AES Newsletter

Full Mandatory Electronic Filing of The Shipper's Export Declaration

Congress 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 the fall of 2005.

AUTOMATED EXPORT SYSTEM BRANCH
BUREAU OF CENSUS
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Census Published Notice of Proposed Rule on Export of Diamonds

On January 12, 2005, the U.S. Census Bureau, Foreign Trade Division published the Notice of Proposed Rule (NPR) entitled Requirement for Reporting the Kimberley Process Certificate Number for Exports (Re-exports) of Rough Diamonds.

This NPR will require filers in the AES to provide a license code and Kimberley Certificate Number when exporting rough diamonds under HS/B Numbers 710210, 710221 or 710231. The license code required for this export transaction will be T12. The Kimberley Certificate Number will be reported in the License Number field and must be equal to or greater than 4 numeric characters. The NPR can be easily viewed by linking to: www.census.gov/foreigntrade/regulations/fedregnotices/index.html#2005

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INSIDE THIS ISSUE

Data Entry Center (DEC) Program Ending

The DEC Program will end on March 31, 2005. Please see the notification sent to all DEC filers on page 7.

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Full Mandatory Electronic Filing

The Notice of Proposed Rule for the new Foreign Trade Regulations mandating full mandatory filing will be posted to the Foreign Trade web site. Please peridiocally check for the notice at the link below under year 2005:

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

Helpful USML Web Links

DDTC Frequently Asked Questions:

http://www.census.gov/foreign-trade/aes/documentlibrary/mandatoryaesfaqs.html

DDTC Licensable Shipment Reporting Requirements Matrix and the June 2004 AESTIR Introduction and Guidelines:

http://www.customs.gov/xp/cgov/export/aes/tech_docs/aestir/

Good News

94.2% of eligible export shipments are filed in AES

AES Statistics

AES*Direct*

AES- December 2004 *

As Of January 10, 2005

Filers –	13,694	Registrants – 20,628
LOIs –	21,452	Operational – 12,943
Shipments –	1, 040,876	
Option 4 Approvals –	2,186	**Shipments in December 2004**
		405,333

Rate of shipments reported late = 4.60% **This figure includes Data Entry Center late filings that were not reflected on prior reports.**

*Includes AES*Direct*

How to Handle Fatal Errors

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 pre-departure filer has not met their reporting requirement.

The AES Branch within the U.S. Census Bureau sends out reports to filers that have not been successful in meeting this requirement. The report will provide a list of shipment reference numbers and the corresponding fatal condition for each of the numbers.

What should you do when you receive the fatal error report?

o   Retrieve the transaction from 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.

   (Note: The cause of the fatal error may not always be clear from the error message. For example, the error "Vehicle Info Not Allowed for Sched B/HTS" may result from an error in the Schedule B code. In bullet 5 on the next page, you will find directions for accessing Appendix A of the Automated Export System Trade Interface Requirement, which provides guidance into possible causes of each error message.)

o   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 additional fatal errors.

o   If you received the shipment reference number on your report, yet the shipment was cancelled, you need not send any corrections. Instead, you must send an email to ftd.aes.fatal.reports@census.gov and inform us that those shipment reference numbers have been cancelled. We will then remove the cancelled shipment reference numbers from your next fatal error report. **Note: Attempting to cancel/delete any of the transactions with a fatal error status will produce additional fatal errors.**

o   If you used a new shipment reference number when you fixed the fatal error, you must send an email to ftd.aes.fatal.reports@census.gov and provide a list of the shipment reference numbers on the report that need to be removed along with the ITN from the transaction using the new shipment reference number. If your software requires you to use a new shipment reference number for changes, you must change your software to allow corrections to previous transactions using the same shipment reference number.

- For information on how to resolve the fatal errors, please view the following website: www.census.gov/foreign-trade/redirects/aestir-appendix-a.html
  - Open the MS WORD document "AESTIR Appendix A"
  - 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 correct the transaction after the date of exportation and you are required to file pre-departure, then expect to receive a compliance alert condition "SHIPMENT REPORTED LATE; OPT2" from AES.

- If you correct the transaction after the tenth day of exportation and you are approved to file post-departure (Option 4), then expect to receive a compliance alert condition "SHIPMENT REPORTED LATE; OPT 4" from AES.

- If you need further assistance, please contact a Census Bureau AES representative by e-mail at ftd.aes.fatal.reports@census.gov or by phone at 1-800-549-0595.

What happens if you ignore the fatal error report?

- The Census Bureau may call the Compliance Manager, President or Vice-President of the company and follow-up that call with an e-mail, fax and hard copy letter alerting them of the problem. The call and letter will require that the company correct the transactions with fatal error status and make improvements to software or training to prevent future fatal errors from occurring. The letter will include a deadline for this fix to occur.

- If by this deadline, the company still remains non-compliant with regulation 30.64. The Census Bureau will begin working in conjunction with Customs and Border Protection to target non-compliant fliers. **Customs efforts will include unannounced visits. Note: Non-compliance can subject you to fines, seizures and/or penalties. In addition, you could lose your filing privileges in AES.**

Handling Other Types of Fatal Errors

- AES may generate a batch/block fatal error that occurs when the filer, transmitter or USPPI information is missing or invalid, or when AES cannot read the format of the export record. Because of the nature of these errors, they do not appear on the fatal error report, but they can reject an entire transmission containing one to many AES transactions.

- It is your responsibility to ensure that all AES transactions filed receive an ITN. If you must perform an audit to ensure that AES has generated an ITN for each transaction filed, please fax a written request on company letterhead to the Census Bureau at (301) 457-3765 and stipulate why the requested data are required and the period of the audit.

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Common AES Misinformation

MYTH: The USPPI must file their own exports.

FACT: The USPPI has the option of filing their own AES transmissions or contracting with a Freight Forwarder/Forwarding Agent to file on their behalf. The USPPI must provide **Power of Attorney or written authorization,** if using a Freight Forwarder/Forwarding Agent.

MYTH: The USPPI must file the SED in a Routed Export Transaction.

FACT: In a Routed Export Transaction, the Foreign Consignee gives the power of attorney or written authorization to file the export transaction to the U.S. authorized agent. If the USPPI decides that they want to file the transaction on their own, they must contact the Foreign Principal Party in Interest (FPPI) and instruct them to inform the authorized agent of this change. This is necessary so that duplicate AES records are not filed by the USPPI and authorized agent. An agreement, in writing should be created between the USPPI and FPPI.

MYTH: AES will become mandatory April 1, 2005.

FACT: At 11:59 PM EST on March 31, 2005 the Census Bureau will remove the Data Entry Center privilege from select filers. This privilege was given to carriers, couriers, and consolidators back in 1999 that allowed them to key export transactions into AES after receiving a completed paper SED from their customers. On April 1, 2005 these select carriers, couriers and consolidators (approximately 500 of them) will be required to become authorized agents and file only under written authorization from their USPPIs, or ask their USPPIs to file on their own behalf, or become a certified AES service center. Either way, beginning April 1, 2005 AES will no longer accept the DEC indicator on the AES record as a 'Y' – see page 7. Mandatory AES will become effective after implementation of the final regulations, estimated to be the fall of 2005 – see page 1.

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AES*PcLink* Version 6.0

AES*PcLink* Version 6.0 will be available in February 2005. This version will include improved up-front validations and edits. If you are a current AES*PcLink* user, to obtain the updated version, log onto AES*PcLink,* click on Tools, then click Update AES*PcLink* Software. Continue to follow the instructions as prompted by the system.

If you are not a current user, you may download AES*PcLink* by logging onto the AES*Direct* web site: www.aesdirect.gov

On the side bar, scan down to AES*Pclink* and click on download.   Once the executable file is downloaded, run the program to add the AES*PcLink* icon to your desktop.

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AES*Direct* EDI Upload Software Must Include Validations

ALERT

AESDirect Mandates that all AESDirect EDI Upload Vendors and In-house Programmers incorporate AES Validations according to the following schedule:

- March 1, 2005 - Deadline for AESDirect EDI Upload Vendors and In-house Programmers to incorporate validations.
- March 2 - March 31, 2005 - Send warning and list of specific missing validations to non-compliant AESDirect EDI Upload Vendors and In-house Programmers.
- April 1, 2005 - Revoke certification of non-compliant Vendors and In-house Programmers.

New validations were added into AES on June 7, 2004 as part of the AES Commodity Redesign. AESDirect EDI Upload Vendors and In-house Programmers had been given a grace period to add these validations into their software.

Effective March 1, 2005 AESDirect will require that all AESDirect Certified EDI Upload Software Vendors and In-house Programmers incorporate the AES validations into their AESDirect EDI Upload Software. The AES validations are edits that, when incorporated, will prevent the occurrence of most fatal errors. By mandating the AES validations, we will enable AESDirect EDI Upload filers to enjoy nearly error free export filing.

Between March 2, 2005 and March 31, 2005, AESDirect will work with any non-compliant companies to ensure that the validations are implemented.

AESDirect will revoke the certification of any AESDirect Certified EDI Upload Software Vendor or In-house Programmer who has not incorporated the AES validations by April 1, 2005. The filers who use that vendor will also be notified that they must obtain an AESDirect Certified EDI Upload Software Vendor no later than June 1, 2005.

If your software certification is revoked, you will be required to retest with AESDirect and the Census Bureau to ensure that your software includes the mandatory validations. When you have demonstrated that the validations exist, your certification status will be returned.

For a list of AES validations that will be required for transmission through AES*Direct,* see the Census Bureau page at:

http://www.census.gov/foreign-trade/aes/documentlibrary/aesdirectvalidations.txt

For more information on the new mandate contact AESDirect at 877-715-4433.

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NOTIFICATION
SENT TO ALL DATA ENTRY CENTER (DEC) PARTICIPANTS

The DEC Program will end on March 31, 2005. The U.S. Census Bureau (Census Bureau), Foreign Trade Division (FTD) would like to thank you for your cooperation and participation in this program. This letter serves as a follow up to the October 13, 2004 notification letter regarding the termination of the DEC Program as well as our written notification to terminate the agreement between your company and the Census Bureau as required by the signed Export Initiative Agreement.

On April 1, 2005, you must have a written authorization or power of attorney from the U.S. Principal Party in Interest in order to file or key information received on paper Shipper's Export Declarations into the Automated Export System (AES) or AES*Direct*, or transition to a certified service center.

• **As an authorized agent, you will be responsible for the resolution of all edit failures, as well as, for complying with all regulatory requirements and associated penalties pertaining to the filing of these shipments.**

♦**DECs filing export information directly into the AES mainframe with a DEC indicator set to "Y" beginning April 1, 2005 will receive compliance alerts from the U.S. Customs and Border Protection (CBP).**

♦**DECs filing export information using AES*Direct* will have their account automatically switched to an authorized agent on April 1, 2005.**

• **As a certified service center, your company will be responsible for transmitting AES information from all external customers to the AES mainframe and to transmit AES generated responses from the AES mainframe back to all external customers. At no time will the certified service center file information on behalf of the external customer. The service center will be responsible for creating AES software and certifying the software with the CBP. Service centers are also responsible for distributing the software to all external customers and each external customer would be required to test individually with the Census Bureau. This newly created software must standalone and may not be integrated with existing AES*Direct* or AES*PcLink* functions.**

We encourage you to transition from the DEC program prior to April 1, 2005. The AES system will continue to accept corrections to DEC shipments until March 1, 2006. If you decide to become an authorized agent prior to April 1, 2005, please send an e-mail notification to <ftddec@census.gov> to have your DEC status changed. If you decide not to become an authorized agent, please inform your clients that they will be required to file themselves or find an authorized agent to file on their behalf. The Census Bureau is available to assist them in this process. For additional information, please contact the AES Branch by telephone at 1-800-549-0595 or by e-mail at <askaes@census.gov>.

If you have questions concerning the elimination of the DEC program, please contact the Data Collection and Coordination Branch by e-mail at ftddec@census.gov, by telephone on (301)763-2259 or by fax on (301)457-7641.

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COMMON REPORTING PROBLEMS

- ## Exports Transiting Canada For Export To Other Foreign Countries

When you export merchandise from the United States through Canada to another foreign country, the following requirements must be followed:

The date of export is the date at which the truck or rail carrier moves the export across the United States/Canadian border or when the air carrier leaves the United States to Canada. The date of export is **NOT** the date when the carrier leaves from Canada to another foreign country.

The carrier is the carrier that moves the freight out of the United States, in most cases, it is NOT the carrier that moves the freight from Canada to the foreign country.

The port of export is the port where the merchandise leaves the United States It is NOT the Canadian port where the merchandise is leaving Canada to another foreign country.

The filer is required to give the AES exemption statement (XTN) or proof of filing citation (ITN) to the carrier that is moving the merchandise from the United States to Canada prior to tendering that merchandise to that carrier. The Census Bureau requires by regulation that the XTN or ITN be accessible in AES before the cargo exits the United States border port or airport.   The filing time is NOT extended to the period when the cargo leaves Canada to another foreign country.

- ## Transmissions To and From Puerto Rico

United States to Puerto Rico Shipments

Country of Ultimate Destination Code	- report PR
U.S. State of Origin Code	- report a valid USPS code
Ultimate and Intermediate Consignee Address	- Country Code - report as US
	- State Code - report as PR; use PR Zip Code

Puerto Rico to United States Shipments

Country of Ultimate Destination Code	- report as US
U.S. State of Origin Code	- report as PR
Ultimate and Intermediate Consignee Address	- Country Code - report as US
	- State Code - report a valid USPS code and U.S. Zip Code

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2005 Schedule B/HTS (Harmonized Tariff Schedule) File

The 2005 downloadable version of Schedule B Numbers, 2005 HTS Numbers and HTS Numbers Not Valid For Export may be accessed on the Foreign Trade website. Please link to:

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

The 2005 Schedule B is available for browsing at:
http://www.census.gov/foreign-trade/schedules/b/2005/browse-html.html

The 2005 HTS is available for browsing on the International Trade Commission Web site at http://www.usitc.gov/tata/hts/bychapter/index.htm

The 2004 Schedule B numbers that are now obsolete are available for downloading at http://www.census.gov/foreign-trade/schedules/b/#obsolete
(Under the heading "Year 2005", choose either the ASCII file or the compressed file.)

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AES and AES*Direct* on the Road

For locations and specific dates of AES meetings, Export Regulations seminars, AES*Direct*/AESPc*Link* workshops and other events-seminars, conferences, exhibits, etc., please link to:

http://www.census.gov/foreign-trade/aes/meetingsandpresentations/index.html
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Census Bureau AES*Direct*/AES*PcLink* Internet Training

Beginning in the second quarter of 2005, the Census Bureau will add to its already popular AES*PcLink* workshops, the option to receive the training via the Internet. The team from the U.S. Census Bureau AES Branch will conduct this training and provide a thorough demonstration, answer questions, and allow the participants to practice creating, correcting and canceling export transactions. Participants will hear the voice of the instructor through their phone while seeing the demonstration and instruction through the Internet. The Census Bureau plans to hold these training sessions weekly for up to 20 people at a time. The requirements for such training includes a phone, access to the Internet, e-mail and a training fee.

Further details will be forthcoming via AES Broadcasts.   ♦

AES Contact Information

AESDirect Helpdesk
Everyday, 7:00am - 7:00pm ET
Voice: 877- 715-4433
Fax: 301-562-7795
E-mail: boc-support@tradegate2000.com

Census AES Branch
 Monday through Friday, 8:00am - 6:00pm ET
Voice: 800- 549-0595
Fax: 301-457-1159
E-mail: ASKAES@census.gov

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Regulation Contact Information

Census Regulations Outreach and Education Branch
Monday through Friday, 7:30am - 5:30pm ET
Voice: 301 763-2238
Fax: 301-457-3765
E-mail: ftdregs@census.gov

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We need your e-mail address change

Please send changes to 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.

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Customs Client Representative Branch Phone List

Please link to:

http://www.customs.gov/linkhandler/cgov/export/aes/creplist.ctt/creplist.xls

Other Phone Numbers/Website Addresses

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**

W EB S ITES

BUREAU OF CENSUS, FOREIGN TRADE	**WWW.CENSUS.GOV/TRADE**
BUREAU OF CUSTOMS AND BORDER PROTECTION	**WWW.CBP.GOV**
BUREAU OF INDUSTRY and SECURITY	**WWW.BIS.DOC.GOV**