Teresa Telesco

From: Liz Gant <liz@shapiro.com>
Sent: Friday, August 03, 2012 5:35 PM
To: Teresa Telesco
Subject: Shipping Tolerance of Export Licenses

Dear Teresa,

Please refer to the Notice of Inquiry dated July 5, 2012 (77 FR 39680) regarding the Notice Request for Public Comments on Shipping Tolerances for Export Licenses Issued by the Bureau of Industry and Security. Samuel Shapiro & Company, Inc., as an International Freight Forwarder filing license information in the Automated Export System (AES) on behalf of our clients, believes that it will be very beneficial to receive information back from AES through electronic decrementation of a dollar value-based shipping tolerance in AES.

As it stands now, when a Commerce license is transmitted to AES, we receive nothing at all back from AES. You wonder if the license was even accepted. We even checked with Commerce to see if there was a malfunction in AES at one point, only to find out there is nothing returned. We wondered if someone brought us the same license in another port six months from now, how would we know if it was used previously or already exhausted? Currently, there is no decrementation process for a Commerce license and there would be no indication form AES that the license was already exhausted. As a forwarder, we like to see the decrementation come through as it does with the DSP 5. When the license is exhausted, a message is transmitted back in AES that will tell you license now exhausted, along with the license number. This same process for Commerce licenses would add a sense of security to know that what was transmitted for the shipment at hand is okay and there have been no other shipments to exceed the value of the license.

We do think an automatic dollar based calculation will assist exporters with compliance and recordkeeping of their licenses and also assist forwarders when they transmit to AES. We have had situations with clients working with several DSP licenses and they have inadvertently given us the wrong license only to receive a license exhausted message from AES. This is a good thing because the problem could be immediately rectified.

From our standpoint, this additional process of decrementation in AES provides knowledge that the license is valid and the value has not been exceeded gives both the forwarder and exporter some relief to know that the value and license number information has been reported correctly and reinforces compliance and recordkeeping with the exporter and the forwarder.

As far as the dollar based shipping tolerance percentage goes, we would like to see one set amount. We have no preference from a forwarder standpoint, but the same amount for both Commerce and State would be easier to train and remember for all parties involved. We have no preference for 10% or 25%, just the same amount across the board.

Thank you,

Liz Gant

Compliance Analyst

Liz Gant

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