

AES Newsletter

Volume 1, Issue 14

October 2002

EARLIER RELEASE OF FOREIGN TRADE STATISTICS

Beginning with January 2003 trade statistics, the U.S. Census Bureau, Foreign Trade Division will be publishing the statistics up to one week earlier.

In order to ensure that export data are received in time for inclusion in statistics, the AES Branch within the Foreign Trade Division of the Census Bureau will be closely monitoring the timeliness of all AES filings. Because of the importance of the release, the AES Branch will not tolerate continued late filings within any

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BUREAU OF CENSUS
FOREIGN TRADE DIVISION
WASHINGTON, DC 20233
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AES

Mandatory Reporting Requirements

The effective date of the mandatory electronic filing of items on the Commerce Control List and the U. S. Munitions List has changed to early 2003.

AES participants must modify their software prior to January 2003 to comply with the new reporting requirements. The Automated Export System Trade Interface Requirements (AESTIR) October 2000 document has been updated (May 2002) to reflect the new requirements. Included are changes to the CL2 record, a **NEW** ODT License Information record (ODT record), 3 new appendices (O-ODTC ITAR Exemption Codes; L-ODTC USML Category Codes and W-ODTC Unit of Measure Codes). New error messages were also added to Appendix A, AES Common Error Messages. The X.12 601 U.S. Customs Export Shipment Information Set, Segment X1, has been updated to reflect the new data requirements. We strongly encourage you not to delay implementing the new licensable requirements. To access the revised AESTIR, please link to:

www.customs.gov/impoexpo/auto_exp.htm

Click on AES Technical Documentation.



LICENSED SHIPMENTS

State Department Licensable Shipments

The exporter must lodge the license with Customs at the port of exit before a shipment is made. Licenses which have not been lodged with Customs are subject to seizure.

Licensed shipments may be submitted through AES. For State Department cargo on the U.S. Munitions List (USML, i.e. DSP – 5, 61, 73, 85, and ITAR exemptions) and Foreign Military Sales (FMS DSP-94), the Department of State paper copy of the SED is required to be submitted to Customs (not the carrier) prior to departure, along with the original license. The State Department DSP-5 licensed shipment is automatically decremented in AES.

Customs will accept a paper copy of the SED for USML shipments printed by AESDirect or AESPcLink programs.

However, the single copy must be printed on standard 8 1/2" x 11" yellow paper (buff or goldenrod) and must contain both

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Earlier Release of Trade Statistics

of the AES filing options. Option 3 and 4 filers found to report late regularly will be removed from those filing option privileges.

For AES filing Options 2, 3 and 4 reporting requirements, see Foreign Trade Statistics Regulations 30.61. To access the Trade Regulations visit our web site:

www.census.gov/foreign-trade

Click on Regulations. ♦

Good News
84.5 %
of eligible export
shipments are filed
in AES

AES Statistics

AES- August 2002*

Filers –	6,893
LOIs –	11,250
Shipments –	840,046
Option 4 Applicants –	2,550
Option 4 Approvals –	2,470

*Includes AESDirect

AESDirect - August, 2002

Registrants –	10,709
Operational –	6,553
Shipments –	230,174

Customs' Corner

- **AES Exemption Statement Enforcement Operation**-Effective May 1, 2001, Customs conducted a nationwide operation on the AES Exemption Statement for all modes of transportation. Customs discovered that many External Transaction Numbers (XTN) or Internal Transaction Numbers (ITN) reported in the exemption statement were not found when queried in the AES. Two snapshot analyses were conducted which identified numerous enforcement concerns. This precipitated a 60-day survey from mid-June to mid-August. While seizures and detentions resulted from this operation, the primary focus was documenting the type and number of AES violations and performing outreach to the trade community.

Results of the operation (June 18 – August 15) are as follows:

Over 14,000 AES exemption statements have been verified by querying the External Transaction Number (XTN) or Internal Transaction Number (ITN) in AES. The failure rate, cases where a record cannot be found in AES at the time of export, remains stable at approximately 25 percent.

The following categories and the rates at which they occur are detailed below:

Invalid AES Exemption Statements	
Type	Frequency
No Files/Late Files	15%
Incorrect Format or Illegible	5%
No Exemption Noted	1%
Reused XTN	1%
ITN Not Valid	1%
Other	2%

34 seizures and 147 detentions resulted from this operation.

While Customs' main objective was to quantify the extent to which AES exemption statements fail, increased emphasis on AES has brought to light a number of other problems to include, but not limited to: false Option 4 claims, late Option 4 reporting, failure to file AES pre-departure for licensable commodities, and inaccurate information of all kinds within the AES record.

The 25% error rate suggests that the exemption statement verification should be continued. Since the trade receives substantial benefits from both the Option 4 and the Data Entry Centers filing privileges, the trade will be held accountable for providing accurate and timely information. Failure to comply with the reporting requirements could result in suspension or revocation of these privileges.

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CUSTOMS' CORNER

- **State Department Licensable Shipments** - The paper copy of the Shipper's Export Declaration (SED) must still be filed at the port of export for Department of State munitions list items. This requirement will be addressed further with the implementation of mandatory AES filing for U.S. Munitions List (USML) items.
- **Reporting Corrections in AES** – Customs has seen a trend whereby filers are not correcting their AES transmissions when shipment changes have been made. 15 CFR 30.60(d)(v) requires corrections or cancellations of information to be transmitted to AES as soon as the need for a change arises. Failure to comply with 15 CFR 30.60(d)(v) could result with the exported cargo being detained or seized. ♦

COMMON REPORTING PROBLEMS

- **Exemption Statements**

If a shipment is filed electronically through AES, shipping documents including the commercial invoice, air waybill or ocean bill of lading must contain a properly worded exemption statement that includes the filer generated External Transaction Number (XTN) or the Customs AES system generated Internal Transaction Number (ITN) number.

Examples:

"**AES XTN**" (where XTN is the filer's Exporter Identification Number {EIN} plus the shipment reference number)

AES 103222766 - BX95909763

"**AES ITN**" (where ITN is the number transmitted by AES back to the filer acknowledging acceptance of the submission).

AES X20020714231567

Other valid exemption statements are listed in FTSR Letter Number 168 Amendment 1 at:

www.census.gov/foreigntrade/regulations/ftsrletters/index.html

It is important that the XTN or ITN numbers match exactly the corresponding numbers in the AES system. Otherwise, Customs may hold, detain or seize the cargo in question.

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If there is a consolidated shipment filed through AES, Customs requires the shipment to have a manifest showing the pertinent information for each house Air Waybill with the proper exemption statement. The exemption statement must conform to the published formats, be legible, and include *all* characters of the respective XTN or ITN numbers.

We have noted many incorrect exemption statements on Air Waybills with values less than \$2,500. The recommended exemption statement for commodities valued below \$2,500 (which are not licensable and not destined for Canada) is "NDR 30.55h". Customs encourage commodity reporting for all shipments (invoice level reporting versus summary reporting), including those under \$2,500.

- **Consolidated Shipments**

For consolidated shipments, forwarders must follow the rules governing the U.S. Principal Party in Interest (USPPI) and the Census definition of a shipment. A forwarder or consolidator must not, in most cases, be shown as an USPPI. The consolidator/forwarder must create **separate AES shipments for each USPPI** contributing cargo to the consolidation.

- **AES Modes of Transportation**

Many members of the exporting trade are under the impression that only ocean shipments can be filed in AES. Please be advised that all modes of transportation (including airborne, waterborne, truck and rail) can be filed in AES.

- **Transportation Reference Number**

The Transportation Reference Number (TRN) is mandatory for vessel and optional for air shipments. To expedite the review and processing for waterborne and air shipments, the TRN is used. The TRN is the Booking Number for vessel shipments. For consolidated airborne shipments, Customs recommends the trade to report the *Master Air Waybill* number as the TRN and the *House Air Waybill* number as the Shipment Reference Number (SRN), unless an alternate SRN system is assigned by the filer.

For non-consolidated or straight shipments, Customs recommends that the *Master Air Waybill number* be entered as the TRN and the SRN as any number of the filer's choice, up to 17 characters in length. However, both the TRN and SRN must remain unique for five years.

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AES Commodity Redesign

- Effective August 2003 the Census Bureau and U.S. Customs Service will deliver a redesign of the current Automated Export System (AES) commodity module. AES will be re-engineered to allow for more robust messaging. This “commodity redesign” will deliver to the data filers no more lost transmissions, no more duplicate responses, output that consistently conforms to the AES Trade Interface Requirements (AESTIR), improved client support,
- clearer filing guidelines and an improved AESTIR. Some specific requirements are highlighted below:
 - Data Entry Center (DEC) claims will be required at the batch level (A record); currently made at the shipment party level (N01-N03).
 - A “Replace” shipment filing action request indicator will be supported to take the place of “delete” and “add” actions used to change data.
 - The filing option indicator will be relocated and required for all options.
 - New, strict party reporting rules, especially USPPI will be required.
 - USPPI IRS Number and Type moved from the block level (B record) to N03.
 - Contact Middle Initial will be eliminated.
 - Vessel Flag will be eliminated.
 - License Code and Foreign/Domestic Indicator fields will be moved to the CL1 (Line Item Detail).
 - Shipment “to be sold en route” indicator supported in N01 – Party Header
 - CL3 “Marks and Numbers” record will be eliminated.
 - ITN will be removed from the SC2 and placed in the ES1 – response message output.
 - The ES1 will include a final disposition indicator that indicates whether the data was A-accepted or R-rejected.
 - The ES1 will include a severity indicator as to the severity of the error (F-fatal, W-warning, V-verification, C-compliance alert, and I-informational).
 - The ES1 narrative text will no longer be preceded with the words “FATAL ERR, WARN ERR, VERIFY, or INFO ERR”.

Many of these changes will be transparent to *AESDirect* and *AESPcLink* users. However, *AESDirect* and *AESPcLink* users should expect to see some changes to the Internet based software in August 2003 as well.

- Census and Customs will briefly cover the redesign at user meetings in the fall of 2002. More detailed information about the requirements in the commodity redesign will be provided at user meetings held between the months of February and August 2003. AES software vendors, AES filers, and *AESDirect* and *AESPcLink* users are encouraged to attend.
- Census’ AES Branch will continue to provide regular updates of the redesign via email. If you are not receiving these updates currently, please request to be added to the AES Broadcast List and provide your email address to askaes@census.gov. ♦

AES DATA ENTRY CENTER (DEC) FILERS ADDITIONAL WARNING MESSAGES

In order to increase the quality and accuracy of AES data filed by Data Entry Centers (DECs), Census and Customs have agreed to increase the number of selected Warning Messages DECs receive. Please use the information for these new messages to train your staff in resolving the errors. These additional Warning Messages will be implemented in the Fall of 2002:

Item	Warning Error/Verify Message	Type of Revision
		A = Add D = Delete C = Correction
1	321 WARN ERR - USED VEHICLES INELIGIBLE	A
2	325 WARN ERR - RELATED PARTY INDICATOR MISSING	A
3	326 WARN ERR - INVALID RELATED PARTY INDICATOR	A
4	Reads - 332 WARN ERR - INVALID VESSEL FLAG; Should read - 332 WARN ERR - OUTDATED SCAC/IATA NUMBER	C
5	340 WARN ERR - INVALID PORT OF EXP (FIXED TRANS)	A
6	348 WARN ERR - MISSING DOMESTIC/ FOREIGN CODE	A
7	349 WARN ERR - INVALID DOMESTIC/ FOREIGN CODE	A
8	Reads - 351 WARN ERR - OUTDATED HS OR SCHED B NUMBER (ONLY VERIFY ON LIST); Should read - 351 WARN ERR - OUTDATED HS OR SCHED B NUMBER	C
9	353 WARN ERR - INVALID PORT EXP FOR OVERLAND	A
10	354 WARN ERR - UNLIKELY DATE OF EXPORT; changed to 195 FATAL ERROR - UNLIKELY DATE OF EXPORT	D
11	808 VERIFY - IMPROBABLE CTRY OF DESTINATION	A
12	809 WARN ERR - ZERO QUANTITY 1 UNACCEPTABLE	A
13	810 WARN ERR - ZERO QUANTITY 2 UNACCEPTABLE	A
14	853 VERIFY - IMPROBABLE CTRY FOR MILITARY GOODS	A
15	8P1 VERIFY - IMPROBABLE COMMODITY FOR FIXED TRANSPORT	A

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COMMON REPORTING PROBLEMS

- **Letter of Authorization**

A freight forwarder needs an authorization from the USPPI to act on their behalf before submitting information through AES. Either a power of attorney or a written letter of authorization is acceptable. For sample formats please go to:

<http://www.census.gov/foreign-trade/regulations/forms/index.html>



- **AES Data Entry Center (DEC) Filers**

- If you have any questions about the new AES DEC Warning Messages, please contact:

- Ms. Barbara J. Boney
Chief, Data Collection Coordination Branch
Telephone: (301) 763-7010
E-mail: barbara.j.boney@census.gov
■ OR

- Ms. Carolyn T. Francis
DEC Manager, Data Collection Coordination Branch
Telephone: (301) 763-7016
E-mail: carolyn.t.francis@census.gov
■ OR

- Mr. Gerard J. Horner
Chief, Automated Export Systems Branch
Telephone: (800) 549-0595
E-mail: askaes@census.gov

- **PLEASE NOTE:** If you are not a Data Entry Center (DEC) please ignore this information. ◆

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LICENSED SHIPMENTS

XTN and ITN numbers. *AESDirect* includes these numbers on the printed copy produced in *Acrobat* format. However, for *AESPCLink*, both the XTN and ITN must be written legibly on the printed copy in the upper right hand corner

Bureau of Industry and Security Licensable Shipments

Shipments licensed by the Bureau of Industry and Security (BIS) can be reported through AES for Option 2 or Option 4 and there is no requirement to present a paper SED to Customs. For BIS shipments, ensure the appropriate XTN or ITN is prominently displayed on the commercial invoice, bill of lading, air waybill, or other loading documentation.



AES and AESDirect on the Road

NOTICE

Effective January 2002, AESDirect Certification Workshops will no longer be FREE. Due to costs incurred for the rental of computer labs and the increased no shows for the workshops, we will charge a nominal fee per person registering in advance and any other attendees

October 10-11	Washington, DC BIS Update	202-482-6031
October 16	San Francisco, CA BIS Export Controls For Forwarders	202-482-6031
October 17	Long Beach, CA BIS Export Controls For Forwarders	202-482-6031
October 20-24	Fort Lauderdale, FL NAFTZ Conference	202-331-1950
October 24-27	Las Vegas, NV WESCCON Exhibit	202-662-6771
October 28	Laredo, TX AES User Meeting	800-549-0595
October 29	Laredo, TX AESDirect/PcLink Workshop	800-549-0595
October 30	San Francisco, CA Export Regulation Seminar	301-763-2238
November 14	Nogales, AZ AES User Meeting	800-549-0595
November 15	Nogales, AZ AESDirect/PcLink Workshop	800-549-0595

If you are interested in having one of these workshops in your area or if you or any organization you know of would like to sponsor a meeting or desire our participation in a meeting, please contact:

Nan Clark
(301) 763-3787 or E-mail: nannie.m.clark@census.gov

New AES Telephone Numbers

The AES Branch has new telephone numbers. You can still reach us using the old numbers until September 30th, after that time, a recording will give you the new telephone number for a period of 60 days. **All AES Branch members now have voice mail!**◆

We need your e-mail address

Please send your e-mail address to:

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 more timely.◆

PHONE NUMBER ADDRESSES

GERRY HORNER, CHIEF, AES BRANCH	(301) 763-6856	GERARD.J.HORNER@CENSUS.GOV
NAN CLARK, MARKETING ASSISTANT	(301) 763-3787	NANNIE.M.CLARK@CENSUS.GOV
KAREN FADELEY, STATISTICAL ASSISTANT	(301) 763-6940	KAREN.MARIE.FADELEY@CENSUS.GOV
WENDY PEEBLES, SUPERVISORY CLIENT REPRESENTATIVE	(301) 763-3540	WENDY.D.PEEBLES@CENSUS.GOV
KRISTAL BYRD, AES BRANCH WEB COORDINATOR	(301) 763-6944	KRISTAL.A.BYRD@CENSUS.GOV
AES CLIENT REPRESENTATIVES:		
KEITH JONES	(301) 763-6939	KEITH.M.JONES@CENSUS.GOV
JACQUELYN MANN	(301) 763-6942	JACQUELYN.E.MANN@CENSUS.GOV
JOEY MORALES	(301) 763-6947	JOEY.MORALES@CENSUS.GOV
PAUL NEWMAN	(301) 763-3541	PAUL.F.NEWMAN@CENSUS.GOV
JOSE RODRIGUEZ	(301) 763-6941	JOSE.RODRIGUEZ@CENSUS.GOV
LILY WONG	(301) 763-6943	LILY.C.WONG@CENSUS.GOV
OMARI WOODEN	(301) 457-3829	OMARI.S.WOODEN@CENSUS.GOV

REGULATIONS BRANCH (SED QUESTIONS): (301) 763-2238

COMMODITY ANALYSIS BRANCH (SCHEDULE B CLASSIFICATION QUESTIONS):

DURABLE GOODS: (301) 763-3259

NON-DURABLE GOODS: (301) 763-3484

BUREAU OF INDUSTRY AND SECURITY (LICENSING QUESTIONS)

WASHINGTON, DC (202) 482-4811

WESTERN REGIONAL OFFICE (714) 660-0144

WEB SITES

BUREAU OF CENSUS, FOREIGN TRADE DIVISION:

WWW.CENSUS.GOV/FOREIGN-TRADE

U. S. CUSTOMS SERVICE:

WWW.CUSTOMS.TREAS.GOV/AES

BUREAU OF INDUSTRY AND SECURITY:

WWW.BIS.DOC.GOV

U. S. CUSTOMS CLIENT REPRESENTATIVE BRANCH PHONE LIST**July 1, 2002**

CLIENT REP NAME	LOCATION	TELEPHONE #	FAX #	TEAM
Albert, Ellen	Miami	305-869-2781	305-869-2783	Southern
Buchanan, Dan	Boston	617-565-6236	617-565-8190	Northern
Burdorf, Debby	Cleveland	440-891-3814	440-891-3839	Northern
Basic, Alan	Chicago	312-983-1376	312-886-5106	Northern
Calafell, Eloisa	Miami	305-869-2780	305-869-2783	Southern
Clark, Karen	Boston	617-565-6342	617-565-8190	Northern
Cooney, Mike	Seattle	206-553-5227	206-553-2517	Northern
Dix, Robert	Baltimore	410-962-5662	410-962-5652	Eastern Team Leader
Dupre, Cynthia	New Orleans	504-670-2418	504-670-2435	Southern
Eby, Trish	Seattle	206-553-1622	206-553-2517	Northern
Fanelli, Michael	Buffalo	716-881-4447 x141	716-881-3133	Northern
Fike, Kay	San Francisco	415-782-9445	415-705-1652	Northern
Fischer, Richard	Houston	713-387-7249	713-387-7250	Southern
Floyd, Cora	Headquarters	202-927-1120	202-927-1344	Southern
Fulkerson, Mick	Charlotte	704-329-6206	704-329-6192	Eastern
Grover, Stephanie	Boston	617-565-8191	617-565-8190	Northern
Heath, Joe	Philadelphia	215-597-9920	215-597-9929	Eastern
Henderson, Karen	Houston	713-387-7247	713-387-7250	Southern
Henry, Conrad	Headquarters	202-927-1140	202-927-1344	Southern
Huck, Kevin	Datacenter	703-921-7527	703-921-7563	Southern Team Leader
Jegels, Jacqueline	Waldorf - TLC	301-893-6717	301-705-9834	Eastern
Kerstein, Bob	Los Angeles	562-366-5593	562-628-7919	Southern
Kormos, Kathy	Datacenter	703-921-7495	703-921-7563	Northern Team Leader
Kwiatkowski, Lori	Buffalo	716-881-4447 x142	716-881-3133	Northern
Lark, Margaret	Charlotte	704-329-6206	704-329-6192	Eastern
Mazzarella, Michael	JFK	718-553-2065	718-553-1760	Eastern
McElhinney, Tara	LAX	310-215-1392	310-215-1302	Southern
Mitchell, Mike	JFK	718-553-2065	718-553-1760	Eastern
Mitchell, Robert	San Francisco	415-782-9445	415-705-1652	Special Programs
Napolitano, Bill	Baltimore	410-962-5660	410-962-5652	Eastern
Navarrete, Maria	Los Angeles	562-366-5593	562-628-7919	Southern
Nickles, Patricia	LAX	310-215-1392	310-215-1302	Southern
O'Brien, John	Newark	201-443-0570	201-443-0575	Eastern
Ogliore, John	Seattle	206-553-5228	206-553-2517	Northern
Rodier, Wally	JFK	718-553-2065	718-553-1760	Eastern
Rubenstein, Phyllis	Chicago	312-983-1376	312-886-5106	Northern
Sparta, Stephen	Newark	201-443-0570	201-443-0575	Eastern
Sprague, Kathy	Newark	201-443-0570	201-443-0575	Eastern
Stahl, James	Philadelphia	215-597-9906	215-597-9929	Eastern
Tyson, Holly	Baltimore	410-962-3938	410-962-5652	Eastern
Villwock, Blaine	Datacenter	703-921-7496	703-921-7563	Special Programs Team Leader
Wasilus, Kenneth	Newark	201-443-0570	201-443-0575	Eastern
Wilson, Dale	Houston	713-387-7248	713-387-7250	Southern
Wolford, James	Charlotte	704-329-6206	704-329-6192	Eastern
Workman, Alla	Cleveland	440-891-3814	440-891-3839	Northern

