



# AES Newsletter



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## Impact of the New Foreign Trade Regulations (FTR)

*by Christina Farr, Regulations, Outreach and Education Representative*

The U.S. Census Bureau's Foreign Trade Division (FTD) published the Final Rule in the Federal Register on June 2, 2008 requiring mandatory filing of export information via the Automated Export System (AES). The requirements of the rule were implemented on October 1, 2008.

Under the new requirements, the paper Shipper's Export Declaration (Form 7525-V) is no longer acceptable. Additionally, penalties imposed for violations have increased up to \$10,000 per criminal or civil violations and, potentially, up to five years imprisonment for each criminal violation.

All AES filers are faced with new filing deadlines for non-United States Munitions List (USML) shipments by mode of transportation. The following chart details these timeframes. Shipments subject to the U.S. State Department's USML also require specific filing timeframes. Please refer to the International Traffic in Arms Regulations (ITAR) 22 CFR, Part 120-130 for those filing timeframes.

Mode of Transportation	Time Frame
Vessel	24 hours prior to loading cargo on the vessel
Truck	1 hour prior to the arrival of the truck at the U.S. border
Air	2 hours prior to the scheduled departure time of the aircraft
Rail	2 hours prior to the time the train arrives at the U.S. border
Mail	2 hours prior to exportation
All other modes	2 hours prior to exportation

The U.S. Census Bureau will continue its outreach and education efforts through the AES Compliance Seminars and Workshops throughout the United States, as well as partnering with the International Trade Administration to offer Webinars.

For further information on our outreach and education efforts or for assistance with filing Electronic Export Information, contact the Regulations staff at 800-549-0595, Menu Option 3 or visit our Web site at <http://www.census.gov/trade>. To access the new Foreign Trade Regulations in its entirety, refer to <http://www.census.gov/foreign-trade/regulations/index.html>.

## **Automated Export System (AES) Downtime Policy**

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*by Kenny Soo, AES Client Representative*

### **What is the AES Downtime Policy?**

The AES Downtime Policy is a national policy put into place by the U.S. Customs & Border Protection (CBP) and the U.S. Census Bureau in the event that *AESDirect* or the AES mainframe experiences major failure due to unforeseen problems.

The AES Downtime Policy does not apply to third-party software users who are experiencing their own technical problems. If the filer's system is down, the filer must find an alternative method to report its Electronic Export Information (EEI). We recommend those users create an *AESDirect* Account as a **backup**, just in case they are experiencing software problems.

### **Conditions Meeting the AES Downtime Implementation:**

#### *Qualifying:*

- 1) Response Messages have not been received for more than 2 hours even though the EEI was submitted.
- 2) The *AESDirect* Web site cannot be accessed due to major technical problems.
- 3) The AES Mainframe has suffered severe damage caused by natural disasters, technical problems, or war.

#### *NOT Qualifying:*

- 1) The filer's independent software (any software other than *AESDirect* or the AES mainframe) is not functioning.
- 2) Either the *AESDirect* Web site or the AES Mainframe is experiencing minimal delays due to high volume processing.

## What to Do During and After the AES Downtime Phase?

### *DURING*

1. DO NOT wait for the Internal Transaction Number (ITN) to move your cargo, unless you are exporting a U.S. State Department licensed or ITAR exempted shipment.
2. Place the AES Downtime Citation on your shipping documents (see “*The AES Downtime Citation*” below).
3. Contact CBP officers at the port where your cargo is exiting the United States.
4. *Keep a log of any shipments that were affected during the downtime.*

### *AFTER*

1. For any EEI that was NOT reported during downtime, file your EEI once the AES mainframe or *AESDirect* is operational.
2. For any EEI that was reported during downtime with no response, wait for your ITN response message.

### **The AES Downtime Citation:**

The AES Downtime Citation must be used during the system’s outage. This citation must consist of the following components:

“AESDOWN”, your individual company’s Filer ID Number, and the date of export.  
For example: AESDOWN 123456789 08/25/08

### **Frequently Asked Questions Regarding the AES Downtime:**

Q: How will I know the AES/*AESDirect* is down?

A: The AES Branch will release an official broadcast message via e-mail informing the export trade community that the AES and/or *AESDirect* is experiencing technical difficulties and we are now operating under the AES Downtime Policy.

Q: If I have been waiting for 1 to 2 hours for my response, does that constitute as AES Downtime?

A: No. The system may just be experiencing delays due to high-volume processing. Please remain patient. If the problem persists, call 800-549-0595, and select Menu Option 1. The AES staff will provide guidance.

Q: If my own software is experiencing difficulties, can I use the AES Downtime Citation for my shipments?

A: No. The AES Downtime Policy is a national policy issued only when the AES Mainframe and/or *AESDirect* is experiencing major problems. Please refer to the qualifying conditions when the AES Downtime Policy is implemented as shown above.

**It is recommended that all filers have a backup filing alternative in the event their primary system experiences technical difficulties.**

## To Suppress or to Cancel?

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by Nyitre Rodgers, AES Client Representative

Now that Mandatory AES is implemented, there is so much information to be aware of: (1) you MUST remain compliant; (2) you MUST have an Internal Transaction Number (ITN), exemption citation, or postdeparture citation prior to exporting; and (3) you MUST correct all fatal errors prior to exporting! In order to ensure that your shipments are filed properly, you should always address fatal errors immediately. In some cases, a fatal error may need to be suppressed or removed from the error listing. Suppression, however, should not be confused with cancellation of the shipment. Instructions to suppress your shipment are listed at the end of this article.

Use the following definitions and scenarios to help you understand the difference between the suppression and cancellation of a shipment:

**Cancellation** – is the deletion of a successfully submitted shipment to the AES by the filer through its electronic filing system. The filer is the only entity that can cancel an accepted shipment; the AES Branch cannot cancel your shipment.

**Suppression** – is the manual removal of a fatally rejected shipment by the AES Branch. There are three types of shipments that should be suppressed:

Fatally rejected shipments that—

1. Cannot be corrected;
2. Were refiled with another shipment reference number; or
3. Never left the country for export.

### **Below are common scenarios to describe when you are required to cancel or suppress a shipment—**

*Scenario 1:* It's Wednesday afternoon and you just finished entering the shipment information for a new laptop you are exporting to Venice, Italy. You receive the ITN confirmation from the AES via e-mail, but the Italian company calls and cancels the sale. You are no longer shipping the laptop. What are you going to do now?

*Resolution 1:* You must cancel the shipment! The AES Branch is unable to suppress the shipment because it was accepted with an ITN. The filer must cancel the submission in the AES, *AESDirect*, *AESpLink*, or your particular filing system by selecting the delete option. (The option to delete/cancel will vary by system.)

*Scenario 2:* In your excitement to cancel a shipment properly, you accidentally hit the delete button twice. Now you have received the Fatal Error Response Code 068, which tells you that the shipment has been cancelled and therefore the action is not allowed. What are you going to do now?

*Resolution 2:* Suppress the shipment! In this situation, the shipment was already cancelled, but the second attempt resulted in a fatal error. If this occurs, you must contact the AES Branch and request that the shipment be suppressed in order to remove the fatal error from the report.

Please remember that a shipment CANNOT BE CANCELLED if it has not been successfully submitted. This means if an ITN has not been generated, the shipment must first be resubmitted and accepted, in order for the filer to cancel the shipment. Also remember, if you receive a fatal error and correct the error by creating a new shipment, the AES does not know your intent was to correct the original shipment. The AES will treat the shipment as new; however, the original fatal error will continue to appear as unresolved. Therefore, it is a best practice to correct the original shipment containing the fatal error!

### **Instructions to suppress your fatal error shipments:**

Please contact the AES Branch via e-mail at <[ftd.aes.fatal.reports@census.gov](mailto:ftd.aes.fatal.reports@census.gov)> with the following information: the original shipment number, the replacement shipment number, and the ITN in order to verify that the shipment has been successfully resubmitted. On the other hand, if the cargo was never exported from the United States, please inform us so the shipment will be suppressed from the fatal error report; thus reducing your volume of outstanding unresolved fatal errors.

For more details, here is the link to Appendix A that provides all Fatal Error Response Codes: <[http://www.cbp.gov/xp/cgov/trade/automated/aes/tech\\_docs/aestir/june04\\_intro/appendices/](http://www.cbp.gov/xp/cgov/trade/automated/aes/tech_docs/aestir/june04_intro/appendices/)>.

## **Common Reporting Problems**

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*by Tracy Burns, Supervisory Commodities Representative*

### **Using the Correct Export Information Code**

The Export Information Code (EIC) is a 2-character code reported in the AES that identifies the type of export shipment or condition of the exported items (e.g., goods donated for relief or charity, impelled shipments). see FTR 30.6(a)(18). The EICs are located at the following Web site:

<[http://www.cbp.gov/xp/cgov/trade/automated/aes/tech\\_docs/aestir/june04\\_intro/appendices/](http://www.cbp.gov/xp/cgov/trade/automated/aes/tech_docs/aestir/june04_intro/appendices/)>, or see Appendix B of the FTR.

The most commonly misreported EICs are:

- Personal goods and household effects, including furniture, clothing, tools, and other effects; reported as “HH.”
- Shipments to the U.S. Armed Forces for their exclusive use; reported as “MS.”

### **Using the Correct Country of Ultimate Destination Code:**

The country of ultimate destination is the country in which goods are to be consumed or further processed or manufactured. The list of valid Country Codes can be found at: <<http://www.census.gov/foreign-trade/schedules/c/country4.txt>>.

The most commonly misreported country of ultimate destination codes are:

- Country Code for **Ireland** is **IE**
- Country Code for **Italy** is **IT**
- Country Code for **Iran** is **IR**
- Country Code for **Iraq** is **IQ**
- Country Code for **South Korea** is **KR**
- Country Code for **North Korea** is **KP**
- Country Code for **Switzerland** is **CH**
- Country Code for **China** is **CN**

#### **Helpful Hints to Avoid Additional Reporting Problems:**

- Read the full Schedule B Description before selecting a 10-digit code.
- Report the correct Unit of Quantity as required in the Schedule B Book.
- Select Domestic or Foreign for the product type.

## **Clarification on Routed Export Transactions**

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*by Dale Kelly, Assistant Division Chief, Data Collection, Foreign Trade Division*

As we travel around the country training members of the export trade community on all types of export topics, we encounter one topic on a regular basis—"How do we handle routed export transactions? What is a routed export transaction?" The following two scenarios should help clarify your questions regarding routed export transactions.

**Scenario 1:** Is this a routed export transaction, and who is responsible for filing the EEI? When we receive an order from a client in a foreign country (ultimate consignee), usually the client will give us the contact information for the U.S. freight forwarder with whom it has contracted to transport the goods. The U.S. freight forwarder typically handles all shipping arrangements from our facility to the ultimate consignee, and the ultimate consignee pays all the transportation costs. None of the paperwork references the term "routed export transaction," although this arrangement seems to meet your definition. In any case, we always provide the U.S. freight forwarder with a detailed invoice and all the information necessary to file the Electronic Export Information (EEI).

**Resolution 1:** Yes, per Section 30.3 of the Foreign Trade Regulations, this is a routed export transaction because your client in the foreign country is hiring the U.S. freight forwarder to facilitate the movement of the goods and file the EEI. The U.S. freight forwarder is responsible for getting an authorization or power of attorney from the foreign principal party in interest to file the export information. Your responsibility as the U.S. Principal Party in Interest (USPPI) is to provide the U.S. freight forwarder with the following data items:

1. USPPI name and address
2. USPPI's EIN
3. State of origin
4. FTZ, if applicable

5. Commercial description of commodities
6. Origin of goods indicator: Domestic (D) or Foreign (F)
7. Schedule B/HTS classification commodity code
8. Quantities/units of measure
9. Value
10. Export Control Classification Number (ECCN) or sufficient technical detail to determine the ECCN
11. Any necessary licensing information (if applicable)

**Scenario 2:** My company is regularly involved in routed transactions. I'm worried about my liability if I give the foreign customer's freight forwarder the pieces of information required in a routed transaction and it does not report the information correctly. Is my company responsible for fines and penalties or will these fines be directed to the freight forwarder who did not report the correct information?

**Resolution 2:** The responsibility is on the filer of the EEI to ensure that accurate information is entered in the Automated Export System (AES). In your scenario, your responsibility as the USPPI is to ensure that correct information is provided to the filer of the EEI. Throughout Section 30.3, the requirement of each party in the export transaction is to retain all necessary and proper documentation related to EEI transactions is stated, thereby having proof of the submitted information. Fines and penalties are not "automatic" but rather are subject to the discretion of the enforcement officer. Section 30.9 provides information for the transmitting and correcting of EEI as soon as it is known that the original EEI report was not accurate or complete.

## **AES Compliance Reports**

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

On each AES 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 percent.

Your Compliance Report looks like this:

E-mail: employee@anycompany.com

Number of Shipments for August 2008: 125

Number of Shipments for September 2008: 150

Number of Shipments for October 2008: 100

Shipments with compliance alerts for August 2008: 5

Shipments with compliance alerts for September 2008: 10

Shipments with compliance alerts for October 2008: 3



Compliance Rate for October 2008: 97.00 percent

If your Compliance Rate is below 95 percent, we strongly recommend that your company implement measures to improve its compliance rate level 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. A compliance rate below 80 percent may trigger a visit from Census Bureau staff as a part of its AES Compliance Review Program.

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

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

Need information on how to resolve your fatal errors? Please see the article in this issue entitled **“To Suppress or to Cancel?”** for step-by-step advice.

## **“What do I do?”**

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*by Kenneth Soo, AES Client Representative*

The scenarios below are provided to help filers with common exporting matters that may arise when completing your Electronic Export Information (EEI) via the AES. Here are a few examples of “What do I do?” and the appropriate actions to take for a successful and complete export filing:

### **Scenario A: Port of Export not found**

Q: “The port of export that I am shipping from is not listed as one of the options in the AES. I’m trying to ship out of Sunny Dale, California but there is no Sunny Dale in the search results. What do I do?”

A: Every port of export available in the United States may not be listed as an option in the AES; only those with a CBP officer are assigned port codes. The filer must choose a port of export that is geographically closest to the port of export where the cargo is being exported out of in the United States. Whichever port is chosen, the filer must make sure that the mode of transportation is available at that port or a fatal error will occur.

### **Scenario B: Duplicate Shipment Reference Number**

Q: “I filed two shipments using the same Shipment Reference Number. Now I have a message stating that my shipment has been replaced. What happened to the information filed for my original shipment? What do I do?”

A: In this situation, the original shipment has been replaced with the new shipment. The filer must follow these steps to ensure accurate reporting:

- 1) Retrieve the existing shipment and restore (reenter) the original information, since the ITN is connected to the earlier shipment. Make sure you enter the actual date that the cargo was exported.



- 2) Create a new EEI for the second shipment with a new Shipment Reference Number. You will receive a new ITN for this shipment.

**NOTE:** If the second shipment has already left the country, then you will receive a compliance alert message for filing the EEI late.

**Scenario C: Port of Unlading not found**

Q: “I am unable to locate a code for the port of unlading in the country that I will be offloading my goods. What do I do?”

A: In this case, the filer should search for the port of unlading code based on the country that the products will be unloaded, not the city! In the search results, there is an option for “all other ports” per country that the filer can use if the port is not listed under the search results. Keep in mind that the port of unlading is a conditional field for all vessel shipments and air shipments between the United States and Puerto Rico. If cargo moves through multiple countries, report the first port of unlading.

**Scenario D: Verify Messages**

Q: “I am receiving a Verify Message requesting that I verify the value. What do I do?”

A: Shipments with a Verify Message are accepted into the AES mainframe, however, information regarding the value in question must be verified as correct. In this example, the filer will need to retrieve the existing shipment and verify that the value keyed into the record is correct. No further action is required if the information reported is verified and determined to be correct. If not correct, please make the necessary changes and resubmit the shipment.

**Scenario E: Reference Codes such as Country Codes, Export Codes, Schedule B**

Q: “I can’t find the country code for where my goods are being exported. Where can I find them?”

A: To find country codes as well as other code tables, etc., visit: <http://www.census.gov/foreign-trade/reference/codes/index.html>.

Examples of code tables include:

- 1) Schedule B – Statistical Classification of Domestic and Foreign Commodities Exported from the United States
- 2) Schedule C – Country codes
- 3) Schedule K – Foreign Port of Unlading codes

**Scenario F: Registrant ID and Export Licenses**

Q: “I am receiving a fatal error message stating that my U.S. State Department’s Registrant ID has expired, however, I just renewed my exporting license with the State Department. Are these two different?”

A: Yes. A Registrant ID is the identification code that each company receives from the State Department to use certain export licenses and license exemptions. As a result, the registrant ID and export license may have been applied for on different days, and may have different expiration dates. Consult with the U.S. State Department at 202-663-1282 to get more information.

***Scenario G: Username already in use in AESDirect***

Q: "I am creating a username within my company, however, I am receiving an error message stating the username is already in use. How do I fix this?"

A: The new *AESDirect* requirements, effective October 1, 2008, require companies with one filer ID to distribute individual user accounts to all filers within the company. For more information, check the June 2008 edition of *AESDirect* Account Maintenance Changes at <http://www.census.gov/foreign-trade/aes/documentlibrary/AESDirectAccountMaintenanceChanges.pdf>.

***Scenario H: Changing Emails***

Q: "I have a new e-mail address, and I've updated the new one in my profile but the response messages continue to be sent to my old e-mail address. What am I doing wrong?"

A: In this case, the user may be using an old shipment template where the old e-mail address is still being used. The user must update the e-mail address within each of the shipment templates in order to receive the proper response messages.

***Scenario I: In-Transit Filing***

Q: "With mandatory filing being effective October 1, 2008, will In-Transit filing also become paperless?"

A: No. For shipments being filed as In-Transit, you will use Transportation Entry and Manifest of Goods Subject to Customs Inspection and Permit (Form 7512). The U.S. Army Corps of Engineers has suspended the Shipper's Export Declaration for In-Transit Goods (Form 7513) until an electronic medium is available. For more information, please contact the U.S. Army Corps of Engineers at 504-862-1429.

## NEW 2009 SCHEDULE B & HTS CODES EFFECTIVE JANUARY 2009

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The 2009 AES Export and Import Concordances will be available beginning in late December 2008:

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

*AESPcLink* Users - Please update your *AESDirect* Code Tables no later than January 2009.

For further information or assistance, contact a Census Bureau AES Client Representative:

1-800-549-0595, Menu Option 1 or [askaes@census.gov](mailto:askaes@census.gov).

### ***AESDirect/AESPcLink* User Notes**

***AESDirect* Users:** If you have a pop-up blocker on your computer, you must temporarily remove it to use the *AESDirect* look-up feature. The search boxes will not pop-up during a look-up if you have the pop-up box blocker activated.

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

**For All Users:** Please visit our Web page at [www.census.gov/trade](http://www.census.gov/trade) for a list of common terms, acronyms, and helpful export Web links.

### **Thank You!**

Special thanks to Ms. Kathy Toomey of OnPoint Solutions Group Inc. for successfully sponsoring *AESPcLink* workshops throughout the United States. From January 2008 through April 2008, staff from the Foreign Trade Division worked cooperatively with Ms. Toomey and successfully trained over 500 individuals in filing their Electronic Export Information via the AES. This was a great outreach and educational effort as mandatory AES was quickly approaching. Again, we thank OnPoint Solutions Group Inc. for their sponsorship.

## Contact Information

### **AESDirect Help Desk (toll-free)**

Everyday: 7 a.m.—7 p.m. ET  
Voice: 877-715-4433  
Fax: 301-562-7795  
E-mail: [boc-support@tradegate2000.com](mailto:boc-support@tradegate2000.com)

### **Census Call Center 800-549-0595**

*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, Menu Option 1**

Monday through Friday  
7 a.m.—5 p.m. ET  
Fax: 301-763-6638  
E-mail: [ASKAES@census.gov](mailto:ASKAES@census.gov)

### **Commodity Analysis Branch (Schedule B/HTS classification), Menu Option 2**

Monday through Friday  
8 a.m.—5 p.m. ET  
Fax: 301-763-4962

### **Regulations, Outreach, and Education Branch, Menu Option 3**

Monday through Friday  
8 a.m.—5 p.m. ET  
Fax: 301-763-4610  
E-mail: [ftdregs@census.gov](mailto: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](mailto:cynthia.oliver@dhs.gov), or [manifest.branch@dhs.gov](mailto:manifest.branch@dhs.gov).

### **Bureau of Industry and Security (BIS)**

Washington, D.C.	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:	<a href="http://www.census.gov/trade">&lt;www.census.gov/trade&gt;</a>
U.S. CUSTOMS AND BORDER PROTECTION:	<a href="http://www.cbp.gov/">&lt;www.cbp.gov/&gt;</a>
BUREAU OF INDUSTRY AND SECURITY:	<a href="http://www.bis.doc.gov">&lt;www.bis.doc.gov&gt;</a>