



AES Newsletter



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Full Mandatory Electronic Filing Final Rule Anticipated Fall 2005

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 electronic filing of all export information covered by Title 13, Chapter 9. Provisions in this law also provide for penalties for late filing, failure to file and false filing.

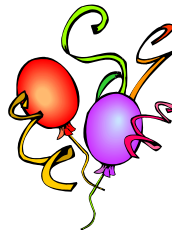
Plans are being developed for the publication of the Final Rule in the Fall of 2005.

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The Automated Export System (AES) ****Celebrates 10 Years****

The U. S. Census Bureau, Foreign Trade Division (FTD), along with Customs and Border Protection of the Department of Homeland Security celebrated the 10-year anniversary of the Automated Export System (AES) on July 5, 2005. When first implemented on July 5, 1995, this system ushered in a new era of collecting data electronically instead of on paper, making the collection of export data far more efficient and cost-effective.

The collection of this data is essential because it is used to compile export statistics for the monthly balance of trade figures.

Now, after 10 years, 95 percent of all eligible export information from approximately 17,000 filing companies a month is collected through AES. These companies in turn report information for approximately 100,000 exporters each month.

Not content to rest on their laurels, FTD has continued to improve AES, and as a result, have received several awards for their innovative work. One example, in 2002, they received the Director's Award for developing off-line software that does not require continuous Internet connection. This assists companies burdened by high Internet costs, poor Internet connectivity, and companies having only one phone line on site.

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Post-departure Filing Applications

The moratorium on Post-departure applications will end once the Final Rule for full mandatory AES is published. At that time, we will allow USPPs to apply for Post-departure filing. Please watch the Foreign Trade web site at the link below for updates:

<http://www.census.gov/trade>

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 AES Trade Interface Requirements (AESTIR) Introduction and Guidelines:

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

Good News

95.7%
of eligible export
shipments are filed
in AES

AES Statistics

AES-June 2005*

Filers –	18,370
LOIs –	25,710**
Shipments –	1,164,936
Option 4 Approvals –	2,186

AESDirect

As Of July 13, 2005

Registrants –	17,621
Operational –	24,886

Shipments in June 2005
548,139

Rate of shipments reported late = 2.30%

*Includes AESDirect

** Decrease due to AESDirect registrations that are inactive in the certification process.

Mandatory Electronic Filing

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The trade will be required to implement the changes in the regulations 90 days after publication of the final rule.

The Notice of Proposed Rulemaking for the new Foreign Trade Regulations mandating electronic filing can be found on the Foreign Trade web site at the link below under year 2005:

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



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 new name will be Electronic Export Information (EEI).
- Filing Time Frames for compliance with the Trade Act of 2002
 - 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
- Post-departure applications will be accepted (see page 2). USPPIs already approved for Post-departure filing will not need to reapply.
- The current AES Exemption Statement will be called "Proof of Filing Citation".
- The ITN will be mandatory in the AES Proof of Filing Citation on bills of lading, air waybills, commercial invoices or other loading documents.
- A new Proof of Filing Citation for shipments moving under the AES Downtime Policy will be required.
- The Downtime Citation may only be used when AES or AES*Direct* are not available. If the Filer's system is down, the filer will need to hold cargo or find alternative electronic means for filing.
- Penalties will increase from \$100/day to \$1,000/day with a maximum of \$10,000 per violation. Penalties can be civil or criminal and carry up to 5 years in jail. Penalties can be assessed against USPPIs, Forwarders/Agents and/or Carriers.



Batch/Block Fatal Errors
*****New Identifying Information*****

On June 12, 2005, AES was modified to add text to identify the USPPI ID and USPPI ID Type for each and every block within a rejected batch and return this text to the filer in an ES1 informational message. Text was also added to indicate the Shipment Reference Number within the rejected block and return it in a separate ES1 informational message.

The following are the two informational messages generated when a batch/block error exist:

- Response Code 055 USPPI ID /USPPI ID Type (will indicate the USPPI ID and the USPPI ID Type)
- Response Code 056 Shipment Reference Number (will indicate the specific Shipment Reference Number)

The AES Branch has now begun monitoring the number of fatal batch/block errors generated by each filer. The following are the top ten batch/block errors generated:

- Response Code: 033 TRAILER USPPI ID INELIGIBLE
- Response Code: 032 HEADER USPPI ID INELIGIBLE
- Response Code: 001 BATCH CONTROL MISSING – Z RECORD
- Response Code: 041 TRAILER USPPI NAME MISSING
- Response Code: 040 HEADER USPPI NAME MISSING
- Response Code: 004 FILER/TRANSMITTER NOT AUTHORIZED TO SEND
- Response Code: 025 TRAILER USPPI ID TYPE MISSING
- Response Code: 024 HEADER USPPI ID TYPE MISSING
- Response Code: 015 A –Z RECORD NO MATCH: FILER ID
- Response Code: 014 TRAILER TRANSMITTER DATE UNKNOWN

Please develop edits in your company's AES software to avoid these fatal errors. For more information regarding these error messages, please refer to the AESTIR located:

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

Remember: When a fatal error is received and ITN is not generated. Without the ITN, the transaction is not in compliance with Regulation 15 CFR part 30.64. Failing to correct fatal errors may subject your company to fines, seizures and/or penalties, or the revocation of your filing privileges in AES for a period of 60 days.



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. **It is the filer's responsibility** to ensure that all AES transactions filed receive an ITN.

The AES Branch within the U.S. Census Bureau sends out bi-weekly reports to filers that have not been successful in meeting this requirement. The report provides a list of Shipment Reference Numbers and the corresponding fatal condition(s) for each of the numbers. Below are instructions on "How To Handle Fatal Errors."

- Retrieve the transaction using 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.
- 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.
- For information on how to resolve fatal errors, please view the following website:
www.census.gov/foreign-trade/redirects/aestir-appendix-a.html
 - Open the "AESTIR Appendix A" document
 - 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 need assistance with resolving fatal errors, please contact a Census Bureau AES representative by e-mail at fd.aes.fatal.reports@census.gov or by phone at 1-800-549-0595.



AES Celebrates 10 Years

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AES has led to the elimination of almost 500,000 monthly paper documents and reduced paper processing costs from \$4.3 million to \$1.9 million a year. The information collected has also improved, dropping from an error rate as high as 50 percent to less than 1 percent.

Anyone interested in viewing the Internet site *AESDirect* that collects export information, can link to www.aesdirect.gov.



COMMON REPORTING PROBLEMS

Below are Response Codes for related fields that consistently cause the top 5 fatal errors; edits should be placed in your program to avoid these errors:

Fatal Error 256 USPPI Postal Code Not Valid for State

This error occurs frequently in Routed Transaction shipments, when a Foreign Country Postal Code is reported instead of a US Postal Code. The Postal Code must be the Postal Code for the USPPI's address (reflecting a US Postal code). It must be reported as either 5 numeric digits followed by 4 spaces or 9 numeric digits. The state code must match the state associated to the postal code.

Fatal Error 254 USPPI Postal Code Must Be Numeric

This type of error is related to the Error Code 256, when the shipment is a Routed Transaction and the postal code reported is from a Foreign Country. This error occurs when the Foreign Postal Code is alphanumeric. Like above, the Postal Code must be the Postal Code for the USPPI's address (reflecting a US Postal code). It must be reported as either 5 numeric digits followed by 4 spaces or 9 numeric digits.

Fatal Error 227 Forwarding Agent Party Missing

This error occurs frequently when the filer reports the ID Type S for Individual Social Security or F for Foreign Entity under the USPPI section, and did not show any information in the Freight Forwarder/Forwarding Agent field.

Fatal Error 244 USPPI Contact Phone# Format: NNNNNNNNNN

This type of error occurs when the filer reports a phone number that is more or less than ten digits. The phone number must be ten numeric digits.

Fatal Error 128 Port Of Export Unknown

This error occurs most frequently when the Filer reports invalid Port Codes for JFK or New Jersey:

<u>Valid Port Code</u>	<u>Non Active Port Code for AES</u>
JFK Airport – 4701	1012
New Jersey – 4601	1003

Warning:

Failing to correct fatal errors may subject your company to fines, seizures and/or penalties, or the revocation of your filing privileges in AES for a period of 60 days.

*****Resolve Your Fatal Errors Now*****



AESDirect AESPcLink – Network Edition

On June 23, 2005, *AESDirect* released 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 allows 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.

Companies wishing to install and use the network edition of *AESPcLink* must demonstrate that they have the necessary Windows and Network in-house expertise and network to install and administer the software.

To request access to *AESPcLink* Network Edition please contact the *AESDirect* Help Desk at 877-715-4433.



Census Published Final Rule on Export of Diamonds

On May 16, 2005, the U.S. Census Bureau, Foreign Trade Division published the Final Rule entitled Requirement for Reporting the Kimberley Process Certificate Number for Exports and Re-exports of Rough Diamonds.

This Final Rule requires filers in the AES to provide a license code and Kimberley Certificate Number when exporting rough diamonds under HS/B Numbers 7102.10, 7102.21 or 7102.31. The license code required for this export transaction is T12. The Kimberley Certificate Number must be reported in the License Number field and must be equal to or greater than 4 numeric characters. The Final Rule can be easily viewed by linking to:

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

Below are the new AES Fatal Error Response Codes associated with diamonds under the Kimberly Process Certificate:

Response Code 659: ECCN MUST BE 'EAR99' OR BLANK
Response Code 660: T12 REQUIRED FOR ROUGH DIAMONDS
Response Code 661: SCHED B/HTS NBR NOT ALLOWED FOR LIC CODE
Response Code 662: KPC NBR MUST BE AT LEAST 4 NUMERIC
Response Code 663: KPC NUMBER CONTAINS NON-NUMERIC
Response Code 664: KPC NUMBER CONTAINS LEADING SPACES
Response Code 665: KPC NUMBER MISSING

For instructions on how to resolve these fatal errors, go to Appendix A of the Automated Export System Trade Interface Requirements at the link below:

http://www.customs.gov/xp/cgov/export/aes/tech_docs/aestir/june04_intro/appendices/



Providing The Correct U.S. Principal Party In Interest (USPPI) Address

The USPPI shall report the address or location (no post office box number) from which the goods actually begin the journey to the port of export. For example, export information covering goods laden aboard a truck at a warehouse in Georgia for transport to Florida for loading onto a vessel for export to a foreign country shall show the address of the warehouse in Georgia. If the USPPI does not have a facility (processing plant, warehouse, distribution center, or retail outlet, etc., whether owned or leased) at the location from which the goods began their export journey, report the USPPI address from which the export was directed.

For shipments with multiple origins, report the address from which the commodity with the greatest value begins its export journey or, if such information is not known at the time of filing, report the address from which the export is directed.



AESPcLink Live Online Workshops

*****Be Prepared for Mandatory AES*****

The U. S. Census Bureau's Automated Export System (AES) Branch is now offering AES Online Training! This program offers online, interactive *AESPcLink* workshops and customized training using the Internet and telephone conference calling. **Be prepared for mandatory filing by receiving the training now!**

AES offers three weekly sessions on *AESPcLink* for \$50 per person. These sessions are offered Tuesdays, 10 am – 12 noon and 4 pm – 6 pm and Thursdays, 3 pm – 5 pm (EDT). Spanish sessions are available on Tuesdays. Each session has a limit of 15 participants. To register link to: <https://aes-training.webex.com>

AES also offers customized training for organizations and companies. These training sessions may consist of sessions on AES, AES overview and filing guidelines, AES fatal error reconciliation, or other AES related areas. AES determines the cost for each session by the program design and the number of attendees.

Please see AES website for further information:

<http://www.census.gov/foreign-trade/aes/meetingsandpresentations/#online>

For customized training, please email aesmeetings@census.gov.

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>

AES New Call Center

The Census Bureau has implemented a new telephone call center to help ensure a timely response to AES calls from the trade. See the next page for details.



AES Spanish Speaking Client Representatives

Each call center branch has Spanish speaking Client Representatives. If you need assistance in Spanish please do not hesitate to let us know.

AES Contact Information

New Census Call Center 800- 549-0595

If you have questions for the:

AES Branch **Select Option 1**

Monday through Friday

8:00am - 6:00pm ET

Fax: 301-457-1159

E-mail: ASKAES@census.gov

Commodity Analysis Branch (Schedule B/HTS classification) **Select Option 2**

Monday through Friday

8:00am - 5:00pm ET

Fax: 301-457-1158

Regulations, Outreach and Education Branch **Select Option 3**

Monday through Friday

7:30am - 5:30pm ET

Fax: 301-457-3765

E-mail: ftdregs@census.gov

AESDirect Helpdesk

Everyday, 7:00am - 7:00pm ET

Voice: 877- 715-4433

Fax: 301-562-7795

E-mail: boc-support@tradegate2000.com

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.

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

*****Outbound Office*****

Daniel Piscopo

202- 344-2019

daniel.piscopo@dhs.gov

CBP 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

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

U. S. CUSTOMS AND BORDER PROTECTION

WWW.CBP.GOV

BUREAU OF INDUSTRY and SECURITY

WWW.BIS.DOC.GOV