

# AES Newsletter

Volume 1, Issue 19

July 2004

## 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 first quarter of 2005. See Trade Act of 2002 link on page 2.

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## Full Mandatory Filing

### \*\*\*\*Highlights\*\*\*\*

- The Paper SED, Shipper's Export Declaration Form 7525-V, will be eliminated.
- The Automated Export System (AES) must be used for all exports that require filing.
  - The Data Entry Center program (DEC) will cease to exist. Current DEC filers must obtain Power of Attorney or written authorization from USPPI's and become Forwarding Agents.
  - Option 4 will accept new applications. USPPI's already approved will not need to reapply.
  - Filing Time Frames
- **Vessel**– 24 hours prior to departure from U.S. port where cargo is laden
- **Air & Courier**–2 hours prior to departure from U.S.
- **Rail** – 2 hours prior to arrival at the border
- **Truck** – 1 hour prior to crossing the border
  - The current AES Exemption Statement will be called "Proof of Filing Citation".
  - The ITN will be mandatory as part of the AES Proof of Filing Citation on bill of lading, air waybills or other loading documents.
  - A new Proof of Filing Citation for shipments moving under Downtime will be present. The XTN can no longer be used except during Downtime.

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## Full Mandatory Filing Highlights

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- Penalties will increase from \$100/day to \$1000/day with a maximum of \$10,000 per violation. Penalties can be civil or criminal and can carry up to 5 years in jail. Penalties can be assessed against USPPs, Forwarders/Agents and/or Carriers.



## Trade Act of 2002

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 Customs and Border Protection website. The specific site location (URL) is:

[www.cbp.gov/xp/cgov/import/communications\\_to\\_industry/advance\\_info/](http://www.cbp.gov/xp/cgov/import/communications_to_industry/advance_info/)



## 2004 Schedule B/HTS (Harmonized Tariff Schedule) File

\*\*\*HTS July Revisions\*\*\*

The 2004 downloadable version of Schedule B Numbers, the revised July 2004 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#cordance>

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# Good News

**93.0%**  
**of eligible export  
shipments are filed  
in AES**

## AES Statistics

### AES- June 2004\*

Filers –	11,997
LOIs –	17,561
Shipments –	1,003,165
Option 4 Applicants –	3,403
Option 4 Approvals –	2,901

### AESDirect

#### As Of June 15, 2004

Registrants –	16,799
Operational –	11,326

**Shipments in June 2004**  
377,257

Rate of shipments reported late = 9.2% This figure includes Data Entry Center late filings that were not reflected on prior reports.

\*Includes AESDirect

## Customs' Corner

### Proscribed Countries List Not Eligible For Option 4

U.S. Customs and Border Protection regulations require full export information pre-departure for shipments to certain proscribed countries. Specifically, no vessel shall be cleared to depart directly for a proscribed country until a complete outward manifest and all required Electronic Export Information (EEl)s have been filed with the port director. 19 CFR 4.75 (c). The regulation for air carriers is section 122.74 (b)(2); no aircraft departing directly or indirectly to a foreign country listed in 19 CFR 4.75 (c) shall be cleared without a complete manifest and all required Electronic Export Information (EEl)s have been filed with the port director.

Several of the countries listed no longer exist as sovereign nations. The Department of State, which is the source for this list of nations, adopted a policy called "the Doctrine of Successor Nations" which is to be followed by agencies within the U.S. government. The doctrine states that when the borders of a nation state change through disincorporation (secession) from a larger state, all treaties, sanctions, embargoes or other limitations which applied to transactions with the original state, remain in effect as against all successor nations.

What does this mean for you? It means that 19 CFR 4.75(c) applies to all nations that occupy the territory previously occupied by the Czechoslovakia, the Polish People's Republic, South Yemen, and the USSR. A complete outbound manifest, including any required Electronic Export Information (EEl)s, must be filed prior to departure.

Note: Hong Kong and Taiwan (Republic of China) are not included in the list of proscribed countries. For your convenience, the list of countries not eligible for Option 4 is included on page 6.

### U. S. Customs and Border Protection Contacts

U.S. Customs and Border Protection (CBP), Interdiction and Security (Outbound) office:

- Jeanee Panoke, oversees AES issues related to Air, Rail, Truck and Vessel shipments and the NVOCC environment  
(202) 344-1167 [jeanee.panoke@dhs.gov](mailto:jeanee.panoke@dhs.gov)
- Robert Rawls, oversees issues related to USML or CCL shipments, or other State Department issues,  
(202) 344-1926 [robert.rawls@dhs.gov](mailto:robert.rawls@dhs.gov)



## **AES Progress Reports Soon To Resume**

### **New Compliance Alert and Statistical Verification Conditions Added**

The AES Branch is responsible for monitoring data submitted by participants in AES and has resumed generating AES Progress Reports. 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 regulation, we are required to identify inconsistencies in the data and make recommendations that will result in the appropriate corrective actions by the participant.

The AES Branch will not issue the June 2004 Progress Report due to the Commodity Redesign implementation on June 7, 2004. The new July Progress Report will contain data for May, June and July 2004. May data will display the old warning error messages and verify detail. June data will display both the old warning messages and verify detail prior to the June 7, 2004 AES Commodity Redesign and the new Compliance Alert and Statistical Verification detail after Commodity Redesign. July data will display the new Compliance Alert and Statistical Verification detail.

The AES error rate will be calculated for the month of July 2004 only—the current statistical month. Where shipments were filed late, the new Progress Report will provide detail based on whether the shipments were filed Option 2 (Error Response 700) or Option 4 (Error Response 701).

Verify Conditions are provided on the Progress Report for your information. When verify conditions have been verified to be true and the same verify condition is issued repeatedly for the same classification number, a parameter adjustment is possible. Please see page 6 for requirements. Note: Verify Conditions are not included in the AES error rate. For a list of Compliance Alert and Statistical Verification Conditions please link to the web address below:

<http://www.census.gov/foreign-trade/aes/documentlibrary/casvc.html>

**Note: Beginning with the July Progress Report, a Data Entry Center that also operates as a Freight Forwarder will receive a separate Progress Report for each business type.**

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/june04\\_intro/appendices/](http://www.customs.gov/xp/cgov/export/aes/tech_docs/aestir/june04_intro/appendices/)

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



## ***AESDirect AESPcLink – Network Edition***

In the fall of 2004, *AESDirect* will be releasing a network edition of its highly successful *AESPcLink* software (*AESPcLink* Network Edition). The *AESDirect AESPcLink* software package allows *AESDirect* users to have all of the benefits of *AESDirect* running locally on their own computer. The existing edition of *AESPcLink* is a single user version that runs on a user's desktop; the single user edition of *AESPcLink* will continue to be available and for many users will offer the most convenient way to interface to *AESDirect*. The Network Edition of *AESPcLink* offers all the benefits of *AESPcLink* but on a corporate network (multi-user) basis.

*AESPcLink* Network Edition will allow companies using *AESDirect* to set-up and manage an in-house enterprise wide version of *AESPcLink* that will be linked automatically to their *AESDirect* Filing Account. The major features of *AESPcLink* Network Edition are shown below:

- An *AESDirect* Filing Company may install one or more copies of *AESPcLink* Network Edition to match their own company's internal organization and network structure.
- The system will have the ability to create and administer an unlimited number of local users. A local *AESPcLink* user would have no direct access to the companies central *AESDirect* Filing Account (User Name and Password) unless provided separately by the Administrator.
- The key functions of the *AESPcLink* Administrator will include:
  - Party Profile monitoring (USPPI, Freight Forwarder and Consignee)
  - Shipment Templates
  - The in-progress Shipments (shipments waiting to be uploaded to *AESDirect*)
  - AES Responses
  - Downloading and administration of *AESPcLink* Code Tables
  - All communication functions and operations associated with linking to the *AESDirect* Service Center
  - *AESDirect* registration functions and operations
- The system will offer an unlimited number of *AESPcLink* software installations.
- The local user component has identical data entry and operation as the single user edition.
- The Server and local user component of the *AESPcLink* Network Edition will include the ability to be used in either the English or Spanish Language.



## Countries Not Eligible For Option 4

Albania	Poland
Bulgaria	Romania
Cambodia	Rep. Of Yemen
China *	Armenia
Cuba	Azerbaijan
Czech Rep.	Belarus
Slovakia	Georgia
Estonia	Kyrgyzstan
Hungary	Kazakstan
Iran	Moldova
Iraq	Russia
Laos	Tajikistan
Latvia	Turkmenistan
Libya	Ukraine
Lithuania	Uzbekistan
Mongolia	Vietnam
North Korea	

\*Excluding Hong Kong and the Republic of China (Taiwan)

## Fatal Error 179 Removed

The AES Fatal Error Response Code 179 "COUNTRY NOT ALLOWED; OPT4" has been removed from the list of Fatal Responses. Although an error will not result, filers must adhere to the regulation requirements found in 19 CFR 4.75(c).

The AES Fatal Error Response Code 179 was introduced on June 29, 2004 and was the subject of AES Broadcast messages #2004039 and #2004041.

If you have any questions regarding this requirement, please direct them to Jeanee Panoke of CBP by phone at 202-344-1167 or by email:

[jeanee.panoke@dhs.gov](mailto:jeanee.panoke@dhs.gov)

## Avoid Fatal Responses

### \*\*\*Top 10 Generated\*\*\*

<u>Code</u>	<u>Description</u>
622	Schedule B/HTS number missing
075	Shipment on file, Action not allowed
649	Quantity 1 Cannot exceed SWT
502	Export information code unknown
645	Quantity 2 not allowed by Sched B/HTS
244	USPPI Phone number format
336	ULT Consignee state not reported
235	USPPI Last name ineligible
515	ECCN must be formatted NANNN
596	Vehicle info not allowed for Sched B/HTS

For instructions on how to resolve, please go to Appendix A at the link below:

[http://www.customs.gov/xp/cgov/export/aes/tech\\_docs/aestir/june04\\_intro/appendices/](http://www.customs.gov/xp/cgov/export/aes/tech_docs/aestir/june04_intro/appendices/)

## Request For Parameter Adjustment

Call 800-595-0595 or e-mail [ASKAES@census.gov](mailto:ASKAES@census.gov)

Have available:

1. Five examples (XTNs or ITNs) with the same Schedule B/HTS Number-verified to be correct;
2. The classification description;
3. The corresponding Commercial Invoice for each;
4. The Response Condition Code received.

The review process will take approximately 1 month.

## COMMON REPORTING PROBLEMS

- **AES Exemption Statements**

If a shipment is filed electronically through AES, the USPPPI or authorized forwarding agent is responsible for annotating a properly worded Proof of Filing Citation 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--the ITN is preferred by Customs.

**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.



## Transmissions To and From Puerto Rico

### U.S. 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 U.S. 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



## Schedule B/HTS

Cont'd From Page 2

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

The 2004 HTS is available to the trade for viewing and reference on the ITC website at:  
<http://www.usitc.gov/taffairs.htm>



## 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 October 2004 AESTIR Introduction and Guidelines:

[http://www.customs.gov/xp/cgov/export/aes/tech\\_docs/aestir/](http://www.customs.gov/xp/cgov/export/aes/tech_docs/aestir/)



## AES and AESDirect on the Road

For locations and specific dates of AES meetings, Export Regulations seminars, AESDirect/AESPCLink 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/AESPCLink 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](mailto:nannie.m.clark@census.gov)**

**NOTICE:** We will charge a small fee per person due to cost incurred for the rental of computer labs. Advance registration is required for all AESDirect/AESPCLink workshop attendees.





## 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**



## We need your e-mail address

Please send your e-mail address to:

[ASKAES@census.gov](mailto: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/linkhandler/cgov/export/aes/creplist.ctt/creplist.xls>

## 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/TRADE](http://WWW.CENSUS.GOV/TRADE)

BUREAU OF CUSTOMS AND BORDER PROTECTION

[WWW.CBP.GOV](http://WWW.CBP.GOV)

BUREAU OF INDUSTRY and SECURITY

[WWW.BIS.DOC.GOV](http://WWW.BIS.DOC.GOV)