

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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INSIDE THIS ISSUE

- 1 AES Mandatory Filing
- 2 AES/AESDirect Programming Changes
- 3 Customs' Corner
- 4 AES Progress Reports
- 5 FTSR Final Rule Highlights
- 6 Data Entry Center Program
- 7 Common Reporting Problems, ISO Change
- 8 Rough Diamonds, Commodity Redesign
- 9 Forwarder Requirements, AES On The Road
- 11 Census and Other Agencies Contact Information

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. ♦



October 18, 2003 AES/AESDirect Programming Changes

On October 18, 2003, the Automated Export System will undergo programming changes to reflect the new requirements for mandatory filing of items on the United States Munitions List and Commerce Control List that currently requires an SED.

AES will be unavailable for a 4-hour period of time beginning at 11PM EST on Saturday October 18, 2003 thru 3AM EST on Sunday October 19, 2003. We have established the following filing deadlines to ensure that any shipments submitted on Saturday October 18, 2003 will be processed BEFORE the outage begins:

Option 3 filers must submit their post-departure filings by
5 PM EST on Saturday, October 18, 2003.

All other filings should be submitted by
8 PM EST on Saturday October 18, 2003

Cont'd Page 10

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
87.4%
of eligible export
shipments are filed
in AES

AES Statistics

AES- August 2003*		As Of AESDirect –September 15, 2003	
Filers –	8,794	Registrants –	13,291
LOIs –	14,007	Operational –	8,151
Shipments –	851,799	Shipments –	266,067
Option 4 Applicants –	2,857		
Option 4 Approvals –	2,550		

Rate of shipments reported late = 4.0%

Rate of shipments reported in error = 0.6%

*Includes AESDirect

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 from the public were received and reviewed by CBP. CBP is in the process of finalizing the rules to implement section 343(a) of the Trade Act of 2002.

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.

Cont'd Next Page

- 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 Directorate 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 regulation, 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 17, 2003 Final Rule

On July 17, 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.

Cont'd Page 10

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

******UPDATE******

The Foreign Trade Division would like to thank you for your cooperation and participation in our 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) which mandates that all persons who are required to file export information under Chapter 9, Title 13, United States Code, must file through Automated Export System (AES) with respect to export of items on the Department of Commerce's Commerce Control List (CCL) and the Department of State's United States Munitions List (USML). The U.S. Census Bureau (Census Bureau) will implement provisions of this rule on October 18, 2003.

The Census Bureau has finalized the Foreign Trade Statistics Regulations (FTSR), Title 15, Code of Federal Regulations (CFR), Part 30.1(b) *General statement of requirement for Shipper's Export Declarations (SEDs)*, to state that export information that is required to be filed for items identified on the CCL of the Export Administration Regulations (15 CFR Supplement No. 1 to Part 774) or the USML of the International Traffic in Arms Regulations (22 CFR, Part 121) is to be filed electronically through AES. This requirement to file information via AES applies to those items that would otherwise require the filing of a SED. The AES is the electronic method for filing the paper SED and the ocean manifest directly with the Bureau of Customs and Border Protection (CBP). The *AESDirect* is the Census Bureau's free Internet-based system for filing SED information with CBP's AES.

As a result of this law, the DEC program will cease to exist in its present form when the regulation is implemented. Under FTSR 15 CFR, 30.60(a), a DEC, service center, or port authority may transmit an AES record for CCL or USML items, completed by the U.S. Principal Party in Interest (USPPI) or the authorized agent, without obtaining a power of attorney or written authorization. A DEC, service center, or port authority must have a power of attorney or written authorization from the USPPI or foreign principal party in interest if it completes any export information in AES for CCL or USML 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 the law by accessing the 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. For all questions concerning this regulation, please contact Mr. Jerome Greenwell, Chief, Regulations, Outreach and Education Branch, on (301) 763-2238.



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 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.

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.

- **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. ♦

ISO Code Change

Yugoslavia recently had a change in name and ISO code:

Old Name	Old ISO	New Name	New ISO
Yugoslavia	YU	Serbia and Montenegro	CS

AESDirect/AESPcLink
Shipment Template Feature

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



**Mandatory Filing of Shipments of Rough Diamonds
via the Automated Export System**

The Foreign Trade Statistics Regulations are being amended to incorporate requirements mandating the electronic filing of shipments of rough diamonds per the “Clean Diamond Trade Act” (the Act), Public Law 108-19, of April 25, 2003, via the Automated Export System.

The Act implements the Kimberley Process Certification Scheme (the Process) in the United States by authorizing the President to prohibit the importation into or exportation from the United States of any rough diamond from whatever source, classified under the six-digit Harmonized Classification numbers 7102.10, 7102.21 and 7102.31, unless the rough diamond is controlled through the Process. In accordance with the Act, the President certified that an applicable waiver granted by the World Trade Organization is in effect until December 31, 2006. ◆

AES Commodity Redesign

- The projected date for implementation of the AES Commodity Redesign is April 24, 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. ◆

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. However, 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 AESDirect or AESPcLink, 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 USPPPI in AESDirect or AESPcLink, you **DO** need to fill out the Freight Forwarder section. ♦

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 17, 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). ♦

October 18, 2003 AES/AESDirect Programming Change

Cont'd from Page 2

On October 18, 2003 AESDirect will also be upgrading its service to comply with the July 17, 2003 FTSR Final Rule (see Final Rule highlights on page 5). These changes will significantly alter many of the AESDirect application screens and processes. A detailed schedule of service downtime required to accommodate this upgrade will be issued in the near future. Please watch your AESDirect broadcasts.

AESDirect will provide on-line training sessions designed to help existing users understand and become familiar with the forthcoming changes to the AESDirect service.

A schedule of these training sessions is available and is open for registration on the AESDirect On-line Training section accessible from the AESDirect Home Page. Please link to the AESDirect web site at: www.aesdirect.gov

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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
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