AES Newsletter

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The New Foreign Trade Regulations and Mandatory Automated Export System Filing Requirements Are Here!

by Dale Kelly, Chief, Regulations, Outreach and Education Branch (ROEB)

For all of you who have been waiting patiently for the release of the new Foreign Trade Regulations (FTR), the time has finally arrived! The Census Bureau's Foreign Trade Division is excited to announce the publication of the FTR. The publication of the final rule implements the provisions of the Foreign Relations Authorization Act, Public Law 107-228, requiring mandatory filing of export information via the Automated Export System (AES). This final rule was published in the Federal Register on June 2, 2008 {73 FR 12133}. The provisions of the amended regulations will become effective 30 days from the date of publication on July 2, 2008. *Implementation of the revisions will occur 90 days after the effective date, on September 30, 2008.*

So, how do the new regulations affect you? We are entering a new era on export compliance. If you file paper Shipper's Export Declarations (SED), Form 7525-V, **STOP!** Beginning on September 30, 2008, filing paper SEDs will be a violation of the FTR. Also, these new regulations have tougher penalty provisions that affect everyone in the export process. Furthermore, all AES filers are faced with new filing deadlines by mode of transportation for reporting export information as well as other new requirements. It is important that you understand these new requirements so that you avoid the

increased penalties and possible seizure of your commodities. Additionally, definitions of terms and concordances of the FTR to the Foreign Trade Statistics Regulations (FTSR) are included in this new release to provide better clarification and a roadmap to the new and old regulations.

Want to know more? The U.S. Census Bureau will participate as presenters at the NCBFAA Compliance Seminars. Please refer to the article on the AES Compliance Seminars and Workshops on page 4 of this issue for additional information.

Automated Export System (AES) Compliance Review Program

by Wendy Peebles, Chief, Automated Export System Branch

The Census Bureau's Foreign Trade Division has successfully completed the first phase of the AES Compliance Review visits. We visited 46 companies last year—almost all of them, with the exception of two companies, are now compliant. The responses from the company visits were positive and exporters welcomed the opportunity for the government to take the time to assist them in reporting export shipment information timely and accurately in accordance with the Foreign Trade Statistics Regulations.

The primary findings from the visits were:

- Lack of understanding of the Foreign Trade Statistics Regulations reporting requirements;
- Companies unaware that they could submit estimates (without being penalized) and later make the necessary corrections;
- Lack of communication between the United States Principal Party in Interest (USPPI) and the Freight Forwarder; and
- Other issues, including limited resources, lack of internal controls and the non-availability of training.

As we forge ahead, we will be expanding the scope of our AES Compliance Review Program to include noncompliant postdeparture filers, as well as companies reporting rough diamonds under the Kimberley Process Certification Scheme. In addition, we plan to develop a best practices manual for Foreign Trade Zone (FTZ) filers as they transition from the Census Bureau's Automated FTZ Program to the U. S. Customs and Border Protection agency's E-214 program.

The AES Best Practices Manual is available at the following Web site:

<http://www.census.gov/foreign-trade/aes/documentlibrary/bp/aes_bestpractices.html>

The file can be retrieved in Adobe Acrobat or as a Word document for your convenience. We believe the AES Best Practice Manual provides valuable insight on how to achieve and maintain compliance with export filing requirements.

We look forward to working closely with you on AES !

Average Monthly Growth of AES Shipments by Mode of Transportation (MOT) for All AES Filings and by All Modes for Postdeparture (Option 4) Filing

	All Modes	Airfreight	Retail/Truck	Vessel	Other*	Option 4
2005	1,098,017	579,737	227,070	284,752	6,457	178,517
2006	1,190,915	640,510	231,445	311,974	6,987	177,059
2007	1,277,881	691,944	232,692	345,757	7,488	187,866

*Other MOTs include pipeline, powerhouse, postal mail, pedestrian, etc.

AES Compliance Reports

by Paul Newman, Supervisory AES Client Representative

The Census Bureau monitors and reviews data filed through AES for quality and timeliness. In addition, the Census Bureau's Foreign Trade Division sends monthly Compliance Reports, and contacts filers as needed.

On each AES Compliance Report, a compliance rate is calculated for the current statistical month. Subtract the "Shipments with Compliance Alerts" from the "Number of Shipments" and divide the result by the "Number of Shipments" and multiply the result by 100 to get the percentage. In the example below, calculate the percentage by subtracting 3 (compliance alerts) from 100 (shipments), with the result of 97; next divide the result (97) by 100 (shipments), resulting in .97; multiply .97 by 100% to get the 97.00% compliance rate.

For example:

Email: employee@anycompany.com

Number of Shipments for June 2008: 100

Shipments with Compliance Alerts for June 2008: 3

Compliance Rate for June 2008: 97.00%

If your Compliance Rate is below 95%, we strongly recommend that your company implement measures to improve its compliance rate and prevent or correct identified problem areas. The AES Compliance Report will be one of the tools used to identify companies for the AES Compliance Review Program visits.

For AES Compliance Report details, which include a list and description of all response codes that appear on the AES Compliance Report, please visit:

<http://www.census.gov/foreign-trade/aes/documentlibrary/aescompliancereport.html>

AES Compliance Seminars and Workshops

by Crystal Kynard-Mackall, Regulations, Outreach and Education Branch

The National Customs Brokers & Forwarders Association of America (NCBFAA) is sponsoring the Automated Export System (AES) Compliance Seminar Program. The Census Bureau's Foreign Trade Division staff participates as the presenters at these seminars. The goal of these seminars is to introduce the new Foreign Trade Regulations (FTR) to the international trade community and to emphasize the importance of export compliance. The seminars began in March 2008 and will continue throughout the year. Find out how to register by going to:

<http://www.census.gov/foreign-trade/aes/meetingsandpresentations/index.html>.

The upcoming seminars offer an opportunity for attendees to learn the new mandatory requirements as specified in the FTR. In each two-day seminar, subject matter experts from the Census Bureau will discuss the new regulations, the mandatory Automated Export System (AES) and classification of commodities. On the second day an optional hands-on training will be provided for those who are interested in becoming certified in using the AES*Direct*/AES*PcLink* software or who simply want a refresher course. The full-day seminar includes continental breakfast, lunch, two breaks and training materials. The workshop cost includes only the 3.5 hour workshop and training materials. Costs vary, depending on location.

We want to help the international trade community get it right the first time and therefore avoid costly encounters with enforcement agencies. For questions concerning the NCBFAA AES Compliance Seminars, please contact one of our seminar coordinators at 800-549-0595, Menu Option 3. For more information about the NCBFAA, please visit their website at <www.ncbfaa.org>.

At press time, we are still accepting registrations for the following seminar and workshops:

Laredo, Texas   July 22-23

Whom Do I Call For AES Issues?

by Kitwana Pounsel, AES Census Client Representative

If you have ever wondered whom to contact in the confusing world of exporting, do not despair, for you are not alone! Many members of the trade community find themselves overwhelmed by the mountains of information and numerous government agencies, with various, sometimes overlapping roles. Even more overwhelming is the prospect of explaining all of that information to other staff members, supervisors and export partner companies.

The Census Bureau's Foreign Trade Division recognizes that knowing whom to contact is a critical need to be met in order to conduct your business in the most efficient manner possible. Below are four of the most common questions that we receive on a daily basis regarding government contacts for answers or further assistance. These points of contact should become a valued part of your contact list.

Question: *I am using a large shipping company to export my goods and they have their own system for filing Shipper's Export Declarations. However, I can't understand all of the fields in their system. Who do I call to find out how to complete this information?*

Answer: You should contact your shipping company to find out how to complete the shipping form. Companies that transmit information into the AES through their own software all have a different look and feel. It is most useful if you get in touch with the shipping company because they will be familiar with their own software. In some cases, the shipping company may have added fields to their software that are not government required.

AES Client Representatives can assist you if you need additional help, but please keep in mind we may not be familiar with the specific type of software. Client Reps can share with you details of the AES reporting requirements and other useful information that may help you complete your export shipment. Please call 800-549-0595, Menu Option 1.

Question: *I have been using the same Standard Carrier Alpha Code (SCAC) for the last 2 years, but today, it is not working. I contacted the carrier and they told me that the code is right, but it just will not work in AES. Who do I need to talk to?*

Answer: You should contact an AES Client Representative to ensure that the code is still active. Please call 800-549-0595, Menu Option 1. If the code is still active in AES, the AES Client Representative can verify the information that was reported in the AES. The code may have been changed or replaced, or the Client Rep may have other recommendations to resolve the problem.

Question: *I have a State Department License and I keep getting a rejection when I try to file a shipment. I know there is value left on it, but the shipment will not go through. Whom do I talk to about that?*

Answer: For State Department Licenses and International Traffic in Arms Regulations (ITAR) shipments, you should first contact the State Department License Desk at (202) 633-2812. You will need to verify your license number, registrant code, license value, and other State Department items. After you verify your information with the State Department, then call an AES Client Representative to verify information reported in AES. Please call 800-549-0595, Menu Option 1.

Question: *I haven't logged into AESDirect in about a year, because I do not ship very often. Now my username and password are not working, but I know that I have the right information. What do I do?*

Answer: AES*Direct* Tech Support handles username, password and/or admin code problems; you will need to send a fax on company letterhead to 301-562-7795 signed by the Account Administrator requesting a username, password and/or admin code reset. If you have any questions about the procedure, please call 877-715-4433, Menu Option 6.

What Do I Report in the "Transportation Reference Number" Field?

by Keith Jones, AES Census Client Representative

The Transportation Reference Number is a "conditional" field in AES, meaning that it is required only under certain circumstances. This is a required field when the mode of transportation is "vessel" or "ocean", and U.S. Customs and Border Protection (CBP) requires the filer to report the Booking Number in this field. The exporting carrier maintains the booking number for each voyage, and will supply this information to you or your authorized agent for export reporting.

Although the Transportation Reference number is not required for other modes of transportation, Customs officers at some of the higher-traffic airports would prefer to see the Master Air Way Bill (MAWB) number reported in this space.

The MAWB format is standardized as three digits, followed by a hyphen, followed by eight digits (NNN-NNNNNNNN). The first three digits indicate the carrier, while the last eight refer to the shipment itself. Each air carrier maintains master bill numbers. Note, however, that forwarding agents may prepare "house" air waybills, with varying formats according to the issuer. House bill numbering formats vary widely, however, and these numbers should NOT be reported in the Transportation Reference Number field in AES.

If you have additional questions or need assistance, please call 800-549-0595, Menu Option 1. This number is staffed from Monday-Friday from 7:30AM to 5:30PM (Eastern Time).

Announcing New Features for *USATrade Online*!

by Maria Iseman, Chief, Data Dissemination Branch

USATrade Online, the already extensive data product from the Census Bureau's Foreign Trade Division, is now better than ever! You may now get state exports by 6-digit Harmonized Tariff Schedule (HTS) codes and by 4-digit North American Industry Classification System (NAICS) codes. Please note that the HTS codes for imports and exports are the same for the first 6 digits.

As a subscriber to this service, you will be able to harness the power of the Internet to create customized data on state exports, trade by port, and detailed commodity trade. Historical data are available as far back as 1992 for some data sets, as well as the most recent trade statistics. The easy-to-use software allows you to manipulate and save the data in multiple formats.

Even with the additional data, *USATrade Online* will be available at the same low subscription price of $75 per month or $300 per year. This is by far the best value for trade data! The data are coming directly from the official source for U. S. trade statistics. New data are added to *USATrade Online* as quickly as 30 minutes after its release. Why choose any other data product when *USATrade Online* offers value, quality and timeliness?

If you would like a free 30-day trial subscription, please e-mail Maria Iseman, Chief, Data Dissemination at <maria.a.iseman@census.gov>. For more information about *USATrade Online* visit the web site at <www.usatradeonline.gov>. Keep on the lookout for additional enhancements coming to *USATrade Online* in the near future!

How To Report Company Mergers & Acquisitions

by Omari Wooden, Supervisory AES Census Client Representative

In today's exporting market, companies can go through many organizational changes over the life of their business. Companies go in and out of business, enter into new markets, and gain and lose market share. Most notably, companies split, merge and acquire other companies. Companies that file through the AES may wonder what is required to update their company profile in the AES mainframe and with the U. S. Census Bureau. Here are some useful tips:

If you are reporting through AES*Direct*:

- Send a fax to the AES*Direct* Technical Support at 301-562-7795 (fax located in secure facility) explaining the following:

    - Previous company name and the new company name

    - Administrator name

    - AES*Direct* username

    - New contact person and information, if needed

    - Previous company ID number (IRS number, Employer ID number, DUNS, etc.) and the new ID number, if needed

    - Signature and title of the Administrator

- You may be required to submit a new AES*Direct* registration. For more details on changing your information in AES*Direct*, please contact AES*Direct* Technical Support on 877-715-4433, Menu Option 6. This number is staffed seven days per week, 7:00AM to 7:00PM (Eastern Time).

If you are reporting into the AES mainframe:

- Send a fax to the AES Branch at 301-763-8835 (secure fax line) explaining the following:

    - Previous company name and the new company name

    - New contact person and information, if needed

    - Previous company ID number (IRS number, Employer ID number, DUNS, etc.) and the new ID number

    - Signature and title from an officer of the company

- Once your information is received, an AES Client Representative will update the AES database and mainframe with your new information.

AES Fatal Error Reports

by José Rodriguez, Supervisory AES Client Representative

Another critical issue for maintaining AES compliance is to promptly correct all fatal errors. To assist you in doing this, the AES Branch sends out bimonthly Fatal Error Reports to filers showing their unresolved fatal errors. Under the export regulations, AES filers are required to correct fatal errors prior to exportation of the merchandise or prior to the tenth day after exportation if the U.S. Principal Party in Interest (USPPI) is an approved postdeparture (Option 4) filer. An AES export transaction receiving a fatal error is rejected by AES and an Internal Transaction Number (ITN) is not generated. Without the ITN, the transaction has not been accepted, and the filer has not met their reporting requirement.

It is the filer's responsibility to ensure that all AES transactions receive an ITN.

If your company continues to be noncompliant after repeated warnings, you may be subject to fines, seizures, and/or penalties or revocation of your AES filing privileges.

The Fatal Error Report provides a list of shipment reference numbers and the corresponding fatal condition(s) for each shipment.

How To Resolve Fatal Errors

- Retrieve the transaction using the shipment reference number listed on the report. Correct the problem that is causing the fatal error. Resubmit the transaction again under the same shipment reference number. Wait to receive your ITN from AES assuring that the transaction was accepted.

- If you have already corrected the error and received the ITN for the shipment reference number listed on the report, do not retransmit unless you need to make further corrections to the shipment.

- Duplicating a shipment reference number within a 5-year period will produce an additional fatal error. In this case, resubmit the shipment using a new, unique reference number. Do not attempt to delete the original submission, as this will generate another fatal error.

- In some cases, you will need to identify the cause of the error. For example, response code 835 — Value of Goods Too High for Commodity - may reflect a keying error in the value of the goods or the goods may be misclassified. Detailed information on resolving fatal errors is available from the following Web site:

  <www.census.gov/foreign-trade/redirects/aestir-appendix-a.html>

    - Open the "AESTIR Appendix A" document.
    - Select EDIT:FIND from the file menu or press CTRL F on your keypad.
    - Type your fatal error code in the text box and click the "FIND NEXT" button.
    - Read the resolution for the response code text to help you correct the error.

- If you need assistance with resolving fatal errors, please contact a Census Bureau AES Client Representative by e-mail at <ftd.aes.fatal.reports@census.gov> or by phone at 800-549-0595, Menu Option 1.
    - When you call, please have available:
        - An ITN for a prior shipment AND
        - The Shipment Reference Number(s) you wish to discuss.

Remember: When a fatal error is received the ITN is not generated. Without the ITN, the transaction has NOT been accepted, and the filer has not met their reporting requirement.

DO NOT Ignore Your AES Fatal Error Report!

The Bureau of Industry and Security (BIS) Proposes Changes to AES

by Gerry Horner, Senior Trade & Industry Analyst, BIS

As BIS continues to evaluate exporters' compliance with the Export Administration Regulations (EAR), Automated Export System filings of items subject to license requirements and "no license required" exports will be closely monitored. A review of license excepted dual-use exports reported in AES has already identified errors and non-adherence with the EAR requirements. As a result, BIS enhanced the AES reporting requirements for license exceptions so AES would be consistent with the EAR. As of April 28, 2008, AES filers must adhere to the following reporting requirement to prevent the return of fatal error response messages.

The Export Control Classification Number (ECCN) will be required for License Exceptions reportable under the following License Exception codes:

C38-TSR	C41-RPL	C42-GOV	C43-GFT	C44-TSU	C45-BAG
C46-AVS	C47-APR	C48-KMI	C49-TAPS	C50-ENC	

In addition, BIS has identified the following AES reporting problems that contribute to exporters' noncompliance of the EAR.

- Invalid ECCNs
- Value of dual-use license exceeded
- License exception is not applicable to the country or ECCN
- Country and ECCN mismatch against dual-use license

BIS will be monitoring this type of reporting and expecting an improved level of compliance in AES reporting of EAR-related data. The BIS Office of Exporter Services will perform targeted outreach to inform exporters of the reporting requirements for EAR-regulated exports.

One form of BIS outreach will be to conduct compliance seminars that will be used primarily to provide exporters and their authorized agents with instructions for developing a management and compliance program. The BIS will also provide instructions for reporting EAR-related export transactions in AES. The seminar is titled "How to Develop an Export Management and Compliance Program." The following dates and locations are currently scheduled:

San Jose, CA	July 9-10
Washington, DC	August 13-14

For more information on these seminars, please contact Renee Osborne in the BIS Office of Exporter Services, Export Management and Compliance Division at 202-482-5619 or by email at <rosborne@bis.doc.gov>.

For additional information on the BIS-EAR compliance program, please contact Gerry Horner in the BIS Office of Technology Evaluation at 202-482-2078 or email at <ghorner@bis.doc.gov>.

AES*Direct*/AES*PcLink* User Notes

AES*Direct* Users: If you have a pop-up blocker on your computer, you must temporarily remove it to use the AES*Direct* look-up feature. If your pop-up blocker is not turned off (or temporarily disabled), you will not be able to use the look-up feature to find AES codes. Failure to disable the pop-up blocker may prevent your shipment from being processed and sent to the Customs AES database.

AES*PcLink* Users: Please remember to use the Tools Menu at least once per month to update your AES*PcLink* software and AES Code Tables!

For All Users: For a list of common terms and acronyms, please visit our webpage at <www.census.gov/foreign-trade/faq/aes/terms.html>.

Contact Information

AES*Direct*/ AES*PcLink* Tech Support
Everyday: 7:00a.m.–7:00p.m. ET
Voice: 877–715-4433 (toll free)
Fax: 301-562-7795
E-mail: boc-support@tradegate2000.com

U. S. Census Bureau/Foreign Trade Division Call Center
Voice: 800-549-0595 (toll-free)

Please note that the e-mail addresses below are not secure and fax lines are secure only as noted. Confidential company information should not be sent by e-mail or to nonsecure fax lines.

Automated Export System Branch, Select Option 1
Monday through Friday
7:30a.m.–5:30p.m. ET
Fax: 301-763-6638
E-mail: ASKAES@census.gov

Commodity Analysis Branch (Schedule B/HTS classification), Select Option 2
Monday through Friday
8:00a.m.–5:00p.m. ET
Fax: 301-763-4962

Regulations, Outreach, and Education Branch, Select Option 3
Monday through Friday
8:00a.m. - 5:00p.m. ET
Fax: 301-763-4610
E-mail: ftdregs@census.gov

Foreign Trade Division (All Branches)
Secure Fax: 301-763-8835
Please include a cover sheet with the name and/or branch number to whom the fax should be delivered

U.S. Customs and Border Protection (CBP)
Trade Enforcement And Facilitation
For questions regarding CBP, ITAR, and Used Vehicles contact:
Cynthia Oliver: 202-344-3277, cynthia.oliver@dhs.gov or manifest.branch@dhs.gov

Bureau of Industry and Security (BIS)
Washington, DC   202-482-4811
Western Regional Office, Los Angeles/Newport Beach, CA   949-660-0144
Western Regional Office, San Jose, CA   408-351-3378

Web Sites
BUREAU OF CENSUS, FOREIGN TRADE   <www.census.gov/trade>
U. S. CUSTOMS AND BORDER PROTECTION
BUREAU OF INDUSTRY AND SECURITY   <www.bis.doc.gov>