

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 mid-2004. See page 3 "Trade Act of 2002" ♦

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*****UPDATE*****

AES

Mandatory Reporting Requirements

The implementation date of the mandatory electronic filing of items on the Commerce Control List and the U. S. Munitions List is October 18, 2003.

AES participants must modify their software prior to October 18, 2003 to comply with the new reporting requirements. The Automated Export System Trade Interface Requirements (AESTIR) October 2003 reflects the new requirements. Included are changes to the CL2 record, a **NEW** DDTC License Information record (ODT record), 3 new appendices (O-DDTC ITAR Exemption Codes; L-DDTC USML Category Codes and W-DDTC 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/xp/cgov/export/aes/tech_docs/

Click on AES Trade Interface Requirements (AESTIR) and then click on Commodity Formats. ♦



AESDirect/AESPcLink

Archive Shipment Reporting Service

Shipments are archived 10 months after the Date of Export--depending on when *AESDirect* moves the data to the archive file. The archive file is updated once a month. Storage dates back to September 1999 (the beginning of *AESDirect*). Shipments will be maintained for a period of five years after the Date of Export (the SED retention period).

To access the archived files:

- Log onto *AESDirect*
- Go to "AESDirect Archive Service" at the *AESDirect* Main Menu

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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
87.5%
of eligible export
shipments are filed
in AES

AES Statistics

AES- June 2003*

Filers –	8,448
LOIs –	12,275
Shipments –	851,843
Option 4 Applicants –	2,857
Option 4 Approvals –	2,541

Rate of shipments reported late = 4.1%

Rate of shipments reported in error = .6%

*Includes *AESDirect*

As Of

***AESDirect* –July 14, 2003**

Registrants –	11,565
Operational –	7,812
Shipments –	250,367

Customs' Corner

Bureau of Customs and Border Protection

On March 1, 2003, the border inspection functions of the U.S. Customs Service, the Immigration and Naturalization Service, and the Agriculture and Plant Health Inspection Service, along with the U.S. Border Patrol, were transferred to the Bureau of Customs and Border Protection (CBP) headed by Commissioner Robert C. Bonner. As part of the Border and Transportation Security Directorate of the Department of Homeland Security, this new agency, CBP, unifies for the first time in our nation's history all of the federal agencies responsible for border enforcement, protection, and inspection at and between over 300 ports of entry into the United States.

Trade Act 2002

On July 23, 2003 Customs and Border Protection (CBP) published the proposed regulations that are specifically intended to implement the provisions of section 343(a) of the Trade Act of 2002. These proposed regulations can be found on the web at:

<http://a257.g.akamaitech.net/7/257/2422/14mar20010800/edocket.access.gpo.gov/2003/pdf/03-18558.pdf>

Included in these regulations are proposed time frames by method of transportation for filing AES information pre-departure, requirements for the ITN as the AES proof of filing citation, and changes to the Option 4 program. Written comments to the proposed rule must be received by CBP on or before August 22, 2003.

State Department Licensable Shipment Reminders

- Mandatory electronic filing of items on the U. S. Munitions List is October 18, 2003.
- Look to the International Traffic in Arms Regulations (ITAR) for changes concerning mandatory filing.
- **A paper SED is still required for State Department Licensed exports even if filed through AES.** Consult your local Customs port for the appropriate number of SED copies.
- The USPPI must lodge the original DSP 5 and DSP 94 license with Customs at the port of exit before a shipment is made. Licenses which have not been lodged with Customs are subject to seizure.
- All DSP 61 and 73 original licenses must be presented to Customs along with the appropriate number of SED copies for decrementation prior to export.

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- On DSP 94 licensable shipments the appropriate number of SED copies should be presented to Customs for decrementation prior to export, as the DSP 94 and a copy of the Letter of Offer and Acceptance are already lodged.
- All other license types, agreements and ITAR exemptions still require a paper copy of the SED to be submitted to Customs (not the carrier) prior to export.
- The Office of Defense Trade Controls is reviewing the requirement to submit a paper copy of the Shipper's Export Declaration to Customs for each shipment. Please watch the Federal Register for any changes affecting the requirements for paper SED's.
- When problems arise with the transmission of State Department Licensable Shipments contact Kim Compton by phone at (703) 921-7466 or email kimberly.g.compton@dhs.gov
- For Customs procedures concerning State Department Issues contact Robert Rawls by phone at (202) 927-5301 or email at robert.rawls@dhs.gov ♦

AES Progress Reports

The AES Branch is responsible for monitoring data submitted by participants in 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 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 how to resolve AES error messages, please link to Appendix A of the Automated Export System Trade Interface Requirements.

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

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

Highlights of the July 18, 2003 Final Rule

On July 18, 2003 the U.S. Census Bureau published the Final Rule 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) that currently require a Shipper's Export Declaration (SED).

The Census Bureau will implement provisions of this rule on October 18, 2003. This will allow all affected entities sufficient time to come into compliance with this rule.

The following are highlights of the Final Rule 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, and the CCL which previously required a Shipper's Export Declaration (SED) must be filed electronically via AES or *AESDirect*.

- **Forwarding Agent**

The name, address, and EIN or Social Security Number of the duly authorized forwarding or other agent (if any) of the principle party in interest must be recorded where required on the SED or AES record.

- **Address of the USPPI**

In all export transactions, the USPPI shall report the address location from which the merchandise actually starts its journey to the port of export. If the USPPI does not have a facility (processing plant, warehouse, distribution center, or retail outlet, etc.) at the location from which the goods began their journey, report the USPPI address from which the export was directed.

- **Time and Place for Presenting the SED, Exemption Legends or Proof of Filing Citations**

It is the duty of the USPPI or the authorized agent to deliver the required number of copies of the SED, the exemption legends, or the proof of filing citations when the cargo is tendered to the exporting carrier.

- **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.

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Data Entry Center (DEC) Program Notification To All Authorized Participants

The Foreign Trade Division would like to thank you for your cooperation and participation in the DEC program.

The purpose of this notice is to inform you of the implementation of the Proliferation Prevention Enhancement Act of 1999 (Public Law 106-113). This law mandates that all persons who are required to file export information under Chapter 9, Title 13, United States Code, must file through the Automated Export System (AES) with respect to export of items on the Commerce Control List (CCL) and the United States Munitions List (USML), effective October 18, 2003.

In addition, the Security Assistance Act of 2002 (Public Law 107-228), which was signed into law on September 30, 2002, makes filing AES mandatory for all shipments requiring a Shipper's Export Declaration (SED) upon publication of regulations. This is currently planned for implementation by mid-2004. When this law is implemented, the Bureau of Customs and Border Protection will no longer accept paper SEDs for any export transaction. This law also increases the penalties for delayed filing and for failure to file export information.

As a result of these laws, the DEC program will cease to exist in its present form when the regulations are implemented. The new regulations will require that Non-Vessel Operating Common Carriers, Express Air Couriers, other Carriers and Port Authorities that act as DEC's or Service Centers, must have a power of attorney or written authorization from each U.S. Principle Party in Interest, Foreign Principal Party in Interest, or authorized agent in order to file export information in AES for CCL or USML shipments and later for all shipments.

In an effort to make this transition to mandatory electronic filing of licensed shipments successful, please follow the progress of the regulations pertaining to each public law by accessing the U.S. Census Bureau, Foreign Trade Division, Web site at:
<<http://www.census.gov/foreign-trade/regulations/fedregnotices/>>.

If you have any questions concerning the DEC program, contact Ms. Barbara Boney, Chief, Data Collection Coordination Branch, on (301) 763-2259. ♦

AES Port Code Changes

Detroit Metropolitan Airport (Please continue to use Port Code 3801 for Detroit City Airport)	Port Code 3807
U. P. S. Miami International Air Port (Port Code changed from 5273 to 5295)	Port Code 5295

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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 properly worded exemption statement 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 exemption statements 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 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 Customs and Border Protection.

- **Entry Number**

The entry number from the 7501 summary is required to be reported for the export transaction as proof of export for import transactions. If you have multiple entry numbers for a shipment, report the entry number with the highest value. Presently, AES does not accept multiple entry numbers. FTSR Letter 174 addresses the requirements for merchandise imported into the United States for export to a third country of ultimate destination. This is the only instance where a Freight Forwarder can be listed as the USPPI. ♦

AES Port Code Changes Cont'd

The Method Of Transportation has changed for the following ports:

0402 Springfield, MA
0403 Worcester, MA

Both previously accepted Vessel movements; they **now only accept Air movements.**

- Click on “Retrieve an Archived Shipment” to view a shipment by Shipment Number.
- Click on “Archived Reporting Service” to view a list of archived shipments for a specific date range (based on Date of Export). Note: Enter the company’s User Name and Password again for access to the archived database.

Shipment Template Feature

Effective October 18, 2003, when a Shipment Template is created, Value, Quantity 1, Quantity 2 and Origin State will be blanked out. This is in addition to the fields that are currently blanked out—Shipment Number, Transportation Reference and Departure Date.



Correct Your Warnings

or

Face Repeated Reminder Messages

On March 13, 2003, AES began running a new AES 4-Day Reminder program, first discussed in the July 2002 newsletter. Whereas the old reminder process used to run once a week and generate one reminder, the new 4-Day Reminder program runs nightly and generates a “reminder” message (for the same outstanding error) every seven days until the error is corrected.

AES accepts complete commodity shipment data with one or more warning errors encountered during the electronic process in which case the shipment receives a **“MUST CORRECT WARNINGS”** message text. The filer is given a four-day “grace” period to correct the outstanding warning error. After the 4-day grace period expires, AES generates and returns a trade notification (reminder) to the commodity filer/transmitter regarding any shipment that has been accepted with error(s) and which has not been corrected timely. Once an initial reminder is sent after the 4-day grace period, the filer is reminded to correct the outstanding warning conditions once every seven days based on the day of the week the shipment was original filed, until such time as the warning conditions have been corrected.

To avoid receiving multiple **“reminder”** messages, correct all warning conditions within four days of receiving the commodity data filing response message **“MUST CORRECT WARNINGS”**. ◆

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 mid-2004. As you were advised, the Census Bureau and Customs and Border Protection 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.

- 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 Export Regulations 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.

Highlights of the July 18, 2003 Final Rule Cont'd From Page 5

- **Removal of AES Filing Option 3**

The U.S. Census Bureau identified specific reasons for eliminating AES Filing Option 3. Option 3 has shown to be underutilized by AES filers. The data collected were often incomplete and inaccurate because of missing postdeparture filings. Lastly, Option 3 has shown to be a burden by requiring filers to transmit twice for one shipment.

- **Transportation Reference Number**

The booking number for all sea shipments remains the only transportation reference number required to be reported. Reporting 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 are all optional.

- **Shipping Weight**

The shipping weight, reported in kilograms, will be required for all Vessel, Air, Rail and Truck shipments.

- **AES Filing Standards**

The certified AES filer's data will be monitored and reviewed for quality, timeliness, and coverage. The Census Bureau will notify the AES filer if the filer fails to maintain an acceptable level of quality, timeliness, and coverage in the transmission of export data or fails to maintain compliance with Census Bureau Regulations. The Census Bureau, if necessary, will take appropriate action to correct the specific situation(s). ♦

Iraq and Angola Trade Sanctions Lifted

The trade sanctions against Iraq and Angola have been lifted. Accordingly, the sanctioned country indicator in AES has been removed for each of these two countries. You will no longer receive the error message "327 WARN ERR - SANCTION ON COUNTRY OF ULT DEST" when you export to Iraq or Angola.

For more information on the lifting of U.S. Iraq sanctions, go to: the press release at:
<http://www.treas.gov/press/releases/js427.htm>

For more information on the lifting of the U.S. Angola sanctions, go to the Federal Register site at:
http://www.archives.gov/federal_register/
(search for the Federal Register Notice of May 8, 2003.) ♦

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>

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 DIVISION: WWW.CENSUS.GOV/FOREIGN-TRADE

BUREAU OF CUSTOMS AND BORDER PROTECTION: WWW.CUSTOMS.GOV

BUREAU OF INDUSTRY and SECURITY: WWW.BIS.DOC.GOV