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 late 2004. See page 3 "Trade Act of 2002". ♦

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AES Commodity Redesign

On June 8, 2004, the Census Bureau and U.S. Customs and Border Protection will deliver a redesign of the commodity module of the Automated Export System (AES). The AES commodity module is being re-engineered to allow for more robust messaging with output that consistently conforms to the AES Trade Interface Requirements (AESTIR). It will eliminate lost transmissions and duplicate responses. The commodity redesign will provide improved client support tools and an improved AESTIR with clear filing guidelines for the filer. Stricter electronic filing rules will prevent erroneous data from being accepted into AES and thereby improve compliance with export regulations and other legal requirements. It will allow future enhancements to be made easier and quicker.

These are some of the changes being implemented:

- Data Entry Center (DEC) claims will be made 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 be used in place of the "delete/add" actions used by some filers to make changes to previously filed data. The Change function will continue to be supported and a new 'Cancel' action will be added at the shipment level.

FOREIGN TRADE STATISTICS YOUR KEY TO TRADE
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AES Progress Reports Temporarily Discontinued

Due to technical difficulties, the AES Progress Reports have been temporarily discontinued. A new software program will be used to generate future reports. After a brief testing period, Progress Reports will resume in early April 2004.

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AES Commodity Redesign

- The filing option indicator will be relocated and required for all options (Option 2 requires a '2' rather than 'blank').
- Strict party reporting rules will apply and will be fully explained in the filing guidelines.
- USPPI IRS Number and Type moved from the block level (B record) to N03 record.
- 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) record.

2004 Schedule B/HTS (Harmonized Tariff Schedule) File

The 2004 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

Click on ZIP ASCII file Schedule B/HSTUS (1.0 MB) and follow the instructions for downloading the text file.

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Good News

90.8% of eligible export shipments are filed in AES

AES Statistics

AES- January 2004*

Filers –	10,674
LOIs –	18,504
Shipments –	888,139
Option 4 Applicants –	3,435
Option 4 Approvals –	2,760

Rate of shipments reported late = 4.3%

Rate of shipments reported in error = 0.7%

*Includes AES*Direct*

AES*Direct*

As Of February 16, 2004

Registrants –	18,390
Operational –	10,029

Shipments in January 2004
292,069

Customs' Corner

U. S. Customs and Border Protection

The Customs Outbound Programs office is now the U.S. Customs and Border Protection (CBP), Interdiction and Security (Outbound) office. The permanent staff includes Jeanee Panoke, who oversees AES issues in the Vessel issues, and Janis (Jan) Robinson who oversees AES-related Air, Rail and Truck issues. For information or questions in these areas, you may contact Jeanee Panoke by phone at (202) 927-1167 or by email at jeanee.panoke@dhs.gov or Janis Robinson by phone at (202) 927-4183 or by email at janis.robinson@dhs.gov

For questions related to USML or CCL shipments, or other State Department issues, you may contact Robert Rawls by phone at (202) 927-5301 or by email at robert.rawls@dhs.gov

Paper Copy of AES Document for Shipment of USML Articles

Effective December 18, 2003 the ITAR no longer requires submission of a paper copy of the AES document (Department of State, Federal Register Notice dated October 27, 2003, page 61098). However, CBP may still require the form for evaluation purposes. If you have questions regarding this requirement, please contact the CBP Office of Field Operations at 202-927-6060.

Trade Act 2002

On December 5, 2003 the Department of Homeland Security published 19 CFR Parts 4, 103, et, al--Advanced Electronic Presentation of Cargo Information; final rule. Included in the regulations are the time frames for filing export cargo information in AES pre-departure, requirements for the ITN as the AES proof of filing citation, and changes to the Option 4 program. A summary of the final Trade Act regulations, and the Final Rule for required advanced presentation of electronic cargo information, as well as the matrix of rules by mode of transport may be found at the CBP website. The specific site location (URL) is:

www.cbp.gov/xp/cgov/import/communications_to_industry/advance_info/

The timeframes to transmit Advance Electronic Cargo Information, delineated by mode of transport, are as follows:

Air & Courier	2 hours prior to departure from US
Vessel	24 hours prior to departure from US port where cargo is laden
Rail	2 hours prior to arrival at the border
Truck	1 hour prior to crossing the border

The effective date for compliance will be in late 2004.

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Export Information Code MS

When filing State Department Licensed Shipments **DO NOT USE** Export Information Code "MS." Although you will receive confirmation (ITN) that your shipment has been accepted, this code will cause your license **NOT to be decremented** and your commodity data to be suppressed in AES. **Customs will seize and fine for this mistake.**

The correct Export Information Codes to use for shipments subject to State licensing authority are: OS, FS or FI.   See link below for AESTIR Appendix E:

http://www.customs.gov/xp/cgov/export/aes/tech_docs/aestir/oct03_intro/oct03_req_apndx/

Helpful USML Web Links

ODTC Frequently Asked Questions:

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

ODTC Licensable Shipment Reporting Requirements Matrix and the October 2003 AESTIR Introduction and Guidelines:

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

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Freight Forwarder Requirement

Anytime a forwarder, or other agent is involved in the export transaction -- whether filing the export information or facilitating the movement of the cargo --, the Name, Address, and EIN, SSN, or DUNS information must be provided on the SED or AES record. The authorized forwarder must have an address within the United States or Puerto Rico.

The EIN, SSN, or DUNS requirement for forwarder or other agent becomes effective October 18, 2003. If you have further concerns regarding the requirement, please contact the Bureau of the Census, Foreign Trade Division, Regulations, Outreach and Education Branch on 301-763-2238.

Note: If you are filing as a freight forwarder in AES*Direct* or AESPc*Link*, you do NOT need to fill out the Freight Forwarder section. A forwarder profile (containing the required information) will be added automatically when you send each shipment.

If you are filing as a USPPI in AES*Direct* or AESPc*Link*, you **DO** need to fill out the Freight Forwarder section.

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New AES*Direct* Service Enhancement

- AES*Direct* VPN (Virtural Private Network)-

Effective Monday December 15th, the AES*Direct* service was upgraded to include a new type of service connection, AES*Direct* VPN.

The AES*Direct* VPN level of service provides an Internet based Virtual Private Network (VPN) connection to the AES*Direct* service.   This type of connection offers the ability to conduct a secure (encrypted), automated, two-way exchange of data between a filing company's own computers and the AES*Direct* service.

For companies that opt to use AES*Direct* VPN, AES*Direct* provides a free client-side software utility to establish and manage this connection.

AES*Direct* VPN service allows filers to electronically deliver AES submission transactions to AES*Direct* and allows AES responses to be delivered back to the filer in secure and automated computer-to-computer transaction. Using AES*Direct* VPN does not in any way remove any existing feature of AES*Direct*. AES*Direct* VPN continues to allow filers to deliver electronic shipment reports to AES via AES*Direct*.

AES*Direct* VPN can be used by three types of AES filing companies, these are:

(1) AES*Direct* Accounts using the WWW and WebLink Interactive Interfaces: Any AES*Direct* account can use AES*Direct* VPN to receive a direct secure download of AES responses (e-Responses) either instead of, as an alternative, or in addition to, receiving the AES responses by e-mail.

(2) AES*Direct* Accounts using the AES*Direct* EDI Upload feature: Any AES*Direct* Account that is authorized for the EDI Upload feature may use AES*Direct* VPN to set-up and establish any number of secured connections to and from their own servers (computers) to AES*Direct*. This allows the AES*Direct* EDI feature and subsequent AES responses to be fully automated. The Census Bureau's AES Branch would like to thank Melco Group International for volunteering to test this particular feature of AES*Direct* VPN.

(3) Companies filing (connecting) directly with the U.S. Customs AES system: AES*Direct* VPN can be used as an alternative or supplement to existing direct connections to the Customs and Border Protection (CBP) AES mainframe. Thus, AES*Direct* VPN can back-up the existing dial-up, VAN, or direct leased line link to AES, even if the company is not registered for the full AES*Direct* service.

Additional information about AES*Direct* VPN is available at www.aesdirect.gov

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AES Commodity Redesign

- Shipment "to be sold en route' indicator supported in N01 record – Party Header
- CL3 "Marks and Numbers" record will be eliminated.
- ITN will be removed from the SC2 record and placed in the ES1 – response message output record.
- The ES1 record will include a final disposition indicator that indicates whether the data was Accepted (A) or Rejected (R).
- The ES1 record will include a severity indicator to declare the severity of the error (F-fatal, W-warning, V-verification, C-compliance alert, and I-informational).
- A complete new Appendix A – Commodity Filing Response Messages will provide the narrative text, identify the records involved, give the reason for the condition message and suggest the possible resolution.

Many of these changes will be transparent to AES*Direct* and AES*PcLink* users. However, AES*Direct* and AES*PcLink* users should expect to see some changes to the Internet based software in mid 2004. Because many of the error conditions that were warnings will now be fatal conditions in the commodity redesign, users may need to look at there current business processes to ensure compliance with the new data requirements.

We strongly encourage you modify your AES software to comply with the 2004 Commodity Redesign as soon as possible.

The AES Commodity Redesign will be available in the Education region on April 5, 2004. All AES self-programmers will be required to certify their AES redesign programming. There will be a 65-day window to complete your certification prior to the production implementation.

AES technical documentation is available on the Customs and Border Protection web site:

http:\www.cbp.gov/xp/cgov/export/aes/tech_docs/aestir/april04_intro/

On June 5, 2004 at 12:01 A.M., the new Commodity Redesign formats will be moved to the AES Production Region, followed by a 72 hour system outage. June 4, 2004 is the last day in which an AES client can send a shipment with the old commodity formats. On June 8, 2004 at 12:01 A.M., the AES Production Region with the new commodity format will be open to AES clients for transmissions to AES.

The Commodity Redesign will continue to be discussed at our Export Regulations Seminars. For seminar dates and locations please link to:

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

The Census Bureau's 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

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COMMON REPORTING PROBLEMS

- ***Exemption Statements***

  If a shipment is filed electronically through AES, the USPPI or their authorized forwarding agent is responsible for annotating a <u>properly worded Proof of Filing Citation</u> on the air waybill, bill of lading or other commercial loading document 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 X20030314231567**

  Other valid Proof of Filing Citations are listed in FTSR Letter Number 168 Amendment 2:

  http://www.census.gov/foreign-trade/regulations/ftsrletters/ftsr168-amendment2.pdf

  WARNING: Customs is now monitoring Proof of Filing Citations more closely because of increased security risks. Illegible or incorrectly formatted AES Proof of Filing Citations 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 Customs and Border Protection.

- **USPPI and Freight Forwarder fields**

  Dummy information is not acceptable in the fields for USPPI and Freight Forwarder information (Contact Name, Address and Telephone Number). Reporting incorrect information in these fields can result in **fines**.

- **Country Codes**

  Be careful when reporting Country Codes in AES. Please note:

  > **IR** is for Iran **NOT** Ireland (IE)

  > **KP** is for North Korea **NOT** South Korea (KR) or Kenya (KE)

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The 2004 Schedule B is available for browsing at:
http://www.census.gov/foreign-trade/schedules/b/2004/browse-html.html

The 2004 HTS has already been published by ITC and is available to the
trade for viewing and reference on the ITC website at:
http://www.usitc.gov/taffairs.htm

The updated list of current **HTS Numbers** that are **invalid** for use in AES are available at:
http://www.census.gov/foreign-trade/aes/hts-not-for-aes.txt

The 2003 Schedule B numbers that are now obsolete are available for
downloading at:
http://www.census.gov/foreigntrade/schedules/b/#obsolete

Under the heading Year 2004, choose either the ASCII file or the
compressed file.

This year's changes include several changes to the units of measures for some B Numbers.
If the unit of measure has changed, you must begin using that new unit of measure for
shipment transactions with dates of exportation on January 1, 2004 (there is no grace period).

Failure to use the correct unit of measure will generate 343 WARN ERR
- MISS NET 1ST UNIT OF MEASURE, 344 WARN ERR - INVAL NET
1ST UNIT OF MEASURE, 345 WARN ERR - MISS NET 2ND UNIT OF
MEASURE, 346 WARN ERR - INVAL NET 2ND UNIT OF MEASURE or 347
WARN ERR - QTY UNITS DO NOT MATCH HS REQ   ♦

AES and AES*Direct* on the Road

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

http://www.census.gov/foreign-trade/aes/meetingsandpresentations/index.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 AES*Direct*/AES*PcLink* 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#aescontact

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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.gov/ImageCache/cgov/content/export/aes/creplist_2epdf/v1/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	**WWW.CENSUS.GOV/FOREIGN-TRADE**
BUREAU OF CUSTOMS AND BORDER PROTECTION	**WWW.CBP.GOV**
BUREAU OF INDUSTRY and SECURITY	**WWW.BIS.DOC.GOV**