

GS1 Standards Help Government and Industry Work Smarter



Collaborating for Better Product Admissions at International Borders

Imagine the responsibility of protecting the 300 million citizens in the U.S. from unsafe consumer products. U.S. government agencies screen millions of product shipments arriving at U.S. borders each year. They must make prompt and well-informed decisions to admit or deny entry.



Although inspectors have been traditionally challenged by the volume of imports, tightening federal government budgets in the U.S. and around the globe suggest that future government success may well depend on finding new strategies for managing the admissions process. To address this interest, federal government agencies in the U.S. International Trade Data System (ITDS) created the Product Information Committee (PIC) to explore ways to utilize additional information to improve the efficiency and effectiveness of product admissions at international borders.

The Need for Visibility

Agencies like the Department of Health and Human Services' Food and Drug Administration (FDA), the United States Department of Agriculture's Food Safety Inspection

Service (FSIS), the Consumer Product Safety Commission (CPSC), and the Environmental Protection Agency (EPA) each have the primary mission of protecting the public from unsafe or high-risk products. *"But the absence of a standards-based product classification and identification system has limited their ability to screen and admit products,"* says PIC Chairman Doug Bailey. *"With greater visibility into product shipments, inspectors can make quicker and confident decisions. They can better manage the risk of imports for citizens and speed products through points of entry for industry."*

Since 2008, Bailey has worked with the meat and poultry industry to evaluate global product classification codes and their value for its supply chain. *"The light bulb immediately came on for me. GS1 global standards are enabling supply chain priorities like traceability. Why not use them to gain the needed visibility for imported products?"*

The Strength of GS1 Standards

In the U.S., GS1 US™ has established a strong collaboration with the ITDS participating government agencies and the U.S. Customs Service to facilitate cross-border trade via GS1 Standards. In December 2010, the ITDS PIC released its report *"Guidance for Using E-Commerce Data to Manage Product Admission at International Borders,"* proposing the voluntary use of GS1 Standards and UN standards by industry for greater visibility with product data. The report provides government and industry with three basic recommendations:

- **GS1 Global Product Classification (GPC) and the United Nations Standard Products and Services Codes (UNSPSC)** : The importer can use global product classification codes such as the GPC brick and the United Nations Standard Products and Services Codes (UNSPSC) to extend product descriptions beyond the tariff code. The GS1 GPC system and UNSPSC provide a common, global language for grouping products in the same way. These codes can help government quickly determine jurisdictional responsibility and assess the general nature of product risk. And if GPC brick descriptors are used in addition to the brick code, product risk factors are even more precisely communicated.

- **GS1 Global Trade Item Number® (GTIN®):** The importer can use the GTIN whenever possible to identify each product in a shipment. This allows government to manage products by brand and model number, not just product type, and reuse previous admission decisions to dramatically improve efficiency.

- **GS1 Global Data Synchronization Network™ (GDSN®):** The use of product information in the GDSN creates additional efficiencies for industry and government. If product suppliers have published – one time only – its products’ GTINs and associated product information into GS1 GDSN data pools, government can access this authoritative product information as a “cloud” service. Importers only need to provide the product GTIN at the time of import, and the government can tap into the product information stored in GDSN, including the GPC brick and attribute codes, to make informed decisions about products, particularly those with complex risk factors.

In summary, the government can reuse GDSN-stored product information, as needed, to make quick and knowledgeable decisions about product risk. Enhanced risk management means improved public and environmental safety. Government can also use product GTINs to reuse previous admissions decisions, which delivers new levels of efficiency and productivity.

In turn, highly productive inspectors expedite and improve the predictability of product movement for suppliers and importers. Expedited shipments lead to quicker time-to-shelf intervals and increased revenue for suppliers and retailers.

The Significance of Global Reach

GS1 Standards address government and industry challenges worldwide based on their global reach and broad acceptance.

- GS1 Standards are used broadly throughout the global supply chain – by suppliers, distributors, retailers and operators that span multiple industry sectors.
- Over 6.5 million GTINs are registered by 21,000 trading partners from 131 participating countries in the GS1 Global Data Synchronization Network, and product publication is expanding at a pace of about 1 million GTINs a year.

- GS1 Standards have been developed with input, feedback and consensus from industry.
- About one-third to over one-half of all products in trade are identified with GS1 GTINs. They will allow government to manage this segment of trade by brand and model number, not just by product type when only the tariff code is available.



The Value of Voluntary Action

The ITDS Product Information Committee recommends the use of e-commerce data by industry be voluntary. To better understand what’s needed and the actual value on real-world transactions, the PIC is conducting three pilots focused on high-risk products – toys, meat and poultry, and flowers.

One pilot features the **Association of Floral Importers of Florida (AFIF)** working with the U.S. Customs Service to leverage GTINs and UNSPSC codes to expedite import inspections. “Over 87 percent of all floral imports come through Miami on airlines,” says Christine Boldt, executive vice president of the AFIF. “Every shipment must be inspected, and boxes on the shipment are targeted based on their levels of risk for infestation. The inspection process is entirely done by pen and paper.”

In the pilot, participating suppliers are using GTINs on boxes to indicate flower types and countries of origin. The GTINs are also listed on the invoice forwarded to importers. *“Importers input the GTINs into the Customs’ system,”* describes Boldt.





"When the agricultural inspectors walk into the airline facility, they have a print out of the GTINs from the system and simply match them to the GTINs on the boxes. With the added product information, they can easily and quickly target high-risk boxes for inspections."

To date, the value of the pilot for importers and the government is clear: saving significant time by moving from a tedious, manual process to one that is expeditious and automated. Optimistic about the pilot's final results, Boldt concludes, *"With GS1 Standards, I'm confident we can reduce the inspection time by at least 50 percent. And ultimately, with further collaboration and the use of technology such as barcode scanners, we can gain even greater reductions."*

Get Engaged

Suppliers, importers, and governments can get involved to explore the value of working smarter for better product admissions at international borders.

- Learn more by reading the PIC reports, *"Leveraging E-Commerce Product Data for Smarter Cargo Management"* (April 2009) and *"Guidance for Using E-Commerce Data to Manage Product Admission at International Borders."* Both reports are available at www.itds.gov.

For more information contact:

Steve Arens at sarens@gs1us.org

- Share these concepts with your company's *"U.S. Customs manager"* and Customs managers at the borders where you conduct business.
- Discover the potential value for your company. Contact Doug Bailey at douglas.bailey@ams.usda.gov to see if a pilot can be started for products with strategic value for your company.

With continued collaboration, GS1, governments, and industries together can build a smarter global logistics process, enabling governments to efficiently manage the growing volume of international trade.