



# AES Newsletter



Volume 2, Issue 4

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## Changes to Schedule B & HTS numbers

### Overview of the changes

The Harmonized System (HS) is the 6-digit international commodity classification system upon which both the Schedule B and Harmonized Tariff Schedule of the United States Annotated (HTSUSA or HTS) are based. The World Customs Organization revises the HS approximately every five years to create subheadings of interest and to remove subheadings where trade is low. The Schedule B and HTS are commonly updated at the same time to reflect these changes.

### When will these changes take effect?

The new Schedule B and HTS numbers will be effective in early February 2007. For information about the 2007 HTS, please visit the website of the United States International Trade Commission (USITC): <http://usitc.gov/tata/hts/>

### How can users download these updates?

Both the Export (Schedule B) and Import (HTS) Concordance files for AES users will be available for download from our website ([www.census.gov/scheduleb](http://www.census.gov/scheduleb)). AES Broadcast messages will be sent when these files are available. To view complete Schedule B or HTS descriptions, browse through the PDF versions of the chapters on our or USITC's site when they become available.

### Will there be an "Outdated" grace period available?

2006 Schedule B and HTS numbers will still be accepted in the system until 30 days after the release of the 2007 numbers.

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## Automated Export System (AES) Compliance Review Program

The U.S. Census Bureau's Foreign Trade Division will pre-test the AES Compliance Review program in the first quarter of 2007. We are planning to visit with companies that report the Shippers Export Declaration (SED) information through AES. The goal of the review is to ensure compliance and reporting accuracy of AES filers. We will meet with compliant and non-compliant companies to:

- Identify and develop best practices to ensure compliance and reporting accuracy
- Offer assistance and guidance with AES support, regulations, and product classifications
- Develop export reporting guidelines and procedures with your company
- Learn techniques to improve your exporting methods
- Avoid costly encounters with government enforcement agencies

**We look forward to working closely with you on AES!**

# AES Monitoring Reports

## AES Compliance Reports

The U.S. Census Bureau monitors and reviews filer's data through the Automated Export System (AES) for quality, timeliness and coverage. The U.S. Census Bureau's Foreign Trade Division, AES Branch reviews the data, sends periodic Compliance Reports and contacts filers as needed.

On each Compliance Report, a compliance rate is calculated for the current statistical month. The compliance rate is calculated by dividing the Number of Compliance Alerts (designated on the report) by the Number of Shipments, subtracted from 100%.

For example:

ANY COMPANY

Email: employee@anycompany.com

Number of Shipments for January 2007: 100

Shipments with compliance alerts for January 2007: 3

Compliance Rate for January 2007: 97.00 %

The Compliance Report will be one of the tools used to identify companies for the new Compliance Review Program. Please use your AES Compliance Report to identify areas in need of improved reporting. We recommend strongly that you implement measures to prevent or correct identified problem areas.

For Compliance Report details please link to:

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

## AES Fatal Error Reports

The AES Branch sends out bi-monthly Fatal Error Reports to filers that have not been successful in meeting their AES filing requirements. Under 15 CFR part 30.64, Automated Export System (AES) filers are required to correct export transactions receiving 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 approved for post-departure (Option 4) filing. An AES export transaction receiving a fatal error is rejected by AES and no Internal Transaction Number (ITN) is generated back to the filer. 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 filed receive an ITN.**

The report provides a list of Shipment Reference Numbers and the corresponding fatal condition(s) for each of the numbers. Please see next page for instructions on "How To Handle Fatal Errors."

**Reminder: AES*PcLink* Users- Please update your AES*Direct* Code Tables**

## How To Handle Fatal Errors

### **DO NOT Ignore The Fatal Error Report**

If a company continues to be non-compliant with the Foreign Trade Statistics Regulation 30.64 after repeated warnings, it may be **subject to fines, seizures and/or penalties or revocation of its filing privileges in AES for a period of 60 days.**

**REMEMBER:** When the new Regulations are implemented penalties will increase from \$100/day to \$1,100/day with a maximum of \$10,000 per violation. Penalties can be civil or criminal and carry up to 5 years in jail. Penalties can be assessed against USPPs, Forwarders/Agents and/or Carriers.

- Retrieve the transaction using the shipment reference number listed on the report. Fix the problem that is causing the fatal error. Resubmit the transaction again under the same shipment reference number as if you are sending it for the very first time. Wait to receive your ITN from AES assuring that the transaction was accepted.
- If you have already received the ITN for the shipment reference number listed on the report, do not retransmit again unless you have further corrections.
- Duplicating a shipment reference number within a five (5) year period will produce an additional fatal error.
- For information on how to resolve fatal errors, please view the following website:  
[www.census.gov/foreign-trade/redirects/aestir-appendix-a.html](http://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 fix 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](mailto: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
- The Shipment Reference Number(s) you wish to discuss.

**WARNING:** 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.

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

Starting in February 2007, Fatal Error Reports will be sent out the 1st & 3rd Tuesday of each month.

# Changes In AES & Verify Tips

## U.S. Port of Export Codes (Schedule D)

Port of Export Codes **NAME CHANGE:**

<u>Port Code</u>	<u>Old Name</u>	<u>New Name</u>
2881	Sacramento International Airport	Sacramento International User Fee Airport

## Changes in ISO Country Codes (Schedule C)

Country Codes **DELETED:**

<u>Country Name</u>	<u>ISO Code</u>
Serbia and Montenegro	CS

Country Codes **ADDED:**

<u>Country Name</u>	<u>ISO Code</u>
Serbia	RS
Montenegro	ME

Note: A complete listing of the foreign ports of unloading (Schedule K) is available from the Army Corps of Engineers at: <http://www.iwr.usace.army.mil/ndc/wcsc/scheduleK/schedulek.htm>

## Verify Response Codes

If you receive a Verify Message with your shipment, please verify the information you submitted as being accurate. If there is an error please correct and retransmit. If you have verified the information to be accurate, you do not have to retransmit the shipment or call the AES Branch to let a Client Representative know you verified the shipment.

If you frequently receive the same verify response code related to the same Schedule B/HTS Number, a parameter change may be considered. For a commodity parameter change review, please follow the procedure below:

1. Call 1-800-595-0595 select Menu Option 1 or e-mail [ASKAES@census.gov](mailto:ASKAES@census.gov)
2. Please provide the following:
  - a. Five (5) ITN examples which occurred within the "same month", with the "same Schedule B/HTS Number" -verified to be correct and received the same Response Code;
  - b. The classification description;
  - c. The corresponding Commercial Invoice for each; and
  - d. The Response Code received.

Note: The review process will take approximately 1 month.

**Schedule B/HTS numbers are changing. For users of AESPCLink, make sure you update your tables. For users of AESDirect, the system will automatically update these numbers.**

## Export Regulations Corner

### Freight Forwarder Requirement

Anytime a forwarder, or other agent is involved in the export transaction -- whether filing the export information or facilitating the movement of the cargo --, the forwarders/forwarding agent's Name, Address, and EIN, SSN, or DUNS information must be provided on the SED or AES record. The authorized forwarder must have an address within the United States or Puerto Rico.

**NOTE: AESDirect or AESPcLink Filers**

If you are filing as a freight forwarder in *AESDirect* or *AESPcLink*, you **DO NOT** need to fill out the Freight Forwarder section. A forwarder profile (containing the required information) will be added automatically when you send each shipment.

If you are filing as a USPPI in *AESDirect* or *AESPcLink*, you **DO** need to fill out the Freight Forwarder section **if a freight forwarder or forwarding agent was used in the transaction.**

### Providing The Correct U.S. Principal Party In Interest (USPPI) Address

The USPPI shall report the address or location (no post office box number) from which the goods actually begin the journey to the port of export. For example, export information covering goods laden aboard a truck at a warehouse in Georgia for transport to Florida for loading onto a vessel for export to a foreign country shall show the address of the warehouse in Georgia. If the USPPI does not have a facility (processing plant, warehouse, distribution center, or retail outlet, etc., whether owned or leased) at the location from which the goods began their export journey, report the USPPI address from which the export was directed.

For shipments with multiple origins, report the address from which the commodity with the greatest value begins its export journey or, if such information is not known at the time of filing, report the address from which the export is directed.

**Note: The transportation reference number is mandatory for all VESSEL shipments. Use the booking number issued by the ocean carrier or NVOCC. Do not use UNKNOWN, UNKN.**

## AESDirect/AESPcLink News And Tips

The AESDirect/AESPcLink Overview, AESDirect User Guide and AESPcLink User Guide have been updated and posted to the AESDirect web site.

The Overview contains valuable information on Getting Started with AESDirect, SED Data Fields, and General AES Information including key definitions, responsibilities of the parties in the export transaction, and AES contact information. Each of the User Guides provide detailed information on Creating and Sending Shipments to AES; Creating and Using Company Profiles and Templates; Retrieving, Verifying, Updating and Deleting Shipments; AES Responses and that most important AES Proof of Filing Citation. Along the way you will find many Helpful Hints to assist you with your AESDirect experience.

Please visit the AESDirect web site to view these refreshed documents at:

<http://www.aesdirect.gov/support/userguide.html>

### **\*\*Tips\*\***

- The AES Branch is NOT involved in issuing or re-setting your AESDirect User Name, Password or Administrator Code.
- For inquires or assistance needed with the above, go to the Support Center at: [www.aesdirect.gov](http://www.aesdirect.gov) or e-mail [boc-support@tradegate2000.com](mailto:boc-support@tradegate2000.com) or call the AESDirect Help Desk on 877-715-4433.
- When the Schedule B/HTS number is entered for a commodity line item, the correct Unit of Measure for the specific commodity is automatically populated in the Unit of Measure field. "DO NOT" change the Unit of Measure!
- If you are creating a new shipment, "DO NOT" retrieve an existing shipment and then add the new shipment information--this action will "**Replace**" the previously filed shipment information.

### **AESPcLink Users Only**

- At least once a week, go to Tools and update your AES Code Tables.

If you use a spam blocker for your emails, please add: [FTD.AES.Fatal.Reports@census.gov](mailto:FTD.AES.Fatal.Reports@census.gov) to your allowed addresses list.

## Helpful Export Web Links

The following documents on the Web should be viewed and printed and kept as reference to assist you in keeping in compliance with export regulations.

### **Examples of AES Proof of Filing Citation, Exclusion and Exemption Legends**

<http://www.census.gov/foreign-trade/regulations/ftsrletters/ftsr168-amendment2.pdf>

### **2006 Schedule B Table Harmonized Tariff Schedule (HTS) and HTS Numbers Not Valid For Export**

Schedule B and HTS

<http://www.census.gov/foreign-trade/aes/documentlibrary/index.html#concordance>

HTS Not Valid For Export

<http://www.census.gov/foreign-trade/aes/documentlibrary/hts-not-for-aes.html>

### **Regulations to use AES for the Reporting of Items on the Commerce Control List or United States Munitions List**

Census Bureau Regulation

<http://www.census.gov/foreign-trade/regulations/fedregnotices/fedreg-07172003.pdf>

State Department Regulation

<http://www.census.gov/foreign-trade/regulations/fedregnotices/ITARonAES.pdf>

### **Advanced Notice and Notice of Proposed Rulemaking that will make AES Mandatory for those Shipments requiring the filing of Export Information**

Advanced Notice

<http://www.census.gov/foreign-trade/regulations/fedregnotices/MandatoryAESProgramNotice.pdf>

Notice of Proposed Rulemaking

<http://www.census.gov/foreign-trade/regulations/fedregnotices/fedreg-02172005.pdf>

### **AES Newsletters**

[http://www.census.gov/foreign-trade/aes/documentlibrary/index.html#aes\\_newsletters](http://www.census.gov/foreign-trade/aes/documentlibrary/index.html#aes_newsletters)



### **Customs and Border Protection Trade Act of 2002 - Required Advance Electronic Presentation of Cargo Information**

<http://www.census.gov/foreign-trade/regulations/fedregnotices/ADVANCEFILING.pdf>

### **Bureau of Industry and Security (BIS) export controls and the Export Administration Regulations and how to use them.**

<http://www.bis.doc.gov/ExportLicensingQandA.htm>

## Contact Information

### Census Call Center 800- 549-0595

If you have questions for the:

#### AES Branch                      Select Option 1

Monday through Friday  
7:30am - 6:00pm ET  
Fax: 301-457-1159  
E-mail: [ASKAES@census.gov](mailto:ASKAES@census.gov)

#### Commodity Analysis Branch (Schedule B/HTS classification)      Select Option 2

Monday through Friday  
8:00am - 5:00pm ET  
Fax: 301-457-1158

#### Regulations, Outreach and Education Branch                      Select Option 3

Monday through Friday  
8:00am - 5:00pm ET  
Fax: 301-457-3765  
E-mail: [ftdregs@census.gov](mailto:ftdregs@census.gov)

### AESDirect Helpdesk

Everyday, 7:00am - 7:00pm ET  
Voice: 877- 715-4433  
Fax: 301-562-7795  
E-mail: [boc-support@tradegate2000.com](mailto:boc-support@tradegate2000.com)



### **We need your e-mail address change**

Please send changes to your e-mail address to:

[ASKAES@census.gov](mailto:ASKAES@census.gov)

Include in the message the name of the company and the name of the contact person. This helps us get information to you in a more timely manner

## U.S. Customs and Border Protection (CBP) Trade Enforcement And Facilitation

For questions regarding CBP, ITAR, and Used Vehicles contact: [Manifest.Branch@dhs.gov](mailto:Manifest.Branch@dhs.gov)

### Other Phone Numbers/Website Addresses Bureau of Industry and Security (BIS)

Washington, DC	202-482-4811
Western Regional Office	949-660-0144
Western Regional Office	408-351-3378

## Web Sites

BUREAU OF CENSUS, FOREIGN TRADE  
U. S. CUSTOMS AND BORDER PROTECTION  
BUREAU OF INDUSTRY AND SECURITY

[WWW.CENSUS.GOV/TRADE](http://WWW.CENSUS.GOV/TRADE)  
[WWW.CBP.GOV](http://WWW.CBP.GOV)  
[WWW.BIS.DOC.GOV](http://WWW.BIS.DOC.GOV)