

# AES Newsletter

Issue 43

March 2012

## In This Issue

Upcoming Changes to the Automated Export System (AES) Compliance Report Scheduled for April 2012.....1

Cargo Sold After Exportation From the United States.....2

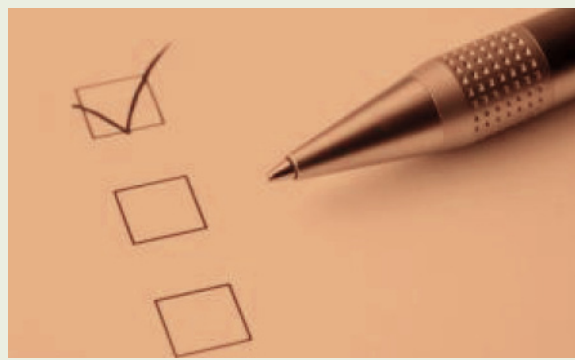
Who Is the United States Principal Party in Interest (USPPI) When Goods Are Withdrawn From Foreign Trade Zones (FTZs) for Export?.....3

Reporting the Correct Harmonized Tariff Schedule (HTS)/Schedule B Number for Boats Corrected by Foreign Trade Division—July 2012.....4

Contact Information.....5

## Upcoming Changes to the Automated Export System (AES) Compliance Report Scheduled for April 2012

*from the Automated Export System Branch*



In an effort to increase the awareness of the requirement to resolve all AES Fatal Errors, the U.S. Census Bureau's Foreign Trade Division will modify the AES Compliance Rate calculation to include outstanding fatal errors. This modification will provide

AES filers a complete compliance rate that reflects a filer's effort to maintain compliance with the *Foreign Trade Regulations*.

Beginning with the April 2012 AES Compliance Report, the new compliance rate will be implemented and filers will receive additional information regarding any unresolved AES Fatal Errors. The report will display the details of shipments with unresolved fatal errors, including the Shipment Reference Numbers, AES Response Codes, and AES Response Narratives. A listing of the most frequent unresolved fatal error(s) and their associated reason and resolution will be provided.

Two weeks following the AES Compliance Report, filers with remaining fatal errors will receive an AES Fatal Error Report as they have in the past. Only one AES Fatal Error Report will be sent to filers each month, rather than two per month as disseminated currently.

As with the current calculation, the new rate will continue to take into account the number of monthly AES Compliance Alerts per

*continued on page 2*



shipment. However, the rate will include the number of unresolved fatal errors for the specified month.

**To maintain a high compliance rate, filers should:**

1. Make sure your AES Compliance and AES Fatal Error Reports are sent to the appropriate person in your company.
2. Minimize the total number of monthly AES Compliance Alerts.
3. Monitor and resolve outstanding fatal errors as soon as they are received.
4. [Properly suppress](#) or resubmit rejected shipments.
5. Familiarize yourself with the [Appendix A—Commodity Filing Response Messages](#)—to correct your AES Fatal Errors and to avoid future errors.

Filers with few or no fatal errors will continue to see similar compliance rates under the new

calculation. Filers with increasing numbers of unresolved fatal errors, with respect to their number of shipments filed, can expect significant decreases in their monthly compliance rates until these errors are addressed.

As a reminder, 15 CFR Part 30—*Foreign Trade Regulations* Section 30.9 states that these errors must be corrected and the Electronic Export Information resubmitted prior to export for shipments filed predeparture and as soon as possible for shipments filed postdeparture, but not later than 10 calendar days after departure.

A final notification will be sent 2 weeks prior to the implementation date.

For further information or questions, contact the Census Bureau's AES Branch.

Telephone: 800-549-0595, select option 1 for AES

E-mail: [askaes@census.gov](mailto:askaes@census.gov)

Web site: [www.census.gov/trade](http://www.census.gov/trade)

Blog: [globalreach.blogs.census.gov](http://globalreach.blogs.census.gov)

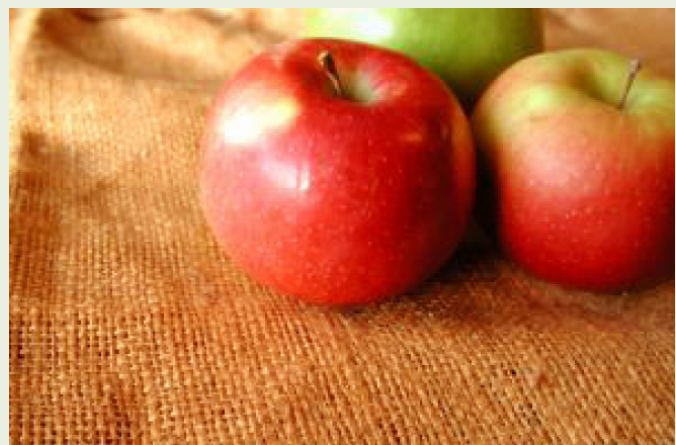
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## **Cargo Sold After Exportation From the United States**

*by Omari S. Wooden, Trade Ombudsman*

During the export process, business transactions occasionally occur after the goods are exported but before they reach their reported destination. Based on the *Foreign Trade Regulations*, Section 30.9(a), corrections to Electronic Export Information (EEI) must be made in the Automated Export System (AES) once they become known and as soon as possible. This article specifically addresses correcting the EEI for a shipment that was exported and, while the cargo was in transit to its original destination, a portion was sold to another consignee in a different location.

For example, you export fresh apples valued at \$10,000 to Consignee A in China. You reported this information in the AES. However, before the goods reach their ultimate destination, Consignee A decides it only wants \$4,000 worth of the fresh apples. Fortunately, you find another buyer (Consignee B) located in Hong Kong to purchase the remaining \$6,000 worth of fresh apples. How should you report this scenario properly in the AES?



The original EEI was reported with a value of \$10,000 in fresh apples destined to Consignee A in China. This must be corrected to show that only \$4,000 was shipped to that consignee. A new AES record must be created for the \$6,000 shipment to Hong Kong with the original date of export submitted. Because of this division in the shipment, AES requires separate reporting of two shipments.

*continued on page 3*

The first shipment must be corrected using the original Internal Transaction Number (ITN) and a new record must be created to obtain a second ITN. The table below outlines this scenario.

**NOTE:** *Although only the fields above need to be changed, the entire record must be submitted/resubmitted, including the data items that remain the same. Transmit the original EEI as a REPLACE or CHANGE, and then submit the new EEI (with a different Shipment Reference Number) as an ADD.*

As stated above, you are required to correct information as soon as possible. However, the new EEI will trigger a compliance alert because the AES database cannot translate your original EEI into two or more shipments; this must be completed by the filer.

Further, you must contact the U.S. Customs and Border Protection (CBP) staff at the port of exportation to inform them that part of the shipment was redirected. Specifically, contact the Outbound Enforcement Team or the CBP officer responsible for the export clearance process. Make them aware of the redirected shipment and that you are amending the records as a result of changes to the shipment in accordance with 15 CFR 30.9(a). The following link on the CBP Web site will help you find contact information for the port(s) in your area: [www.cbp.gov/xp/cgov/toolbox/contacts/ports/](http://www.cbp.gov/xp/cgov/toolbox/contacts/ports/).

If you have any questions regarding this article, please contact our Regulations, Outreach, and Education Branch at 800-549-0595, option 3.

	Original EEI	Corrected EEI	New EEI
<b>Value</b>	\$10,000 of fresh apples	\$4,000 of fresh apples	\$6,000 of fresh apples
<b>Consignee</b>	A (China)	A (China)	B (Hong Kong)
<b>ITN (Examples)</b>	X20120301123456	X20120301123456 (Same ITN as original EEI)	X20120305246802 (New ITN)

## Who Is the United States Principal Party in Interest (USPPI) When Goods Are Withdrawn From Foreign Trade Zones (FTZs) for Export?

*by Autumn Banks, Regulations, Outreach, and Education Branch*

The Foreign Trade Division Call Center is currently responding to an increased number of questions from the trade community about whom to report as the USPPI when you withdraw goods from a U.S. FTZ for export. Foreign goods are admitted into the FTZ using the CBP-214 form “Application for Foreign Trade Zone Admission and/or Status Designation” and reported as general imports. While in the zone, the goods may be assembled, refined, or combined with other goods into a new product. When goods are withdrawn from a FTZ for export to a foreign country, the export must be reported in accordance with the general requirements for filing Electronic Export Information in the Automated Export System (AES) (Sec. 30.2, *Foreign Trade Regulations [FTR]*). This leads us to the question—



who is the USPPI for goods withdrawn from FTZs for export?

*continued on page 4*

**Who Is the United States Principal Party in Interest (USPPI) When Goods Are Withdrawn From Foreign Trade Zones (FTZs) for Export?—Con.**

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Section 30.3(b) (2) of the *FTR* defines the USPPI as the person or legal entity in the United States that receives the primary benefit, monetary or otherwise, from the transaction. It also states that generally that person or entity is the U.S. seller, manufacturer, or order party, or foreign entity physically in the United States, purchasing or obtaining goods for export. Therefore, the party that sold the goods being withdrawn from the

FTZ for export is the USPPI. Please note that if that party is a foreign entity, then the designated U.S. Customs Broker who filed the import entry (general import) must be shown as the USPPI for the AES transaction. To review the specific regulation for reporting the broker as the USPPI, please refer to Section [www.census.gov/foreign-trade/regulations/regs/regulations20080602-federalregister.html#30\\_3](http://www.census.gov/foreign-trade/regulations/regs/regulations20080602-federalregister.html#30_3) of the *FTR*.

**Reporting the Correct Harmonized Tariff Schedule (HTS)/ Schedule B Number for Boats**

Corrected by Foreign Trade Division—July 2012

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**T**he Schedule B commodity classification number for boats is often classified incorrectly as 8901.10.0000—Cruise Ships, Excursion Boats, or Similar Vessels. This Schedule B number should be used **ONLY** to report “self-propelled” waterborne transportation, leaving the United States on its own power, from a Customs’ Vessel Border District Port. If the boats will be placed on a carrier for export, do not use this Schedule B number.

Please be vigilant in choosing the appropriate commodity classification number from Chapter 89 of the Schedule B for the specific type of boat to be exported. Below are some examples of boats that originally were classified incorrectly using Schedule B number 8901.10.0000. Each electronic export information (EEL) filing required retrieval by the filer, correction, and resubmission to the Automated Export System (AES).

To prevent future misclassifications, please refer to our Web site to search for the correct Schedule B number: [www.census.gov/foreign-trade/schedules/b/](http://www.census.gov/foreign-trade/schedules/b/).

If you need further classification assistance, please contact the Commodity Analysis Branch on 800-549-0595 and select Option 2, or send an e-mail to [ftd.scheduleb@census.gov](mailto:ftd.scheduleb@census.gov). Please be sure to provide the product description with as much detail as possible.

Your efforts in providing the correct Schedule B number on your AES filings will prevent potential imposition of fines and penalties in accordance with Section 30.70 of the *Foreign Trade Regulations* and will greatly assist the Foreign Trade Division in disseminating accurate trade statistics in a timely manner.

<b>Filer’s Boat Description</b>	<b>Correct HTS/ Schedule B Number</b>	<b>HTS/Schedule B Description (Yachts and other vessels for pleasure or sports)</b>
Inboard motorboat (e.g., Sea Ray 280 Sundancer—30 ft.)	8903.92.0075	Motorboats, inboard, for pleasure/sports, exceeding 8 meters (26 feet) in length
Outboard motorboat (e.g., ski boat, speed boat, etc.)	8903.99.2000	Outboard motorboats (except inflatables)
Personal watercraft (e.g., Jet Ski, Wave Runner, pontoon boat, etc.)	8903.99.9000	Other vessels for pleasure or sports

## CONTACT INFORMATION

**FOREIGN TRADE DIVISION CALL CENTER**  
**800-549-0595** (see menu options in the table below)  
**\*SECURE FAX: 301-763-8835** (all branches)

<p style="text-align: center;"><b>Automated Export System Branch, Option 1</b></p> <p style="text-align: center;">Monday–Friday  7:30 a.m.–5:30 p.m. ET  Fax: 301-763-6638  E-mail: <a href="mailto:askaes@census.gov">askaes@census.gov</a></p>	<p style="text-align: center;"><b>Commodity Analysis Branch, Option 2</b></p> <p style="text-align: center;">Monday–Friday  8:30 a.m.–5 p.m. ET  Fax: 301-763-4962  E-mail: <a href="mailto:fd.schedulebcensus.gov">fd.schedulebcensus.gov</a></p>
<p style="text-align: center;"><b>Regulations, Outreach, and Education Branch, Option 3</b></p> <p style="text-align: center;">Monday–Friday  7 a.m.–6:30 p.m. ET  Fax: 301-763-4610  E-mail: <a href="mailto:fdregs@census.gov">fdregs@census.gov</a></p>	<p style="text-align: center;"><b>Data Dissemination Branch, Option 4</b></p> <p style="text-align: center;">Monday–Friday  8:30 a.m.–5 p.m. ET  Fax: 301-763-4962  E-mail: <a href="mailto:fd.data.dissemination@census.gov">fd.data.dissemination@census.gov</a></p>

\*The secure fax number is for confidential company information (i.e., data requests). Please include a cover sheet with the name and/or branch phone number to whom the fax should be delivered.

The e-mail addresses below are not secure. Confidential company information should not be sent to these addresses.

### AESDirect Technical Support (toll-free)

Every day, 7 a.m.–7 p.m. ET	Voice: 877-715-4433
E-mail: <a href="mailto:boc-support@tradegate2000.com">boc-support@tradegate2000.com</a>	Fax: 301-562-7795

<b>AES PARTNERSHIP AGENCIES</b>	<b>WEB SITES</b>
<p><b>U.S. Customs and Border Protection (CBP)</b>  Trade Enforcement and Facilitation  For questions regarding CBP, ITAR, and Used Vehicles contact:   Robert Rawls, Program Manager, 202-344-2847  E-mail: <a href="mailto:robert.rawls@dhs.gov">robert.rawls@dhs.gov</a> or  <a href="mailto:manifest.branch@dhs.gov">manifest.branch@dhs.gov</a></p> <p><b>Bureau of Industry and Security (BIS)</b>  Help Desk, Washington, DC  202-482-4811</p> <p>Western Regional Office,  Los Angeles/Newport Beach, CA  949-660-0144</p> <p>Western Regional Office,  San Jose, CA  408-351-3378</p> <p><b>Directorate of Defense Trade Controls</b>  U.S. State Department, Washington, DC  Response Team  202-663-1282</p> <p>D-Trade Questions  202-663-2838</p>	<p><b>U.S. Census Bureau, Foreign Trade</b>  <a href="http://www.census.gov/trade">www.census.gov/trade</a></p> <p><b>U.S. Customs and Border Protection</b>  <a href="http://www.cbp.gov">www.cbp.gov</a></p> <p><b>Bureau of Industry and Security</b>  <a href="http://www.bis.doc.gov">www.bis.doc.gov</a></p> <p><b>U.S. State Department, Directorate of Defense Trade Controls</b>  <a href="http://www.pmdtdc.state.gov">www.pmdtdc.state.gov</a></p> <p><b>U.S. Treasury Department, Office of Foreign Assets Control</b>  <a href="http://www.treas.gov/offices/enforcement/ofac">www.treas.gov/offices/enforcement/ofac</a></p>