

AES Newsletter

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Full Mandatory Electronic Filing of The Shipper's Export Declaration

Congress recently passed and the President signed into law P.L. 107-228, the Security Assistance Act of 2002, which gives the Secretary of Commerce the authority to issue regulations requiring full electronic filing of all export information covered by Title 13, Chapter 9. Provisions in this law also provide for penalties for failure to file and false filing.

Plans are being developed for implementation in April 2004. ♦

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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 June 2003.

AES participants must modify their software prior to June 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 ANSI 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 mandatory filing requirements. To access the revised AESTIR, please link to:

www.customs.gov/impoexpo/auto_exp.htm

Click on AES Technical Documentation.



AESPcLink Enhancements

- You may now access both Schedule B Numbers and Harmonized Tariff Schedule (HTS) Numbers in PcLink.
- Shipment responses are now received directly from *AESDirect*.
- Party Profiles may be imported/exported by clicking on Tools in PcLink, then clicking on Transfer Profiles and following the instructions provided. ♦

Break-Bulk Shipments

A Transportation Reference Number is required for bulk and break-bulk shipments. Since a Booking Number is usually not available, please use an internal tracking number issued by any party to the transaction and include the sail date. Keep in mind the transportation reference number field is 30 characters in length and must remain unique for three years. Never write "Bulk" or "Break-Bulk" as the Transportation Reference Number. ♦

2003 Schedule B/HTS (Harmonized Tariff Schedule) File

- The 2003 downloadable version of Schedule B and HTS numbers have been loaded to the Foreign Trade website.
- Please link to:
<http://www.census.gov/foreign-trade/schedules/b/index.html#download>

Good News
85.9%
of eligible export
shipments are filed
in AES

AES Statistics

AES- November 2002*

Filers –	7,711
LOIs –	9,961
Shipments –	817,390
Option 4 Applicants –	2,584
Option 4 Approvals –	2,492

Rate of shipments reported late = 6%

Rate of shipments reported in error = 1%

*Includes *AESDirect*

AESDirect –November, 2002

Registrants –	9,356
Operational –	7,132
Shipments –	233,943

Customs' Corner

Office of Border Targeting & Analysis:

There was a restructuring of the U.S. Customs Service Headquarters Office of Field Operations in which the functions of AES now fall under Border Targeting & Analysis. Our phone number of (202) 927-6060 remains the same.

State Department Licensable Shipments:

When problems arise with the transmission of State Department Licensable Shipments contact Michelle Parker by phone at (703) 921-7176 or email

Michelle.G.Parker@Customs.treas.gov

Vessel Transportation Module:

Enhancements to the Vessel Transportation Module were implemented on December 1, 2002. These enhancements included new error codes and messages as well as a replace function allowing vessel carriers to update a booking report. Vessel carriers who are interested in becoming participants in AES should complete a Letter of Intent (LOI).

To access the LOI via the Internet:

Access Customs Web page at www.customs.gov

Click on Importing & Exporting

Scroll down to Exporting

Click on Automated Export System (AES)

Scroll down to Letter of Intent (LOI) form

-Vessel Transportation Data

Trade Act 2002:

Signed into law on August 6, 2002 to provide for the mandatory collection by Customs of electronic cargo information prior to importation into or exportation from the United States.

As noted in the Federal Register, Vol 67, No. 228 issued November 26, 2002 there will be public meetings in Washington, D.C. to assist in developing proposed regulations as specified below.

Air Cargo, January 14, 2003
Truck Cargo, January 16, 2003
Rail Cargo, January 21, 2003
Sea Cargo, January 23, 2003 ♦

Highlights of the October 9, 2002 Notice of Proposed Rules

On October 9, 2002, the U.S. Census Bureau published Proposed Rules in the Federal Register to amend the Foreign Trade Statistics Regulations (FTSR) to incorporate requirements for the mandatory Automated Export System (AES) / *AESDirect* filing for items identified on the Department of Commerce's Control List (CCL) and the Department of State's United States Munitions List (USML).

The U.S. Census Bureau is currently reviewing comments from the trade community received by the December 9, 2002 deadline. An estimated 30 days will be taken to review and answer these comments. Once this is completed, the Final Rule will be published followed by a 90-day implementation phase in period. We anticipate a June 2003 full implementation date of the Final Rule.

The following are highlights of the Proposed Rules we all should be aware of:

Mandatory Filing of USML and CCL Items in AES / *AESDirect*

All items identified on the USML, including those exported under an export license, or ITAR exemption and the CCL, that currently require an SED, will be required to be filed electronically via AES or *AESDirect*. FTSR 30.1

New USPPI Reporting Requirements

The USPPI's Employer Identification Number (EIN) or Social Security Number (SSN) along with the USPPI's name, address, contact, and telephone number must be reported with each AES or *AESDirect* record. FTSR 30.63(a)(ii)

In all export transactions, the USPPI's address shall be reported as the location from which the merchandise actually starts its journey to the port of export. This may be the address of the USPPI's processing plant, warehouse or distribution center, retail outlet, etc. FTSR 30.7 (d) (3) and 30.63 (a)

Data Entry Center (DEC) Responsibilities

A DEC must have a power of attorney or written authorization from the USPPI or foreign principle in interest if it completes any export information in AES or *AESDirect* for USML or CCL shipments. FTSR 30.60 (a)

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New Transportation Reference Numbers

Currently, the booking number is required as the transportation reference number for all vessel shipments. In addition to sea shipments, a transportation reference number has been proposed for air, rail and truck shipments—the master air waybill number for air shipments, the bill of lading number for rail shipments and the Freight or Pro Bill number for truck shipments. FTSR 30.7 (j) and 30.63 (b) (11)

New Definition of Pre-departure

For export data filed via a paper SED, the USPPI or authorized freight forwarder must present the SED to the exporting carrier when the cargo is tendered to the carrier. If the information is filed in AES or *AESDirect*, an exemption legend must be included on the vessel, air, or rail manifest, or other commercial loading document indicating that no SED is attached. FTSR 30.12

Elimination of AES Filing Option 3

The U.S. Census Bureau identified specific reasons for making Option 3 inactive. Option 3 has shown to be underutilized by AES filers. Option 3 filers have frequently shown noncompliance with timely filing for both the pre-departure and post departure filings and, therefore, the data collected are often incomplete and inaccurate because of missing post departure filings. Lastly, Option 3 has shown to be a burden by requiring filers to transmit twice for one shipment. FTSR 30.61

Note: The final rule is expected to be posted to the Federal Register in February 2003 and will be uploaded to the Foreign Trade web site. At that time, please link to:

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



AES Progress Reports

The AES Branch is responsible for monitoring data submitted by participants in the AES and has implemented a new system to monitor progress. In accordance with the Foreign Trade Statistics Regulations, 15CFR, Part 30.62 (a) (3), the data is monitored for quality, timeliness, and coverage. Also, by regulations, we are required to identify inconsistencies in the data and make recommendations that will result in the appropriate corrective actions by the participant.

Progress reports will be e-mailed monthly and will contain up to 3 months of data that identifies the number of shipments with error(s), the number of errors and the error detail for each of the 3 months. The report will also contain a percentage change from the last processing month to the most recent processing month, as well as the most recent

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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

WARNING: Customs is now monitoring exemption statements more closely because of increased security risks. Illegible or incorrectly formatted AES exemption statements on export documents are a violation of Title 15 Code of Federal Regulations 30.65, and may subject an export shipment to verification, detention, fines and in some cases, seizure by U.S. Customs.

- **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. ♦

AES Progress Reports Cont'd From Page 5

processing month's error rate (the error rate is calculated by dividing the most recent processing month's errors by the number of shipments for the most recent processing month). When a participant's error rate is found to be unacceptable, we will work closely with the participant to help to reduce the error rate and improve the quality of AES filings.

For more detailed information on the AES error messages, please link to Appendix A of the Automated Export System Trade Interface Requirements.

http://www.customs.gov/download/aes/apndx_a.pdf

If you have questions, please do not hesitate to call 1-800-549-0595. ♦

AES Commodity Redesign

Due to the focus on mandatory filing of items on the Commerce Control List and the US Munitions List, the projected date for implementation of the AES Commodity Redesign has been postponed until April 2004. As you were advised, 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. A few of the changes are highlighted below:

- The CL3 record, Marks and Numbers will be eliminated.
- The ES1 will include a final disposition indicator that indicates whether the data was A-accepted or R-rejected.
- The shipment transaction record will include a correction flag "R", used to replace all data previously sent without resetting the ITN or AES system clock.

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- The ES1 will include a severity indicator as to the severity of the error (F-fatal, W-warning, verification, C-compliance alert and I-informational). The ES1 narrative will no longer be preceded with the words "FATAL ERR, WARN ERR, VERIFY, or INFO ERR".

Many of the redesign changes will be transparent to *AESDirect* and *AESPCLink* users, however, these users should expect to see some changes to the Internet based software prior to April 2004.

More detailed information will be made available approaching the fall of 2003. Census and Customs will briefly cover the redesign at AES User Meetings. 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 and *AESDirect* on the Road

For locations and specific dates of AES meetings, workshops and other events-seminars conferences, exhibits, etc., please link to:

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

For Regulations, Outreach and Education seminars please link to:

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

If you are interested in having an *AESDirect* workshop in your area or if you or any Organization you know 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

NOTICE: We will charge a nominal fee per person registering in advance and any other attendees for *AESDirect/AESPCLink* workshops, due to cost incurred for the rental of computer labs.

AES Contact Information

For AES contact information, please link to the Foreign Trade web site:

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

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. ♦

Customs Client Representative Branch Phone List

Please link to:

<http://www.customs.ustreas.gov/download/aes/creplist.pdf>

Other Phone Numbers/Website Addresses

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