nine Participants will require the Commission to complete a burden analysis under the Paperwork Reduction Act (PRA). The analysis would consider the burden associated with project start-up, coordinating with CBP, importers, and Brokers, and record-keeping and reporting burdens.

Participants and their Brokers stated that the eFiling Alpha Pilot was well organized and the instructions clear. Overall, the feedback indicated that the majority of the Participants would be interested in participating in a Beta pilot. Based on the Participants' success in providing PGA Message Set data in advance of importation, staff concludes that supplying the data is not unduly burdensome to importers.

3. To test the CPSC technical solution for eFiling, including the ability to import PGA Message Set data into CPSC's Risk Assessment Methodology (RAM) system and the ability to create, manage, and integrate the Product Registry

Perhaps the most important goal of the eFiling Alpha Pilot was to create and test a technical solution that would allow CPSC to receive from CBP the PGA Message Set data filed as part of the eFiling Alpha Pilot and to display such data in CPSC's RAM system.

In early 2016, the technical support team deployed an enhancement release to RAM that accomplished three key objectives:

1. To modify the data interface between CBP and CPSC to include the additional data elements that were associated with the CPSC PGA Message Set;
2. To update the RAM user interface to include a new tab to display the data that was imported; and
3. To develop a link to the new Product Registry in order to pull targeting/enforcement data from the Product Registry into the RAM for those entries that were filed using the Reference PGA Message Set.

The Product Registry, originally built in mid-2015 to support entry of data from a certificate as set forth in 1110 NPR, later was modified to accommodate the results of the Commission vote in August 2015, which reduced the eFiling Alpha Pilot data to five targeting/enforcement data elements for regulated products. The Product Registry allowed Participants to enter the required targeting/enforcement data before importing a product. Participants were then issued a reference number for each product entered, which their Broker could use to file a simple Reference PGA Message Set that contained the CBP-required data and the reference number. Participants could use this reference number repeatedly, as long as the information was current, which significantly reduced data requirements for each entry.

The Product Registry included a Web Services functionality designed to streamline the filing of data into the application. In the end, none of the eight Pilot Participants opted to use the web services integration to the Product Registry during the eFiling Alpha Pilot. Participants indicated that the level of effort to implement the web services was too great for such a short-term Pilot, especially because the

future direction of eFiling at CPSC is unknown. Although Participants did not use the web services integration option, Participants indicated interest in such an approach in a larger Beta test.

CPSC's technical solution for entering, receiving, and analyzing entry data was successful. Participants were able to enter their product data into the Product Registry and use the reference number to file Reference PGA Message Set data with CBP. These data were successfully imported into the RAM, and the integration between the RAM and the Product Registry allowed the targeting/enforcement data to be displayed within the RAM application. Participants who chose not to use the Product Registry were able to file the Full PGA Message Set data with their entry. Full PGA Message Set data were also successfully imported and displayed in the RAM.

Based on the success of the eFiling Alpha Pilot experience, staff concludes that CPSC's technical solution for entering, receiving, and analyzing pilot data is effective and not unduly burdensome.

4. To evaluate the differences between filing using the Product Registry/Reference PGA Message Set and Full PGA Message Set

Of the 15,329 PGA Message Sets filed as part of the CPSC eFiling Alpha Pilot, 99 percent were Reference PGA Message Sets. Participants overwhelmingly indicated that the Product Registry and Reference PGA Message Set option reduced the burden of filing in the eFiling 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 that it took Brokers to file the CPSC data at entry. Although Brokers did not charge the Participants to file PGA Message Set data in this Pilot, they did indicate that the cost to file using the Product Registry reference number would be less than filing a Full PGA Message Set.

The Reference PGA Message Set also decreased the burden to the Brokers' staff as it reduced the amount of information that they needed to file and manage. For example, Participants noted that coordinating Full PGA Message Set filings with Brokers was significantly more difficult than coordinating Reference PGA Message Set filings because of the additional data elements involved, which left more room for data entry errors. In addition, the Reference PGA Message Set required much less programming by the software developers than the Full PGA Message Set. One Broker, who only participated using the Reference PGA Message Set, indicated that the Broker would not have been able to take part in the eFiling Alpha Pilot if there had been a requirement to code for the Full PGA Message Set because of a lack of resources to develop software for a pilot study that may have changing requirements in the future.

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. Participants suggested that using the automated web services capability would ease this burden and would be a highly recommended enhancement for future eFiling initiatives.

Based on the feedback from the Participants and Brokers, staff determined that the Product Registry and the associated ability to file the Reference PGA Message Set is a critical component of the Commission's eFiling initiative.

5. To identify issues in implementing eFiling, as well as resources (time/costs) associated with implementation

Although all Participants were able to successfully submit PGA Message Set data during the eFiling Alpha Pilot, some Participants experienced filing delays.

For Participants who experienced delays, the primary cause was the delivery of code from software vendors to the Broker and the testing of that code in the Broker's system. As a point of reference, for one Broker to process the CPSC PGA Message Set data, the Broker had to coordinate with software vendors to integrate the software changes into existing systems, a process that took several weeks to complete.

One Participant attributed delays in filing to internal processes. This Participant reported having to map the database that holds its certificate of compliance data with its customs declaration systems, which created process issues. The Participant stated that more upfront coordination and development was required than the Participant initially planned. While upfront coordination of data created delays in submitting data during the eFiling Alpha Pilot, such coordination also shed light on areas that the Participant would need to improve for a smoother implementation in the eFiling Beta Pilot. Such feedback is the type of information CPSC staff hoped Participants could convey to benefit other importers who plan to participate in a future pilot.

The timeframe during execution of the CPSC eFiling Alpha Pilot was a busy one for Participants. CBP was working under a deadline to complete and deploy the Automated Commercial Environment (ACE) — Single Window. CBP's mandate was that, by the end of 2016, ACE would be the primary system through which the trade community would file data for goods being imported into and exported from the United States. As part of this effort, CBP established a series of mandatory use dates for transitioning to ACE, many of which overlapped with the eFiling Alpha Pilot. Participant feedback indicated that the IT development to accommodate the ACE requirements was challenging and time consuming. This overlap in requirements proved burdensome for some Brokers and their software vendors, and in some instances, led to delays in transmitting CPSC PGA Message Set data. In addition, several other government agencies were in the process of running their own PGA Message Set pilots. One importer who expressed a desire to participate in the eFiling Alpha Pilot was unable to do so because the importer's Broker was participating in similar pilots with other agencies, and indicated a lack of resources to support another pilot.

Of the more than 15,000 PGA Messages submitted during the Pilot, only 97 (or less than 1 percent) produced errors. In situations where required data were not present, CBP, as instructed by the CPSC, sent a warning message to the filer informing the filer that the necessary data were not populated. In some cases, data entry errors resulted in incorrect reference numbers being filed as a part of Reference PGA Message Sets. Staff learned that for the Beta Pilot, the reference number format should be refined and simplified because the structure of digits and dashes used in the eFiling Alpha Pilot led to the bulk of data entry errors. Overall, Participants were quick to respond when staff contacted them regarding errors, and they made an effort to correct the errors. In cases where the data could not be resubmitted, CPSC's error notification identified areas where Participants required more

careful data entry. CPSC staff anticipates that data entry errors in a Beta Pilot would be reduced with additional process and coding development by the Participants and their Brokers, automation to data uploading rather than manual entry, and changes to the Product Registry reference number format.

CPSC implemented the eFiling Alpha Pilot deliberately using five data elements for regulated products from a limited number of ports and HTS codes to lower the burden of participation on CPSC staff, Participants, and Brokers. Immediately after the Pilot ended, CPSC staff sent a questionnaire to Participants and their Brokers to solicit information about the burden and cost of participating in the Pilot. The CPSC team also held an open meeting to collect feedback from the Participants and their Brokers on January 26, 2017.

This report incorporates feedback collected during the open meeting. Participants indicated that most of the burden was in the initial phases of participation. The first months of the Pilot, which included onboarding kickoff meetings with CPSC, as well as internal planning on the approach to the project, generally required the most time from the Participants. Over the Pilot timeline, Participants also indicated that manually entering data into the Registry was time consuming. The burden of manual data entry could be reduced in the future with the use of web services to load data. Once the upfront planning and data entry were complete, most Participants indicated that the resource burden was minimal throughout the production months of the Pilot. Brokers indicated that the upfront planning and software development was labor intensive. However, as Brokers bore the responsibility of providing the CPSC PGA Message Set data for the Participants on an ongoing basis, Brokers also incurred more resource hours during the 6 months of CPSC data collection than the Participants.

Regarding an eFiling Beta Pilot, Participants noted that having to provide any additional data elements above those required in the eFiling Alpha Pilot would make the Beta more burdensome than the Alpha Pilot. Although the Participants and Brokers experienced some burden from taking part in the eFiling Alpha Pilot, it was minimal, and most Participants and Brokers indicated a desire to participate in a Beta pilot of similar design.

6. To inform future Commission decisions regarding the need for eFiling of targeting/enforcement data

As detailed above, one of the limitations of the Alpha Pilot was that CPSC staff was unable to optimize use of targeting/enforcement data in the RAM to assign risk scores and target potentially noncompliant shipments. Nevertheless, the eFiling 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 for CPSC's entry and enforcement purposes. Prior to the eFiling Alpha Pilot, no mechanism existed for CPSC to gather these data electronically. Detailed electronic information about a product being imported (*i.e.*, the manufacturer, the name of the testing laboratory, and the requirements to which the product has been certified) was not available for CPSC Import staff to use. Currently, such detailed information, typically on a certificate, is only available upon request by EXIS staff, after a product has been designated for examination. The process of CPSC requesting certificates after a shipment has been stopped for examination is inefficient and ineffective for importers because

their shipment is held, and for CPSC staff because they cannot use the data on the certificate to help assess whether the shipment should be targeted for examination.

CPSC staff's analysis indicates that targeting/enforcement data could be incorporated into the rule sets in the RAM, thereby increasing the volume of data that can be used by the system for assessing and assigning risk scores to entries. The eFiling Alpha Pilot showed the ability of industry, CBP, and CPSC to work together successfully to electronically file PGA Message Set data at import. The next step will incorporate these data into Import Surveillance targeting activities to assist CPSC staff in optimizing the usefulness of the data to enhance risk scoring and targeting of imported products. Use of these data in the RAM will improve risk assessment for the Commission and reduce the burden on importers when compliant shipments are not stopped unnecessarily at the port.

The primary objective of the eFiling Beta Pilot will be to test the integration of the PGA Message Set targeting/enforcement data into the existing RAM to enhance the Commission's rule-based decision making process. The use of the PGA Message Set data in the RAM risk rules will provide for more efficient use of Commission staff and will directly support the strategic goals and objectives stated in the CPSC's 2016 – 2020 Strategic Plan, specifically the following:

- Strategic Goal #2: Prevent Hazardous products from reaching consumers.
 - Strategic Objective 2.3: Increase capability to identify and stop imported hazardous consumer products

CPSC staff believes that the introduction of the PGA Message Set data to the RAM rules and risk scoring engine is critical to the long-term growth and success of CPSC's abilities to identify and stop violative consumer products from being imported into the United States.

Section IV: Next Steps: eFiling Beta Pilot Options

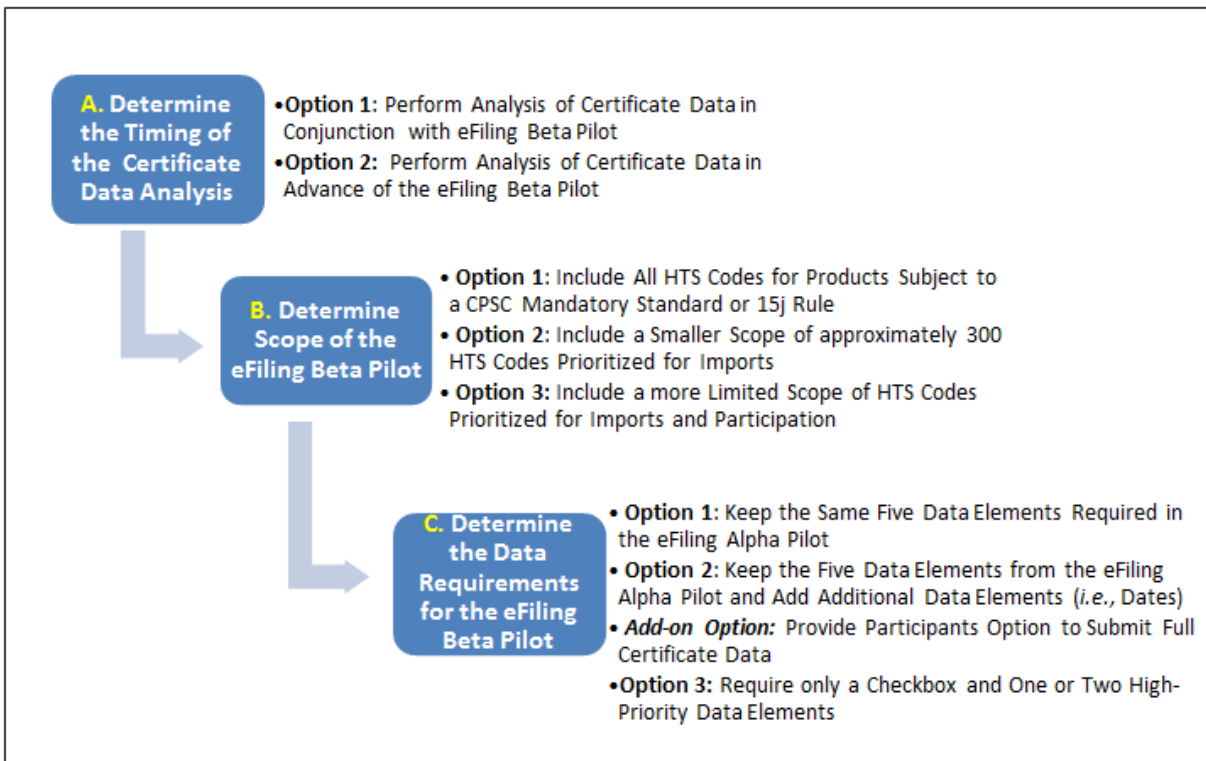
Having successfully tested the ability of importers to provide targeting/enforcement data and the ability of CPSC to collect these data, the next step is for CPSC to optimize use of the data collected to enhance risk scoring and targeting of imported products.

CPSC staff envisions a two-pronged approach to the eFiling Beta Pilot: (1) eFiling of data to optimize construction of rules in the RAM to increase or decrease an entry line's risk score; and (2) a certificate study that will assess the correlation between product compliance and specific data elements on a certificate of compliance. Currently, CPSC has limited data on which to evaluate and identify risk. The PGA Message Set data have the potential to take CPSC's import surveillance risk targeting to an advanced level that is not possible with the existing CBP entry data, making our targeting process more efficient and accurate. This two-pronged approach would provide a thorough analysis of selected targeting and enforcement data and the ability of eFiling to enhance targeting of noncompliant goods in the future.

The eFiling Beta Pilot will build on the momentum that began with the Alpha Pilot. Staff envisions up to 100 companies participating in an eFiling Beta Pilot, with recruitment beginning upon Commission approval. The anticipated filing period for the Beta is approximately 1 year.

The eFiling Beta Pilot will test the ability of CPSC to work with a much larger set of filers and will provide an understanding of the burden on staff to support importers. A Beta Pilot will also test the capability of CPSC's technical solution to handle approximately 10 times the volume of the Alpha Pilot, and will help staff to understand the usefulness and the burden of the Disclaimer Message Set, which was not used or filed consistently by the Participants in the Alpha Pilot. A disclaimer message is filed when CPSC would normally expect to receive PGA Message Set data for an HTS code, but the information is not required for the product being imported because it is not subject to a consumer product safety rule.

Below, we illustrate the components of the approach and the decisions required.



A. Determine the Timing of the Certificate Data Analysis

The first decision point for the eFiling Beta Pilot is to determine the timing of the certificate study.

OPTION 1: Perform Analysis of Certificate Data in Conjunction with the eFiling Beta Pilot

The PGA Message Set data filed by Participants in the eFiling Beta Pilot will be integrated into the RAM system, and rules will be implemented to increase or decrease an entry line's score based on the data filed. CPSC staff believes that primarily compliant importers will volunteer to participate in the Beta Pilot. If only compliant importers participate, the ability to optimize data in the RAM rule set and test the correlation between such rules and compliance may be limited, as few violations may be found among Beta Pilot Participants.

The Beta Pilot will allow for a limited test of the data by inspecting Participants and non-participants who file entries for a particular HTS code, and staff can ascertain general compliance rates for both groups. However, the Beta Pilot would fall short of being able to optimize the usefulness of specific fields in the RAM for finding violative products. Staff proposes to fill this gap through a simultaneous program to collect Certificates of Compliance for a to-be-defined set of HTS codes from all importers that are inspected, regardless of whether staff finds a violation.

The certificate study would allow for a more equitable look at the effects of having a certificate, as well as specific certificate data, across importers who are compliant and noncompliant, rather than focus on volunteer Participants who are expected to be mostly compliant during the Beta Pilot. The study would provide information about all data elements on a certificate, rather than just the four data elements (plus checkbox) from the Alpha/anticipated Beta electronic filing. Finally, the study would inform future rulemaking because it should address all data elements and their potential correlation to risk/compliance. The certificate study will provide input on whether the Commission should add or delete specific data elements.

Staff envisions evaluation of certificates from a statistically representative set of products, ports, and manufacturers. Import staff will consult CPSC Epidemiology staff to determine a design of experiment that meets the needs of the Beta Pilot and CPSC's resources.

The simultaneous certificate study, while beneficial in many ways, does have its drawbacks. The implementation of the program and the assessment of the data that are collected would require additional resources. Much of the burden of the study would fall to CPSC staff, especially the Import Surveillance staff at the ports that would collect the certificates and sample products. EPI and EXHR would also be impacted, as they would perform the product testing. This study may impact the staff's ability to complete other priority tasks. Import Surveillance leadership must set priorities and ensure that staff is able to balance this additional responsibility.

OPTION 2: Perform Analysis of Certificate Data in Advance of the eFiling Beta Pilot

An alternative approach to the eFiling Beta Pilot implementation is for the Commission to conduct the electronic PGA Message Set filing and the certificate study parts of the pilot in two stages. The first stage would be to implement an import program to study product compliance and its relation to certificate of compliance data.

Staff envisions a program that identifies certain HTS codes for certificate collection from importers and assesses the correlation between the existence of a certificate, as well as the specific data on a certificate, with product compliance. As indicated above, this study would provide information about all of the elements on a certificate, based on information gathered from compliant and noncompliant products.

CPSC could choose to pursue this approach to assess the data for targeting as a first step in the eFiling Beta process. The Commission should consider the benefits of this approach. For example, the immediate cost of the data study phase would be significantly lower than the cost of the full eFiling Beta Pilot. The study would require fewer technical resources and would have few IT requirements beyond data analysis. The study would not depend on volunteers because it could be completely managed with staff, and possibly, contract support. In addition, the results of the study will inform future rule making and also the design of the future automated eFiling Beta Pilot, specifically the most optimal data elements to include for targeting/enforcement purposes.

The Commission should also consider drawbacks to segmenting the Beta Pilot into two phases. CPSC has made great progress in working with importers on eFiling the PGA Message Set data over the last 2 years. The eFiling Alpha Pilot created tremendous momentum and helped build support from stakeholders for CPSC's eFiling initiative. The CPSC team also built much of the IT infrastructure, including the Product Registry, to support the collection of PGA Message Set data by CPSC. Doing the study ahead of, rather than in conjunction with, the Beta Pilot, risks losing the eFiling momentum gained during the Alpha. Finally, many key questions that the full-scale Beta Pilot will test will remain unanswered until the electronic filing portion of the Beta Pilot is completed. Such questions include the ability to optimize rule sets in RAM, the usefulness and burden of the Disclaimer Message Sets, the ability of CPSC's technical solution to support a significant data volume, and the amount of resources required to support a large number of filers.

B. Determine the Scope of the eFiling Beta Pilot

When volunteers in the eFiling Alpha Pilot were accepted as Participants, 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 did not impose mandatory HTS codes, nor were any HTS codes left out of the pilot. Each of the Participants ultimately opted to file PGA Messages for anywhere between one to 32 HTS Codes. This approach was acceptable for the Alpha Pilot because it aligned with the core goals to test the filing and collection of data, but not optimize data for targeting purposes.

The goals of the Beta Pilot differ in that the Beta will test how to optimize the data collected for assessing the risk of imports, in addition to testing the scalability of the systems and processes developed during the Alpha Pilot. CPSC staff's plan for the Beta is to 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. Given the planned expanded scope of the Beta Pilot of up to 100 Participants, the HTS codes list must be universally defined to be used effectively in risk scoring.

CPSC staff currently does not risk assess all HTS codes under its jurisdiction because the agency has jurisdiction over a broad range of products imported under a large number of HTS codes. To leverage the Commission's limited resources, staff prioritizes products for targeting, based on risk and addressability at any given time. Accordingly, the Commission's decision regarding the scope of HTS codes for a Beta Pilot is an important burden and benefit consideration.

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

Choosing to collect PGA Message Set data for all of the HTS codes associated with a CPSC mandatory standard or 15j rule would provide the Commission with a massive volume of data on imported products. This approach would test the true burden of eFiling on importers, and would provide CPSC a wealth of information from which to target and conduct post-import assessments. However, a large subset of these data would be of no immediate use to CPSC staff. The Import staff cannot focus on every product type that is subject to a mandatory standard or 15j rule, due to resource constraints. As such, only a subset of data would be integrated into the RAM system and used for importer targeting purposes.

Essentially, CPSC would collect a large amount of data that staff would most likely not use in the short term. CPSC's costs to maintain data repositories would be higher and would require additional IT resources that may not be immediately available to provide adequate support.

Finally, requiring Participants to file PGA Message Set data on products from the full set of HTS codes under CPSC's jurisdiction could have a potentially negative impact on the Participant-recruiting effort for the eFiling Beta Pilot. Although it would allow for the most flexibility in choosing Participants from across the range of CPSC's jurisdiction, this approach could significantly increase the burden of participation, if Participants were required to file for all products.

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

An alternative approach would be to limit the scope of the HTS codes to only those that are defined as "high priority" for the Commission, and for which the data would be actively used in import risk assessment. As experts in the field, the EXIS staff understands the highest-priority, highest-risk products for which PGA data could be used in targeting efforts. This subset of codes currently is comprised of approximately 300 HTS codes and in consultation with the Office of Compliance and Field Operations, is reviewed and updated regularly.

Limiting the scope of the HTS codes only to those in a prioritized list would ensure that the Commission is not collecting data that it will not use, and also ensure that the amount of data filed is manageable for CPSC staff and Participants. This option also lessens the technology infrastructure required to store and manage the PGA Message Set data. However, by limiting the HTS codes in the Beta Pilot, potential Participants may be limited to only those importing under the identified subset of HTS codes.

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

A third approach would be to limit the scope of the HTS codes to a very small subset that is prioritized to encourage and support participation by importers. These HTS codes would be selected based on a number of considerations, such as ensuring an appropriate breadth of products and types of importers. This approach would balance the priorities of the CPSC and the Participants by ensuring a large filing volume to analyze while limiting the burden on any individual Participant.

This limited scope approach does have drawbacks because it will exclude many products that the CPSC considers to be high priority. It may also skew participation to larger importers with a broader range of products. Additionally, issues may not come to light for excluded HTS codes or importers of those HTS codes if only a small subset of codes are tested. However, this option allows the CPSC to test eFiling on a larger scale than the Alpha Pilot, and CPSC staff believes that, while not the optimal option, it will provide valuable data to move the CPSC eFiling program forward.

As with Option 2 above, limiting the scope of the HTS codes to only those in a prioritized list would ensure that the Commission is not collecting data that it will not use. Meanwhile this option will ensure that the amount of data filed is manageable for CPSC staff and pilot Participants. This option also lessens the technology infrastructure required to store and manage the PGA Message Set data.

C. Determine the Data Requirements for the eFiling Beta Pilot

The Commission voted in August 2015 on the scope of the eFiling Alpha Pilot. The Commission decided that Participants would be required to submit five pieces of information for all regulated products, as outlined below:

1. Identification of the finished product;
2. Each applicable consumer product safety rule to which the product is certified;
3. Place of manufacture/production/assembly, including identity and address of the manufacturer;
4. The name and contact information of the testing facility on which the certificate depends; and
5. A checkbox to show that a required certificate exists.

The Commission also added three SPH-listed products that were included in the eFiling Alpha Pilot: handheld hair dryers, extension cords, and seasonal decorative lighting products. These products only required two pieces of information:

1. Identification of the finished product; and
2. Place of manufacture/production/assembly, including identity and address of the manufacturer

The eFiling Alpha team considered many options for the scope of the eFiling Beta Pilot data requirements.

OPTION 1: Keep the Same Five Data Elements Required in the eFiling Alpha Pilot

The eFiling Alpha Pilot was not designed as a test to optimize rule sets for data elements in the RAM. Rather, the Alpha Pilot was designed to build and assess the infrastructure and processes required for successful eFiling. The eFiling Beta Pilot is envisioned to be the next step in this process, whereby the CPSC will test and optimize the usefulness of the data elements in targeting potentially noncompliant shipments. Staff believes that there is no basis to change the structure of the eFiling Beta Pilot until the completion of the certificate study, which will provide information on the benefits of each data element on a certificate. If the study demonstrates that a change in data elements would optimize targeting, then staff would assess whether there was any added or reduced burden for CPSC or for Participants.

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

Requiring the same five data elements would also limit risk to CPSC, by eliminating the need to develop new fields in the Product Registry. Accordingly, the Product Registry could be used with only maintenance and support required from the technical team, reducing risk, cost, and development cycles for the CPSC.

Another distinct risk-mitigation factor is that this approach would require no changes to the CBP PGA Message Set Implementation Guide, or “CATAIR,” as it is known. This document is extensive and technical, detailing each message set and its requirements. CPSC’s CATAIR was reviewed and assessed by the 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 eFiling Alpha Pilot. Accordingly, CPSC’s CATAIR has been tested and proven to be an effective implementation approach.

Finally, recruiting new Participants may be easier if the Beta Pilot is limited to the five previously tested data elements. The eFiling Alpha pilot demonstrated that the five data elements are available before importation and can be submitted by large importers without significant impact or burden to their operations. This finding allows the Commission to make the case that other importers will not be similarly over-burdened in the eFiling Beta Pilot.

For all of the advantages listed above, drawbacks exist as well. Most significantly, limiting the Beta Pilot to the five data elements also limits CPSC's ability to add potentially useful targeting data. While the five data elements selected for the eFiling Alpha Pilot have great potential for use in risk scoring in the Beta, staff believes that some additional data elements could enhance targeting.

OPTION 2: Keep the Five Data Elements from the eFiling Alpha Pilot and Add Additional Data Elements (i.e., dates)

A second approach would be to have the eFiling Beta Pilot include more data elements. Staff concludes that the most useful additional field(s) would be to add one or more relevant dates from a certificate. For example, in addition to the five data elements used in the eFiling Alpha Pilot, Participants could file the Product Manufactured Date, Certification Date, and/or Date of Testing.

Adding the Date of Testing as a data element would likely be the most useful additional data element because it would allow the Commission to target products based on potentially outdated testing. Such information could assist in finding noncompliant products, as well as locating products that do not comply with the testing rule, codified at 16 C.F.R. part 1107. If the Commission were to add two date requirements, for example Date of Testing and Date of Manufacture, staff could also build rules into RAM to compare such dates to each other and to additional data elements, to assess other anomalies (e.g., the test date is shown to be before manufactured date, or import date is shown to be before test date). Use of one or more of these dates in the RAM algorithm could be optimized to further enhance targeting capabilities of Import Surveillance staff.

CPSC staff notes drawbacks to this approach as well. For example, if the Commission added Date of Testing as a required data element, the filing burden would increase for importers. Participants would be required to create a new record in the Product Registry whenever a new test date occurred. Such a requirement would limit how long Participants could refer to the same Product Registry data. Typically, however, based on staff's review of certificates, testing occurs annually. The eFiling Alpha Pilot required only that importers demonstrate that they tested the product and provided the specific citations for which they tested. As noted by Participants, providing the test and rule information was somewhat burdensome in the Alpha Pilot. Although adding test date as a required data element would increase staff's ability to target products based on test dates, it would place a greater burden on Participants to maintain data in the Product Registry and to align such data with product entries. Any increased burden could have a potentially negative impact on the Participant-recruiting effort for the eFiling Beta Pilot and increase the cost of participation for Participants and Brokers.

Adding dates to the Beta Pilot would also increase the development burden on CPSC. Any change to the number of data elements in the Pilot would require changes to the Product Registry and result in associated development costs. The addition of dates, in particular, requires versioning of product and test data that CPSC has not previously developed. The Product Registry would require additional development and testing to allow for this versioning of tests to align to different product batches and for continuous manufacturing. The web services interface that was developed for the Alpha Pilot would also have to be adjusted to add the new required data elements. Finally, the

CPSC/CBP CATAIR Implementation Guide would need to be updated as well, although changes to add dates would be a minimal effort.

Staff recommends that the Commission first complete the certificate study to learn more about the correlation between dates and overall compliance before altering the required data elements to ensure that the added burden yields the expected benefit to the Commission's targeting efforts.

ADD-ON OPTION: Provide Participants Option to Submit Full Certificate Data

Another possibility is to pursue option one or two, as previously discussed, but also provide Participants with the option to submit full certificate data, rather than just the required data elements. This option would allow for evaluation of full certificate data, while eliminating the concern about the burden on Participants, because the filing of additional data would be optional. Participants who file the full certificate would then be able to provide critically important feedback to the CPSC and to the trade community on their experience and the ease or difficulty of filing.

The goal of the Alpha Pilot was to understand whether and how CPSC and Participants could exchange data. One Participant in the eFiling Alpha Pilot indicated in their written questionnaire that they may be interested in filing full certificate data in the future to meet the accompaniment requirement for certificates. However, in the public feedback meeting on January 26, 2017, all of the Participants indicated that they would not be interested in having the option to file full certificate data in the eFiling Beta Pilot, and they stressed that more data elements would equate to more burden. It is possible, however, that others who participate in the Beta may be interested in this option.

This option would require additional development of the CATAIR Implementation Guide and the Product Registry to allow Participants to file a full certificate, resulting in additional resources and costs for CPSC. Another drawback to this approach is that Participants and CPSC may spend time and resources filing and collecting data that may not be used for targeting/enforcement.

OPTION 3: Require Only a Checkbox and One or Two High-Priority Data Elements

One more approach would be to reduce drastically, to one or two data elements, the filing requirements that could be used for targeting, and use a checkbox to indicate that a certificate exists. The data elements of particular interest to the Import Surveillance team are the manufacturer name and address and the product identifier.

This option would make it easier for Participants to file data without the Product Registry. A "Full PGA Message Set" would be only two data elements and a checkbox—not much more than the "Reference PGA Message Set" in the Alpha Pilot. This approach would be technologically easier to achieve. Arguably, a Product Registry would not even need to be maintained by CPSC with this option because the burden of the Full PGA Message Set would be minimal.

Of the options presented, this approach would be the least burdensome for Participants and CPSC. It would require the least data to be submitted by Participants and still provide minimal data to

CPSC. This option could increase industry participation in the Beta pilot because of the drastic decrease in burden.

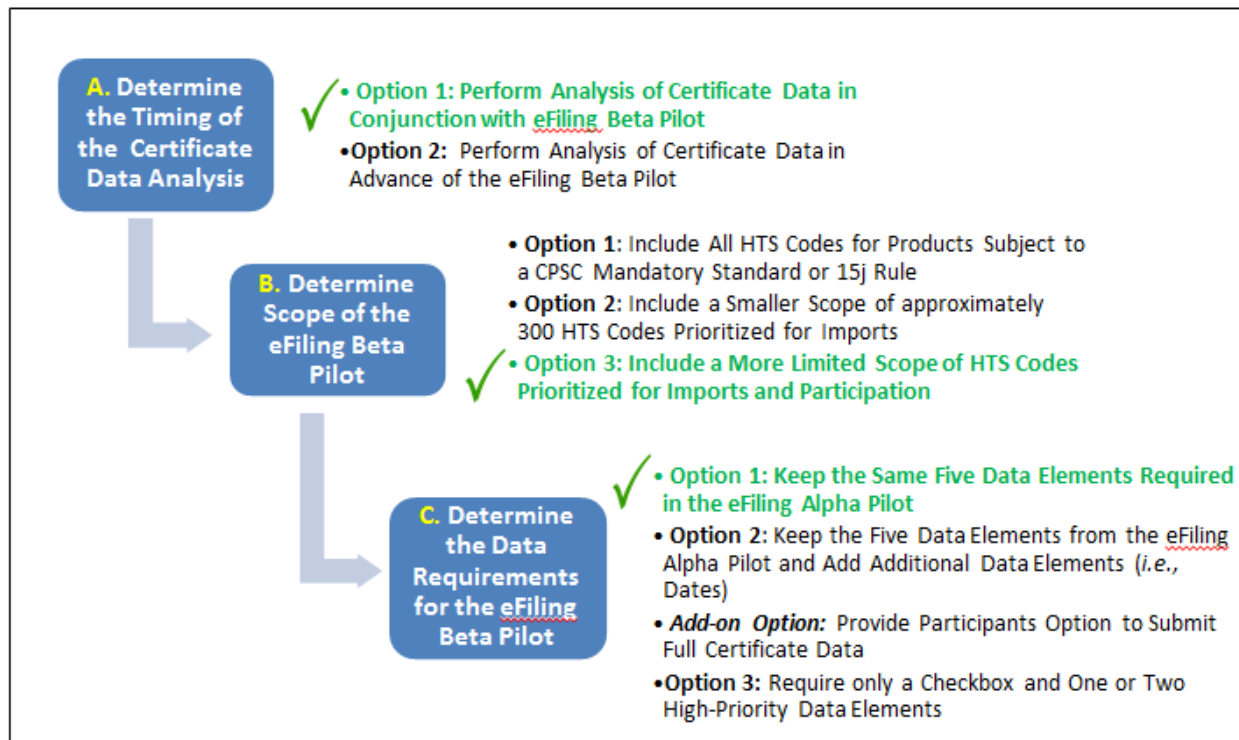
The drawback to this approach is that it provides little targeting/enforcement data for use in import surveillance, but still adds burden to importers to gather and enter data. Brokers would also be required to incur development costs to participate in the Beta Pilot if CPSC does not maintain a Product Registry. In addition, this option would not test the actual burden of filing targeting/enforcement data electronically.

Section V: Recommendations

Ultimately, the eFiling Beta Pilot's objective is to enhance the Commission's rule-based decision making capability to directly support the strategic goals and objectives stated in the CPSC's 2016 to 2020 Strategic Plan, specifically the following:

- Strategic Goal #2: Prevent Hazardous products from reaching consumers.
 - Strategic Objective 2.3: Increase capability to identify and stop imported hazardous consumer products.

Staff has assessed the options detailed above. Based on the Alpha Pilot experience, Participant feedback, import surveillance capabilities and priorities, and an analysis of the pros and cons presented in this report, staff recommends pursuing the full eFiling Beta Pilot with the following options:



1) Perform Analysis of Certificate Data in Conjunction with the eFiling Beta Pilot

Performing the certificate study in conjunction with the eFiling of targeting/enforcement data by the volunteer Participants will maintain the momentum of the CPSC eFiling effort, and meanwhile, fill gaps in data that may arise because the eFiling project is a volunteer pilot. The eFiling portion of the Beta Pilot will provide input into many open questions, such as the ability to optimize rule sets in RAM, the usefulness and burden of the Disclaimer Message Sets, the ability of CPSC's technical solution to support a significant data volume, and the amount of resources required to support a large number of filers. The certificate study will also assess certificate data to guide future rulemaking and eFiling decisions. This study should evaluate certificates from a statistically representative set of products, ports, and manufacturers. Import staff will consult with CPSC Epidemiology staff to determine an experiment design that meets the needs of the Pilot and CPSC's resources. Staff expects this two-pronged approach to provide a thorough analysis of targeting/enforcement data and explore the ability of eFiling to improve targeting in the future.

2) Include a Limited Scope of HTS Codes Prioritized for Imports and Participation

Limiting the scope of the HTS codes in the Beta Pilot to a small subset of to-be-defined codes will ensure full participation by importers and sufficient allocation of staff resources. Examining only a subset of HTS codes ensures that the volume of data filed is manageable for CPSC staff and pilot Participants. This option would reduce the burden for Participants and CPSC staff rather than require filing a larger range of HTS codes. Moreover, this approach could help CPSC recruit Participants for the eFiling Beta Pilot. CPSC staff believes that any gaps in data can be mitigated by choosing a diverse group of products and manufacturers.

3) Keep the Same Five Data Elements Required in the eFiling Alpha Pilot

Continuing to use the Alpha Pilot-required data set would result in the least risk to the Beta Pilot. Staff has no basis to recommend changing the structure of the eFiling Beta Pilot until completion of the certificate study, which should provide information on the benefits and burdens of adding or removing each data element. Participants tested the ability to file the five data element set in the eFiling Alpha Pilot. Running the Beta Pilot with the same elements reduces the risk of introducing new filing issues, an important factor given the approximately 100 Participants anticipated in the Beta Pilot versus the eight in the Alpha Pilot. The eFiling Alpha Pilot was conceived and implemented as a test of the infrastructure related to eFiling. The eFiling Beta Pilot is the next phase of this project, and it will be a test of staff's ability to optimize use of these five data elements in the RAM to identify potentially noncompliant shipments, and examine CPSC's ability to scale-up the implementation of the system from the small number of Participants in the Alpha Pilot.