

AES Newsletter

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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 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 late fall of 2005.

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**AUTOMATED EXPORT SYSTEM BRANCH
BUREAU OF CENSUS
FOREIGN TRADE DIVISION
WASHINGTON, DC 20233
TEL: (800) 549-0595 FAX: (301) 457-1159**

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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 new name will be Electronic Export Information (EEI).
- 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
- New Option 4 applications will be accepted (See page 2). USPPI's already approved will not need to reapply.
- 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.
- The downtime citation may only be used when AES or AESDirect are not available. Filers will need to hold cargo or make alternate arrangements for filing when their systems are unavailable.
- 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 USPPIs, Forwarders/Agents and/or Carriers. ♦



Option 4 Applications

The moratorium on Option 4 applications will end once the Final Rule for full mandatory AES is published. At that time, we will allow USPPI's to apply for Option 4. Please watch the Foreign Trade web site at the link below for updates:

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

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 AESTIR Introduction and Guidelines:

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

Good News

95%
of eligible export
shipments are filed
in AES

AES Statistics

AES-March 2005*

Filers –	15,030
LOIs –	25,943
Shipments –	1,167,612
Option 4 Approvals –	2,186

AESDirect

As Of April 19, 2005

Registrants –23,084
Operational –13,796

Shipments in March 2005

502,114

Rate of shipments reported late = 2.90% This figure includes Data Entry Center late filings that were not reflected on prior reports.

*Includes AESDirect

AES Deactivation Due To Unresolved Fatal Errors

Over the past month, several companies AES filing privileges were revoked because of unresolved 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.

DO NOT ignore the fatal error reports. If a company continues to be non-compliant with regulation 30.64 after repeated warnings, it may be **subject to fines, seizures and/or penalties or revocation of its filing privileges in AES for a period of 60 days.**

Do not subject your company to fines, seizures and/or penalties or allow your AES filing privileges to be deactivated; correct your fatal errors promptly and add up-front edits to prevent them from occurring (see instructions below).



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.

(Note: The cause of the fatal error may not always be clear from the error message. For example, the error "Vehicle Info Not Allowed for Sched B/HTS" may result from an error in the Schedule B code. Below you will find directions for accessing Appendix A of the Automated Export System Trade Interface Requirement, which provides guidance into possible causes of each error message.)

- 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.

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- 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 ftd.aes.fatal.reports@census.gov or by phone at 1-800-549-0595.

***AESPcLink* Live Online Workshops**

The Census Bureau has added a new service to its already popular *AESPcLink* workshops, the option to receive the training via the Internet. The team from the U.S. Census Bureau, AES Branch conducts this training and provides a thorough demonstration, answers questions, and allows the participants to practice creating, correcting and canceling export transactions. The instructor and participants communicate through the phone while participants view the demonstration and instruction through the Internet.

The AES Branch will hold three 2-hour training sessions weekly for up to 15 people at a time. The requirements for such training includes a phone, access to the Internet, e-mail and a \$50 training fee. Customized training is also available for your company by request at:

ftd.aesmeeting@census.gov

Please access the following web link to register for any of the scheduled training sessions.

<https://aes-training.webex.com>

Mandatory Electronic Filing Cont'd from page 1

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>

*****Please note that the comment period has ended.*****

Common AES Misinformation

MYTH: AES is now mandatory for all exports that require filing.

FACT: AES is currently mandatory for items on the U. S. Munitions List (USML), the Commerce Control List, and shipments of rough diamonds per the “Clean Diamond Trade Act”. The requirement for full mandatory AES filing of all other exports is expected to be implemented in the late fall of 2005 (See page 1).

MYTH: If a shipment (from the same USPPI, to the same Consignee, on the same carrier, on the same day) contains multiple commodities, only one line item is required on the AES filing.

FACT: If a shipment (from the same USPPI, to the same Consignee, on the same carrier, on the same day) contains multiple commodities with different Schedule B/ HTS Numbers and the value per Schedule B/HTS Number is greater than \$2500, a new line must be reported for each individual Schedule B/ HTS Number. If the commodities have the same Schedule B/ HTS Number, you may sum the value and weight and report one line item when the summed value is greater than \$2500, or you may report a line item for each commodity, regardless of value, and allow AES to sum the value and weight for you.

MYTH: An AES/SED filing is required for shipments to Canada.

FACT: According to Foreign Trade Statistics Regulation 30.58, shipments where the country of ultimate destination is Canada are exempt from AES/SED filing, unless the export contains items on the USML, licensed cargo, or diamonds under the “Clean Diamond Trade Act”. The United States (U.S.) and Canada have an electronic data exchange program where the U.S. use Canada’s U. S. imports as its exports. However, if the goods are exported to Canada enroute to a third country, an AES/SED filing is required. ♦

Census Published Notice of Proposed Rule on Export of Diamonds

On January 12, 2005, the U.S. Census Bureau, Foreign Trade Division published the Notice of Proposed Rule (NPR) entitled Requirement for Reporting the Kimberley Process Certificate Number for Exports (Re-exports) of Rough Diamonds.

This NPR will require filers in the AES to provide a license code and Kimberley Certificate Number when exporting rough diamonds under HS/B Numbers 710210, 710221 or 710231. The license code required for this export transaction will be T12. The Kimberley Certificate Number will be reported in the License Number field and must be equal to or greater than 4 numeric characters. The NPR can be easily viewed by linking to:

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

Note: The final rule is expected to be published soon; please watch the above link for posting.



AESDirect AESPcLink – Network Edition

AESDirect will soon release 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 company's 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.



DATA ENTRY CENTER (DEC) PROGRAM TERMINATED

The Data Entry Center Program has been terminated. The U.S. Census Bureau (Census Bureau), Foreign Trade Division (FTD), would like to take this opportunity to thank each of the Non-Vessel Operating Common Carriers, Air Carrier, Sea Carriers, Air Consolidators and Express Air Couriers who participated in the DEC program for making the successful transition to filing as an authorized agent.

Effective April 1, 2005, a written authorization or power of attorney from the U.S. Principal Party in Interest is required in order to file or key information received on paper Shipper's Export Declarations into the Automated Export System (AES) or *AESDirect* or you must have completed the requirements for becoming a certified service center. However, you will be allowed to make corrections to shipments filed as a DEC in the AES System until March 1, 2006.

Again, we want to thank you for your cooperation and participation in the DEC program and we look forward to continuing a successful working relationship with you in the future if you operate as an authorized agent. If you have any questions, please contact Mr. Mark E. Markovic, Chief, Data Collection Coordination Branch by telephone on (301) 763-2259, by fax on (301) 457-1641 or by e-mail at ftddec@census.gov

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.



New Port Code

5297 FedEx Courier Hub for AIR Miami, FL



COMMON REPORTING PROBLEMS

Below are the top 5 fatal errors that cause consistent problems; the resolution to resolve each fatal error is included:

- **Fatal Error 649 Quantity 1 Cannot Exceed Shipping Weight**

The Shipping Weight is always reported in Kilograms, reflecting the gross weight of the shipment. When the 1st Unit of Measure is reported in Kilograms, the net weight is required in the Quantity 1 field. Quantity 1 (net) must be less than or equal to the Shipping Weight (net + packaging weight = gross). Correct Quantity 1, 1st Unit of Measure and Shipping Weight and retransmit.

- **Fatal Error 256 USPPI Postal Code Not Valid For State**

This occurs when the Party Type is E (EIN for the USPPI) and the Postal Code (zip code) does not match the State Code entered in the USPPI Address. The Postal Code must be the correct code for the USPPI's address and must be 5 digits followed by 4 spaces or 9 digits (no dashes allowed). Verify the State Code and Postal Code combination; correct and retransmit.

- **Fatal Error 133 Port Of Export Must Be An Air**

This error occurs when the Port of Export is a vessel, rail or land port and the Mode of Transportation is air. Check the Mode of Transportation and the Port of Export Code combination; make sure the port from the Schedule D table is valid for air shipments. Correct and retransmit.

- **Fatal Error 643 Quantity 2 Must Be Greater Than Zero**

This error occurs when the Schedule B requires a 2nd Quantity to be reported and the 2nd Quantity is missing. Enter the correct Quantity in the 2nd Quantity field.

- **Fatal Error 254 USPPI Postal Code Must Be Numeric**

This error occurs when the Party Type is E (EIN for the USPPI) and the Postal Code (zip code) contains a string that is not 5 digits followed by 4 spaces or 9 digits. Dashes are not allowed in the Postal Code field. Correct the Postal Code and retransmit.

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*****



2005 Schedule B/HTS (Harmonized Tariff Schedule) File

The 2005 downloadable version of Schedule B Numbers, 2005 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#concordance>

The 2005 Schedule B is available for browsing at:

<http://www.census.gov/foreign-trade/schedules/b/2005/browse-html.html>

The 2005 HTS is available for browsing on the International Trade Commission Web site at

<http://www.usitc.gov/tata/hts/bychapter/index.htm>

The 2004 Schedule B numbers that are now obsolete are available for downloading at

<http://www.census.gov/foreign-trade/schedules/b/#obsolete>

(Under the heading "Year 2005", choose either the ASCII file or the compressed file.)



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 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

Regulation Contact Information

Census Regulations Outreach and Education Branch

Monday through Friday, 7:30am - 5:30pm ET

Voice: 301 763-2238

Fax: 301-457-3765

E-mail: ftdregs@census.gov

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

Linda Shoupe

202-344-3251

linda.shoupe@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

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

U. S. CUSTOMS AND BORDER PROTECTION

WWW.CBP.GOV

BUREAU OF INDUSTRY and SECURITY

WWW.BIS.DOC.GOV