

# Automated Export System

October 2013

## *Best Practices*



USCENSUSBUREAU

*Helping You Make Informed Decisions*

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## **Overview of the AES Compliance Review Program**

In October 2006, the U.S. Census Bureau (Census Bureau), Foreign Trade Division (FTD) developed the Automated Export System (AES) Compliance Review Program. The program seeks to assist companies in correcting reporting practices that do not comply with the Foreign Trade Regulations (FTR), Title 15, Code of Federal Regulations (CFR), Part 30. Section 30.10(b) of the FTR authorizes the Census Bureau to visit companies with the purpose of reviewing all documentation pertaining to export transactions. The ultimate goal of the program is to educate and bring all AES filers into full compliance with the FTR. Failure to comply with reporting requirements may result in delayed shipments, referrals to export enforcement government agencies, civil fines and/or criminal penalties.

Over the years, the AES Compliance Review Program has evolved into annual effort by the Census Bureau to assist companies in achieving and/or maintaining compliance. We continue to visit companies that are performing exceptionally as measured by their monthly compliance rates to obtain relevant information that we can include in our outreach efforts. We also visit companies that may require assistance improving business processes and work closely with those companies to ensure that they have the resources and information needed to do so.

With the recent revision of the compliance rate calculation considering outstanding fatal errors as a weighted factor affecting compliance, we have completed another round of compliance visits in 2012 as an additional form of outreach. It is pivotal for companies to keep in mind that outstanding fatal errors must be resolved and this influenced the revision of the compliance rate calculation.

We have compiled findings from the ongoing AES Compliance Review Program along with feedback from the exporting trade and expertise from various branches in the Foreign Trade Division of the Census Bureau to create this “Best Practices” manual to share with AES filers. While this document is not all-inclusive, it does provide a plethora of pertinent information and examples of best practices that could assist exporting companies in meeting the FTR compliance standards. We acknowledge that there are numerous processes and strategies that can be successfully employed to achieve and maintain compliance with the FTR reporting requirements, but we consider this manual a starting point and reference document for companies as they begin or review their current operations.

## Introduction to AES

The AES is a joint venture between the U.S. Customs and Border Protection (CBP), the Census Bureau, other Federal partnership agencies, and the U. S. export trade community. The AES collects export information electronically, applying a series of edits, and responding to the filer so that errors are detected and corrected at the time of filing.

The AES is a nationwide system operational at all ports and for all modes of transportation, designed to ensure compliance with the FTR and the enforcement of many export laws. The collection of export data electronically improves trade statistics and ensures timely and accurate filings along with reducing filers reporting burden.

The Bureau of Industry and Security (BIS), the State Department's Directorate Defense Trade Controls (DDTC) and other Federal agencies have identified data fields in the AES that are critical to their agency's mission. The AES serves as the central point for multiple Federal government agencies in capturing export shipment data electronically.

Public Law 107-228 requires mandatory filing of export information via the AES.

## Benefits of AES

***Ensure Export Compliance.*** The AES, with its editing system and your subsequent corrections, facilitates a company's compliance with current export reporting requirements. The system returns an Internal Transaction Number (ITN) as confirmation that you have successfully filed your export documentation. The system also alerts filers to fatal errors, compliance alerts, and other information that will assist them in the export filing process.

***Correct Errors as They Occur.*** The AES generates a response message to the filer when data are incomplete, omitted or inconsistent. The AES allows you to correct errors early in the process, before your goods are subject to delays or penalties.

***Decrease Your Costs.*** Eliminate the cost of corrections with up-front data edits. Save money by reporting your export information through the free and secure Internet application, *AESDirect*.

***Eliminate Paper Review of Licenses Against Shipments.*** The interface between the Department of Commerce's BIS and the Department of States' DDTC electronically validates data on export shipments against previously approved licenses and transmits the transaction to the appropriate Partnership Agency.

## **BEST PRACTICES: Training**

### ***Training Manual***

We strongly recommend that companies filing via the AES develop a formal AES Training Manual. A Training Manual provides the basis for achieving consistent results that will support AES filers' efforts in achieving and maintaining compliance. The main purpose of such a manual is to familiarize the user with the AES process. The manual should be reviewed periodically to ensure that it is current with system enhancements, regulatory changes, new business practices, and other export requirements.

### ***Cross-Training***

Cross-training is defined as teaching an employee to complete the different tasks of the organizational unit's work responsibilities. Many companies use cross-training to build depth to cover critical tasks for filing in the AES to be sure the company is filing timely and accurately when employees are on leave, travel, other assignments, or otherwise unavailable. Cross-training employees on both the FTR and how to file via AES will ensure that export transactions are reported accurately and staff will be knowledgeable and equipped to properly file export shipments. For example, staff should be familiar with filing export transactions in the AES and what actions to take for correcting fatal error responses. Cross-training provides improved coverage, increased flexibility, knowledge sharing; additionally, cross-training minimizes or eliminates potential problems that may cause chaotic work conditions.

### ***Mentoring Program***

Mentoring allows experienced staff (mentors) to share lessons learned, tips, and suggestions on how to file export transactions accurately and timely. Mentoring also provides ongoing support to new employees, accelerating their learning curve to achieve the level of understanding required to ensure compliance and reporting accuracy. The mentoring section of a company's training manual should include internal as well as external contacts who can offer assistance. Mentors should review the FTR with all new employees and review such concepts as U.S. Principal Party in Interest (USPPI), reporting requirements of an export transaction, routed export transaction, data elements and export filing exemptions. The ultimate goal of the mentoring program is to have experienced employees share their knowledge and skills with newly employed staff that will be carrying on the company's work in the future. For example, a new employee can shadow an experienced employee throughout the entire process of receiving/verifying documents, entering information into the AES, responding to error responses and notating loading documents with accurate proof-of-filing citations. By developing a mentoring program, the organization prepares its new employees to better understand the export filing process. Emphasizing employee development will yield positive results for both mentors and new employees.

## **BEST PRACTICES: Training Cont'd.**

### ***Seminars & Workshops***

A fundamental cause of noncompliance is a lack of understanding of the FTR, other export control regulations, and the AES process. If filing via *AESDirect* or *AESPCLink*, all AES staff should study the user guides and sample shipments (available on the [aesdirect.census.gov](http://aesdirect.census.gov) website) and take the certification quiz prior to the initial filing of information. Once a year as a refresher, your organization's AES staff should study the user guide and retake the quiz. The staff should attend sponsored training, such as the AES Export Compliance Seminars and the *AESPCLink* Certification Workshops. Knowledgeable Census Bureau experts lead the seminars and cover information on the FTR, researching commodity classifications, and the proper filing of information via the AES.

Company-wide seminars and workshops are also offered by the Census Bureau if your company is willing to pay for Census Bureau staff's travel expenses. These training opportunities can be tailored to meet the needs of your organization to maximize the overall benefit. Also, it is suggested that staff should also attend export seminars and workshops hosted by state and local governments and other federal agencies.

The variety of training options will provide employees with an opportunity to learn all aspects of the export process. In addition, companies should conduct in-house forums to share best practices, provide updates on the AES and the FTR along with information on other government export requirements that are relevant to your company's export process. Furthermore, the mitigation process for penalties takes into consideration your company's compliance efforts and staff's participation in export compliance training as well. Keeping record of attendance at training events and other training processes in place is beneficial to your compliance program.

### **Creating a Best Practices Manual**

The FTD takes pride in publishing monthly trade statistics and ensuring the accuracy and completeness of export data. The FTD values you as our customer, and would like to offer recommendations to those involved in filing Electronic Export Information (EEI) via the Automated Export System (AES). We are offering guidance on developing a manual to assist companies in filing accurate, complete and timely export transactions in accordance with the FTR. In the sections to follow, we have provided pertinent information that will assist you in developing an internal best practice manual or adding to an existing manual within your company. The information provided is a guide and additional sections may be added at your discretion.

## Foreign Trade Regulations Basics

It is vital that employees responsible for export compliance know the requirements of Title 15, CFR, Part 30. The following provides basic information pertaining to the FTR. However, it is strongly recommended that employees review the regulations in its entirety. The FTR can be found at the following website: [www.census.gov/trade](http://www.census.gov/trade).

### Key Terms

- Electronic Export Information (EEI)
- U.S. Principal Party in Interest (USPPI)
- Foreign Principal Party in Interest (FPPI)
- Authorized U.S. Agents
- Standard Export Transaction
- Routed Export Transaction

### *When is the AES information required? (FTR § 30.2(a))*

The Electronic Export Information (EEI) must be filed for exports of physical goods valued at more than \$2,500 per commodity classification code, when shipped as follows:

- From U.S. to foreign countries,
- Between the U.S. and Puerto Rico,
- From Puerto Rico to foreign countries,
- From Puerto Rico to U.S. Virgin Islands,
- From the U.S. to the U.S. Virgin Islands, and
- Licensable commodities (regardless of value).

### *What is an Export Shipment? (FTR § 30.1)*

An export shipment is defined as all goods being sent from one USPPI (i.e. U.S. seller, manufacturer, order party, or customs broker) to one consignee located in a single country of destination on a single conveyance and on the same day. Except as noted in §30.2(a)(1)(iv), the EEI shall be filed when the value of the goods is over \$2,500 per Schedule B or HTS commodity classification code. If there are multiple instances of the same commodity/country in a shipment, the value must be summed prior to applying this threshold.

### *Parties involved in an export transaction (FTR § 30.3(b))*

**U.S. Principal Party in Interest (USPPI)** – the person or legal entity in the United States that receives the primary benefit, monetary or otherwise, from the export transaction. Generally, that person is the U.S. seller, manufacturer or order party or the foreign entity while in the U.S. when purchasing or obtaining the goods for export.

## Foreign Trade Regulations Basics Cont'd.

**Authorized agent** - An individual or legal entity physically located in or otherwise under the jurisdiction of the United States that has obtained power of attorney or written authorization from a USPPI or FPPI to act on its behalf to complete and file the EEI.

**Foreign Principal Party in Interest (FPPI)** – The party shown on the transportation document to whom final delivery or end-use of the goods will be made. This party may be the ultimate consignee.

### *Types of Export Transactions (FTR § 30.3(c) & 30.3(e))*

**Standard Export Transaction:** In a standard export transaction the USPPI files the EEI or authorizes a U.S. agent to facilitate export of items out of the United States and file the information in the AES. In the standard export transaction, the USPPI controls the movement of the cargo.

### *Responsibilities in a Standard Export Transaction*

#### USPPI Responsibilities FTR § 30.3(c)(1):

- Appoints authorized U.S. agent to facilitate movement of cargo,
- Provides power of attorney or written authorization to the authorized U.S. agent,
- Makes a license determination, and
- Submits the EEI or authorizes the agent to file the EEI.

#### Authorized U.S. Agent Responsibilities FTR § 30.3(c)(2):

- Provides transportation data,
- Obtains the authorization from the USPPI,
- Provides the USPPI with a copy of the export information that was filed, if requested, and
- Submits the EEI if authorized by the USPPI.

**Routed Export Transaction:** In a routed export transaction the FPPI authorizes a the USPPI or U.S. Agent to facilitate the export of items out of the United States, prepare and file the EEI. In the routed export transaction, the FPPI controls the movement of the cargo.

### *Responsibilities in a Routed Export Transaction*

#### USPPI Responsibilities FTR § 30.3(e)(1):

- May file on behalf of the FPPI if a power of attorney or written authorization is obtained from the FPPI,
- Provides FPPI's-authorized U.S. agent with specific export and licensing information,



## Foreign Trade Regulations Basics Cont'd.

- Is entitled to a copy of the data elements that were submitted to the FPPI-authorized U.S. agent to file, and
- Obtain a writing from the FPPI, that the FPPI assumes responsibility for licensing functions (See Export Administration Regulations (EAR) 758.3).

### Authorized U.S. Agent Responsibilities FTR § 30.3(e)(2):

- Obtains a power of attorney or written authorization from the FPPI to move cargo,
- Submits EEL, as authorized by the FPPI, and
- Provides a copy of the data elements to the USPPI when requested.

\*NOTE: The responsibilities may shift between a standard and a routed export transaction, but the parties remain the same. For example, the USPPI is still the USPPI, even though the foreign party is controlling the movement of the goods.

## Classifying Commodities

### *Overview of the Export Commodity Classification Codes*

In order to file your export shipment, you must know the 10-digit Schedule B number(s) for the commodities you are exporting. The Schedule B and its import counterpart, the Harmonized Tariff Schedule of the United States Annotated (HTSUSA), are based on the 6-digit international Harmonized System (HS). Before attempting to classify a product, you should have its complete description and knowledge of the product's function, composition, and characteristics.

While *AESDirect* and *AESPCLink* offer look up capabilities to classify products, this function provides limited descriptions. Do not rely solely on the limited lookup functions within the *AESDirect* and *AESPCLink* software for classifying merchandise. Use the Schedule B search engine or manual, available at <http://www.census.gov/scheduleb> to assist in your initial classification and for periodic review and updates.

After identifying possible codes, closely read the description for the 4-digit heading to confirm appropriate classification. Continue on, reading subsequent subheadings and paying close attention to indentations and alignments. Upon determination of the best 6-digit subheading, repeat the process of comparison to find the correct Schedule B number. Follow through the detailed descriptions until you arrive at a complete, 10-digit classification code. For further classification guidance, read pertinent section, chapter, and statistical notes in the Schedule B manual posted at the website cited in the preceding paragraph.

### *Export Commodity Classification Codes*

The 2012 edition of the Schedule B supersedes the previous (2007) edition as the official schedule of commodity classifications to be used by shippers in reporting export shipments from the United States, and in compiling the official statistics on exports of merchandise from the United States. This edition is effective January 2012. The export commodity classification system presented in this Schedule reflects the adoption, in 1989, of the Harmonized Commodity Description and Coding System (Harmonized System).

The correct commodity number shown in the current edition of the Schedule B must be reported as part of the Electronic Export Information (EEI) filed in the Automated Export System (AES). A description of the merchandise, in sufficient detail to permit the verification of the Schedule B number, must also be provided in the AES, as well as other statistical data, in accordance with the Foreign Trade Regulations (15 CFR Part 30).

## Classifying Commodities Cont'd.

### *Organization of the Schedule B Classifications*

The Schedule B, based on the Harmonized System (HS), consists of 22 sections divided into 97 chapters. Chapters 1 through 97 correspond with the international system of numbering, with chapter 77 being blank. An additional chapter, 98, is used for special classification provisions that apply only to U.S. exports. The 10-digit Harmonized System-based Schedule B codes (commodity numbers) comprise these chapters. There are approximately 9,000 of these 10-digit classification codes in the 2012 edition of Schedule B. The definitions for these codes are as follows:

<b><u>Schedule B Code</u></b>	<b><u>Description</u></b>	<b><u>Definition</u></b>
07	Edible vegetables and certain roots and tubers	2-digit chapter in which a commodity is classified
0713	Dried leguminous vegetables, shelled, whether or not skinned or split	4-digit heading that includes the commodity
0713.10	Peas ( <i>Pisum sativum</i> )	6-digit subheading and International Harmonized System code
0713.10.4020	Green peas	10-digit commodity code for statistical classification

### *Reporting Export Transactions on the Basis of the Harmonized Tariff Schedule (HTS) of the United States Annotated for Statistical Reporting Purposes*

The United States has adopted the Harmonized System as the basis of both its export classification system (Schedule B) and its import classification system (HTS). The first six digits of the commodity numbers in chapters 1 through 97 of both the HTS and the Schedule B are identical with respect to descriptions and codes. Beyond the six-digit level, the classification may be comparable on a one-to-one basis or comparable by adding two or more import classifications to equal a single Schedule B classification.

For most commodities classified in chapters 1 through 97, exporters may report either the HTS number or Schedule B numbers. For some commodities, however, only the Schedule B number can be reported. See the "Notice to Exporters" in the HTS for a list of Schedule B numbers that may be reported on import entries or <http://www.census.gov/foreign-trade/aes/documentlibrary/index.html#concordance> to view the HTS codes that are not valid for AES. The HTS numbers reported for exports should not include any symbols in the form of prefixes. These symbols are used only to denote special import tariff treatment.

## Classifying Commodities Cont'd.

### *Locating the Correct Schedule B Number*

The Definitions and General and U.S. Rules of Interpretation, as well as the notes appearing in the sections and chapters of the Schedule B, should be reviewed before attempting to locate the correct commodity number. The table of contents at the front of this document lists all of the sections and chapters with their descriptions. This will serve as a guide to the general area in which a commodity may be classified. After reading all pertinent section, chapter, and statistical notes, the exporter should compare 4-digit headings within the appropriate chapter to narrow down to the most accurate one. Beneath the headings are 6-digit subheadings to choose from, again selecting the closest match to the product. Finally, assign the most appropriate 10-digit Schedule B number.

In cases where the exporter is unable to locate a Schedule B number, one of two alternatives may be chosen. If the HTS number is known, in most cases it may be reported in lieu of the Schedule B number. The item also may be located through the Schedule B Search available on [www.census.gov/scheduleb](http://www.census.gov/scheduleb)

***If you need assistance with Schedule B classifications call 800-549-0595 and select Option 2.***

### *Reporting Requirements*

**Not Elsewhere Specified or Included (n.e.s.o.i.).** If a Schedule B number has been located that seems to apply to the commodity being classified, but the description for the number carries the limitation n.e.s.o.i., the commodity number should not be used until a check has been made to determine whether there is a classification elsewhere into which the item will fit more specifically. Other classifications under the same general heading should be examined.

**Double Units of Quantity.** When two units of quantity are specified in the "Unit of Quantity" column for a Schedule B classification, both are required to be reported.

**Shipping Containers.** When shipping containers are exported as merchandise for sale or transfer of ownership abroad, they should be reported under the appropriate Schedule B commodity number for the particular type of container.

However, in accordance with the Foreign Trade Regulations, shipping containers are not considered to be exported when they are moving, either loaded or empty, strictly in their capacity as carriers of merchandise, i.e., as instruments of international traffic, not for sale or transfer from U.S. ownership or title to foreign ownership or title. Therefore, containers

## Classifying Commodities Cont'd.

leaving the United States strictly as instruments of international traffic are not required to be reported in the AES.

If for any reason an exporter wishes to report the movements of such containers, they may be reported under Schedule B number 9801.20.0000. This classification is not to be used to report the contents of the containers. Contents of such containers are to be reported under the appropriate classification(s) for the merchandise.

### **Commodities Donated for Relief or Charity by Individuals or Private Agencies.**

Chapter 98 provides for exports of certain commodities donated for relief or charity by individuals or private agencies. In general, except for bulk grain, such classifications are provided for those commodities that are known to be, or are likely to be, exported for relief or charity in fairly sizable amounts. In addition to chapter notes for chapter 98, please read the chapter notes for chapters 1 through 16, 21, 30, and 63, to ensure that relief or charity shipments are correctly classified.

**Reporting the Value of Repairs and Alterations.** Shippers should report, under Schedule B number 9801.10.0000, the value of repairs and alterations made on articles previously imported for such purposes. These articles should be reported as domestic merchandise, and the value to be reported should represent the total value of repairs and alterations made in the United States.

If there is no charge, a value representing the cost of repairs to the manufacturer or a reasonably ascertained estimate thereof must be reported. The value of the article that was imported to be repaired or altered should not be reported and therefore should not be included in the value reported for commodity number 9801.10.0000.

**Export of Articles Previously Imported for Processing.** Articles exported after having been imported temporarily under bond for processing (HTS 9813.00.0520) should be reported as domestic merchandise. The Schedule B number assigned should be selected from chapters 1 through 97, according to the exported article. The value reported should be the total value of the article.

**Using the Correct Export Information Code.** The export information code is a 2-digit code reported in the AES that represents the reporting requirement and nature of the shipment and merchandise being exported. The Export Information Codes are located at the following website:

[http://www.cbp.gov/xp/cgov/trade/automated/aes/tech\\_docs/aestir/june04\\_intro/appe ndices/](http://www.cbp.gov/xp/cgov/trade/automated/aes/tech_docs/aestir/june04_intro/appe ndices/)

The most common Export Information Codes are:

- Temporary Exports of products that will be returned to the U.S. in the same condition within one year, should be reported as "TE"

## Classifying Commodities Cont'd.

- Used personal goods and household effects, including furniture, clothing, tools, and other effects should be reported as “HH”
- Shipments to the U.S. Armed Forces for their exclusive use should be reported as “MS”
- General exports should be reported as “OS”. This code is most commonly used.

**Using the Correct Country of Ultimate Destination Code.** The country of ultimate destination is the country in which goods are to be consumed or further processed or manufactured. The list of valid Schedule C country codes can be found at:

<http://www.census.gov/foreign-trade/schedules/c/country4.txt>

The most commonly misreported countries of ultimate destination and their ISO codes are:

- **Ireland – IE**
- **Italy – IT**
- **Iran – IR**
- **Iraq – IQ**

### Helpful Hints to Avoid Reporting Problems

- Read the full Schedule B description before selecting a 10-digit code
- Report the correct Unit of Quantity as required in the Schedule B Book
- Select Domestic or Foreign for the product type

### *Revisions to the Schedule B*

It is expected that revisions to Schedule B classifications will be required from time to time. Such revisions will generally be announced in the form of bulletins, released periodically. Any recommendations for revisions to existing classifications or for the establishment of new classifications should be submitted to the address below, or by electronic mail to:

**484f@usitc.gov**

The Chairman  
Committee for Statistical Annotation of Tariff Schedules  
United States International Trade Commission  
Washington, D.C. 20436

Requests should be submitted no later than August 1, for changes to be effective January 1.

## **Kimberley Process For Rough Diamonds**

### *What is the Kimberley Process?*

The Kimberly Process (KP) is the international initiative launched in 2003 designed to prevent rough diamonds from being used to finance the civil wars that occurred in the diamond-producing countries of Sierra Leone, Liberia and Angola in the 1990s. The process aims to prevent these “blood diamonds” from entering the mainstream rough diamond market, established while helping to protect the legitimate trade in rough diamonds.

The 76 countries that participate in the KP, agree to trade rough diamonds only with other participating countries. Diamonds must be shipped with a valid Kimberley Process Certificate (KPC) and must be in tamper-resistant containers. Natural rough diamonds are those commodities classified under Harmonized System subheadings 7102.10, 7102.21, and 7102.31.

### *What are the requirements of a rough diamond USPPI?*

- Rough diamonds may only be exported to countries that participate in the Kimberley Process. A current list of those countries can be found at: [www.kimberleyprocess.com](http://www.kimberleyprocess.com).
- The FTR requires all exports and re-exports of rough diamonds be filed electronically via AES regardless of value or country of destination. Furthermore, the regulations state that the KPC number must be entered in the license number field excluding the two-digit ISO country code.
- The USPPI or authorized agents, of rough diamonds, must fax a copy of all KPCs (including voided certificates) to the U.S. Census Bureau at: 1-800-457-7328.
- Rough diamond USPPIs or authorized agents must retain records of all KPC transactions for five years.
- As of September 2008, rough diamond USPPIs must file an annual report including total export activity and stockpile information via email to: [USKimberleyProcess@state.gov](mailto:USKimberleyProcess@state.gov). The annual reports are due to the State Department by April 1.

### *Do I need a Kimberley Process certificate?*

In order to export rough diamonds, in gem quality or industrial, that are unworked or simply sawn, cleaved or bruted, which are classified under Harmonized System subheadings 7102.10, 7102.21, and 7102.31, a KPC is required regardless of value.

### *How do I obtain a Kimberley Process certificate?*

KPCs are only available to entities licensed by the U.S. Kimberley Process Authority (USKPA). To obtain a USKPA license, contact the USKPA at the offices of the Jewelers Vigilance Committee at: 212-997-2002.

## **Guide to Using an Authorized or Forwarding Agent**

### *Definitions of an authorized or forwarding agent*

An authorized agent as defined in the FTR is an individual or legal entity physically located in or otherwise under the jurisdiction of the United States that has obtained power of attorney or written authorization from a USPPI or FPPI to act on its behalf, and to complete and file EEI. The FTR defines a forwarding agent as the party in the United States who is authorized by the U.S. or Foreign Principal Party in Interest to facilitate the movement of the cargo from the United States to the foreign destination and/or prepare and file the required documentation. There are situations when an authorized agent or a forwarding agent is used in an export transaction. However, some companies handle both authorized agent and forwarding agent responsibilities. The following are examples to show the differences between an authorized agent and a forwarding agent.

- The USPPI authorizes an agent to file EEI via the AES on their behalf and further selects a forwarder to move the cargo to the port of export;
- The USPPI authorizes an agent to file and that same agent is responsible for facilitating the movement of the cargo to the port of export;
- The FPPI authorizes the U.S. forwarder to facilitate the movement of the cargo only. However, the FPPI may authorize the USPPI to prepare and file the EEI via the AES. The FPPI must provide the USPPI written authorization to file the shipment on the FPPI's behalf;
- The FPPI authorizes their U.S. forwarder to facilitate the movement of the cargo and file the EEI. The USPPI is responsible for providing the U.S. forwarder with their company and commodity information [See FTR 30.3(e)].

### *Getting to know your U.S. authorized or forwarding agent*

The USPPI should seek to use agents or forwarders that utilize industry best practices and work towards building and maintaining successful relationships. In addition, it is recommended that the USPPI establish strong communication with the management of the agent or forwarding company. This relationship may assist in resolving issues in a timely manner. This is essential to filing complete and accurate export transactions. The FTR emphasizes that all parties involved are responsible for the export requirements process. If the USPPI and their agent maintain an open line of communication this will help to ensure that companies achieve export compliance. A way to do this is by scheduling quarterly visits to see how the agent or forwarder manages its operations. This visit may include conducting a walk through of the daily operations along with reviewing the steps involved in the AES process. If the USPPI cannot visit the agent or forwarder, both parties should maintain contact via the telephone, email, or fax.

In addition to visiting an agent's or forwarder's facility, it is also recommended that the USPPI perform an audit of their export process twice a year. This should involve comparing EEI with invoices and other shipping documents. By auditing, the USPPI is able



## **Guide to Using an Authorized or Forwarding Agent Cont'd.**

to reconcile EEI with any discrepancies, which can be resolved through corrections or Voluntary Self Disclosures. (See page 27 for specific instructions). Another way to ensure the accuracy of export information is to provide the agent or forwarder with the Schedule B/HTSUSA number and the description of the commodities being shipped.

This is helpful if the same commodities are exported on a regular basis. This commitment to the business relationship ensures that the USPPPI, agent, or forwarder maintain compliance with export reporting requirements.

All parties must comply with the FTR record retention requirements of five years for export documents, in accordance with FTR 30.10. The following are examples but not an all inclusive listing:

- Power of Attorney (Either electronic or paper copy)
- EEI reported via the AES
- Commercial loading documents (Bill of Lading, Air Waybill, etc.)
- Invoices
- Licenses
- Pertinent Export Documents
- E-mails between parties in the transaction

The USPPPI should maintain a “checks and balance” system for keeping an account of the number of shipments that the agent or forwarder filed on its behalf. If a working relationship has not been established it may be difficult to obtain verification for your EEI. The FTR, Section 30.3 grants the USPPPI the right to request a copy of the information filed. In accordance with the FTR, it is the responsibility of the agent or forwarder to provide such documentation. If the USPPPI is unable to obtain the information, the USPPPI should contact the agent or forwarder and inform them that they are required to provide this information under by the above citation. The USPPPI should keep a record of all the attempts requesting the AES information. If the USPPPI is still unable to obtain your EEI then contact the Regulations, Outreach and Education Branch of the Foreign Trade Division on 800-549-5495 and select Menu Option 3. A staff member will work with you to resolve the problem.

In Summary:

- Build relationships with your agent or forwarder;
- Schedule quarterly visits;
- Conduct an export process audit twice a year;
- Establish a point of contact;
- Develop procedures for record retention.

## **Guide to Using an Authorized or Forwarding Agent Cont'd.**

The next three pages include a sample power of attorney, written authorization and invoice. These samples can be used as references for creating or modifying your existing documentation.

**POWER OF ATTORNEY TO PREPARE OR TRANSMIT  
ELECTRONIC EXPORT INFORMATION**

Know all men by these presents, that \_\_\_\_\_, the  
(Name of U.S. Principal Party in Interest (USPPI))  
USPPI organized and doing business under the laws of the State or Country of  
\_\_\_\_\_ and having an office and place of business  
at \_\_\_\_\_ hereby  
(Address of USPPI)  
authorizes \_\_\_\_\_, (Authorized Agent)  
(Name of Authorized Agent)  
of \_\_\_\_\_  
(Address of Authorized Agent)

to act for and on its behalf as a true and lawful agent and attorney of the U.S. Principal Party in Interest (USPPI) for, and in the name, place, and stead of the USPPI, from this date, in the United States either in writing, electronically, or by other authorized means to: act as authorized agent for export control, U.S. Census Bureau (Census Bureau) reporting, and U.S. Customs and Border Protection (CBP) purposes. Also, to prepare and transmit any Electronic Export Information (EEI) or other documents or records required to be filed by the Census Bureau, CBP, the Bureau of Industry and Security, or any other U.S. Government agency, and perform any other act that may be required by law or regulation in connection with the exportation or transportation of any goods shipped or consigned by or to the USPPI, and to receive or ship any goods on behalf of the USPPI.

The USPPI hereby certifies that all statements and information contained in the documentation provided to the authorized agent and relating to exportation will be true and correct. Furthermore, the USPPI understands that civil and criminal penalties may be imposed for making false or fraudulent statements or for the violation of any United States laws or regulations on exportation.

This power of attorney is to remain in full force and effect until revocation in writing is duly given by the U.S. Principal Party in Interest and received by the Authorized Agent.

**IN WITNESS WHEREOF**, \_\_\_\_\_ caused these presents to  
(Full Name of USPPI/USPPI Company)  
be sealed and signed:

Witness: \_\_\_\_\_ Signature: \_\_\_\_\_  
Capacity: \_\_\_\_\_  
Date: \_\_\_\_\_

**Guide to Using an Authorized or Forwarding Agent Cont'd.**

**WRITTEN AUTHORIZATION TO PREPARE OR TRANSMIT  
ELECTRONIC EXPORT INFORMATION**

I, \_\_\_\_\_, authorize  
(Name of U.S. Principal Party in Interest)  
\_\_\_\_\_ to act as authorized agent for  
(Name of Authorized Agent)

export control, U.S. Customs, and Census Bureau purposes to transmit such export information electronically that may be required by law or regulation in connection with the exportation or transportation of any goods on behalf of said U.S. Principal Party in Interest. The U.S. Principal Party in Interest certifies that necessary and proper documentation to accurately transmit the information electronically is and will be provided to the said Authorized Agent. The U.S. Principal Party in Interest further understands that civil and criminal penalties may be imposed for making false or fraudulent statements or for the violation of any U.S. laws or regulations on exportation and agrees to be bound by all statements of said authorized agent based upon information or documentation provided by the U.S. Principal Party in Interest to said authorized agent.

Signature: \_\_\_\_\_  
(U.S. Principal Party in Interest)

Capacity: \_\_\_\_\_

Date: \_\_\_\_\_

SAMPLE

## Guide to Using an Authorized or Forwarding Agent Cont'd.

### SAMPLE COMPANY INVOICE

XYZ Company

9196 Silver Lane  
 Jacksonville, FL 32210  
 USA

904.777.1212  
[www.xyzcomp.com](http://www.xyzcomp.com)

Federal Tax ID: 511422633

Job Number: 14451

Contract order No: JFPR2461

Date of sale: MM/DD/YYYY

Date of export: MM/DD/YYYY

Shipped By: United Airlines, Tampa International

Consignee Address

British Computer Co.  
 5556 Victoria Lodge #11  
 London  
 Great Britain

SAMPLE

ITEM	DESCRIPTION	QTY	UNIT PRICE	TOTAL PRICE
1	Ionographic Printer Unit 8443.32.1060	10	\$2,653.43	\$26534.30 U.S.D.
2	Ink Jet Printer Unit 8443.32.1040	5	\$1,500.00	\$7500.00 U.S.D
	Origin: U.S. Weight: 158.76 KG  BIS License: B191396 BIS ECCN: 1A234  Joe Smith, Customer Administrator			
<i>These goods remain the property of XYZ Company until XYZ Company receives payment in full</i>			<b>TOTAL USD</b>	<b>\$34,034.30</b>

## Exports from Foreign Trade Zones

A Foreign Trade Zone (FTZ) is a restricted access site in or adjacent to a Customs port of entry. The authority for establishing these facilities is found in the Foreign Trade Zones Act of 1934, as amended 19 USC 81a-81u (Act or FTZA). The purpose of FTZ's as stated in the Act is to "expedite and encourage foreign commerce and other purposes." The act is administered in a context of evolving U.S. economic and trade policy and economic factors relating to international competition.

Participating in FTZ's offers enormous benefits to the public and private sectors when filed electronically, whether filing through the AES or AESDirect for Exports or the E-214 for Imports. The benefits include:

- Provides paperless transmission of FTZ data simultaneously to Customs and the Census Bureau;
- Provides cost efficiencies and helps the environment by eliminating paper
- Provides edits and validates data, thus increasing reporting accuracy and timeliness of the data submitted;
- Merchandise can be assembled, manipulated, manufactured, repackaged and destroyed;
- Relief from inverted tariffs;
- Duty Exemptions on re-exports;
- Cash flow savings.

For Census Bureau statistical reporting purposes, all merchandise removed from FTZs for export out of the United States must be reported at the Customs port of export electronically using the AES or AESDirect. The associated legal requirements and instructions are located in the FTZ Manual, Chapter 9, subpart 9.12(a), and the Census Bureau's FTR 30.2 and 30.52 which contain provisions for the electronic filing of export information via the AES. In addition to adhering to the CBP regulations, the FTR, and FTZ operating procedures, FTZ USPPIs, forwarding agents, and carriers must also adhere to all Federal Government export laws and regulations that apply to the exportation of merchandise from the United States. Many E-214 filers report invalid entries into the Foreign Trade Zone Identifier field. This field provides the identity of the FTZ from which the merchandise was exported. This is a five-position field consisting of alphanumeric characters. The first three positions must be numeric and the last 2 alphanumeric.

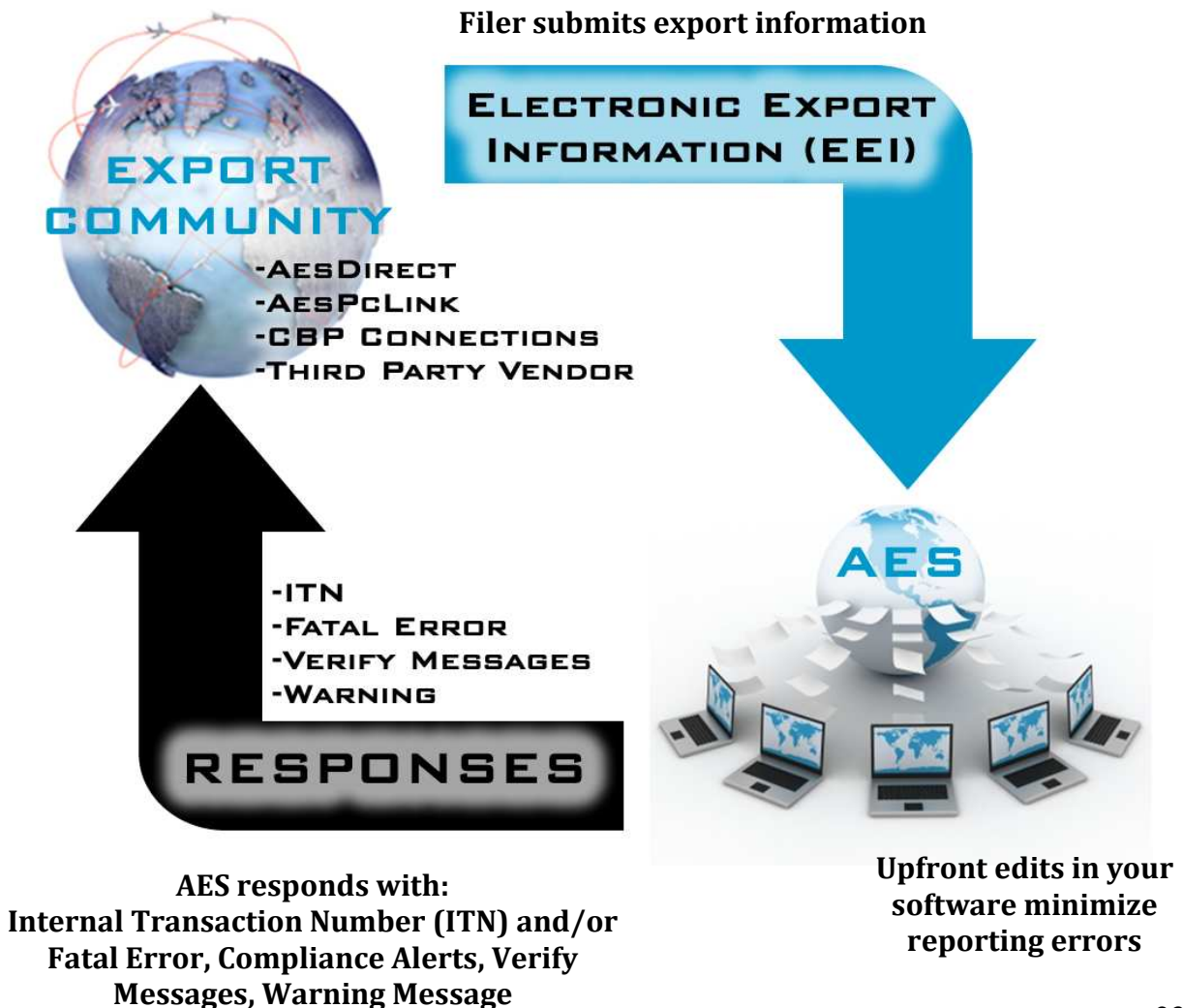
View the FTZ video to gain a greater understanding on the types of zones, export reporting requirements and filing benefits at <http://www.census.gov/foreign-trade/data/videoftdzones.html>. For statistical reporting guidelines, please contact the Foreign Trade Division, Data Collection Coordination Branch at 301-763-2259 for assistance. An analyst will provide you with the necessary help for ensuring accurate and complete shipment reporting in accordance with the regulations

## AES Process Flow

Below is an illustration of what happens when you transmit EEI from your software into the AES. The AES filer transmits the export information into the AES by way of the AESDirect program, third party software, a direct connection to AES, or a service center. The AESDirect program has upfront edits that eliminate the opportunity for unnecessary fatal errors before the EEI is transmitted to the AES mainframe. It is strongly recommended that the AES filer has upfront edits in their propriety systems that will catch missing or incorrect information before the EEI is transmitted to the AES mainframe.

Once the EEI is transmitted to the AES, the system processes the shipment and will send the AES filer a response message, which may include an ITN, fatal response, compliance alert, verify or warning message. Once the AES filer receives the ITN and/or response message(s), they must decide how to proceed. *Refer to the section entitled “Response Messages from AES” for more information.*

### AES Process Flow



## Response Messages from the AES

In the AES there are filing response messages that are generated to alert the filer when data are accepted, inconsistent, invalid or incomplete. The possible response messages that can be generated include fatal, warning, compliance, verify, and informational messages. The response messages must be reviewed immediately and appropriate action must be taken, if needed. Instructions on how to resolve the various response messages can be found in the AES Trade Interface Requirements (AESTIR), under June 2004 Appendices, at the following CBP website: [http://www.customs.gov/xp/cgov/trade/automated/aes/tech\\_docs/aestir/](http://www.customs.gov/xp/cgov/trade/automated/aes/tech_docs/aestir/) titled Appendix A. In Appendix A, you will find a narrative text that gives a description of the error response message, the reason the error was generated, the data elements impacted, and instructions on how to resolve the error.

Shipments successfully reported into the AES will receive a confirmation number, called the Internal Transaction Number (ITN). This number is your proof that your shipment has passed the AES edits and has been accepted. The ITN always begins with an X, followed by the 4-digit year, 2-digit month, 2-digit day and 6-digit random identifier generated by AES. Although the ITN is linked to your Filer ID and Shipment Reference Number, these are not printed or shown in the response message to protect your privacy and data security. Shipments with compliance alert(s), warning, verify or informational message(s) will still receive an ITN. Shipments with fatal error messages will not receive an ITN. Unless you are an approved postdeparture filer, you must correct fatal errors and obtain an ITN prior to exporting your goods.

Sample ITN: X20120101999999

### Compliance Alert Messages

A **Compliance Alert** is sent by the AES when a violation of the export reporting requirements has or has likely occurred. If a filer consistently receives compliance alerts, then the filer must identify the business practices causing the violations and take steps to conform with export reporting requirements. Otherwise, the filer may be subject to a visit from the Census Bureau staff, CBP seizure, fines and/or penalties. The most common compliance alert is "Shipment Reported Late."

### Fatal Error Messages

A **Fatal Error** message is sent by the AES when required information is invalid or missing, the Electronic Export Information (EEI) has been rejected, or when the information is not in the AES and a correction or deletion is sent against the record. An AES export transaction receiving a fatal error is rejected by the AES and an Internal Transaction Number (ITN) is not generated. Without the ITN, the transaction has not been accepted, and the filer has not met their reporting requirement. It is the filer's responsibility to ensure that all AES transactions receive an ITN by the filing deadline.



## Response Messages from the AES Cont'd

Many companies develop a database of AES shipments that receive fatal error messages and ensure that each error is corrected and an ITN received. Another company's software has been developed to stop their process until the fatal error is resolved and an ITN is returned. It is important that fatal error messages are resolved as soon as possible. If your company continues to be noncompliant after repeated warnings, you may be subject to fines, seizures, and/or penalties or revocation of your AES filing privileges.

The filer is required to immediately correct the data and retransmit the EEI.

15 CFR Part 30 – Foreign Trade Regulations Section 30.9 states that these errors must be corrected and EEI resubmitted prior to export for shipments filed predeparture and as soon as possible for shipments filed postdeparture but not later than ten calendar days after departure.

### Warning Message

A **Warning** message is sent by the AES when the filer flags the Ultimate Consignee as “Sold en Route”. The AES allows four calendar days for the filer to retrieve the shipment, report the actual consignee, and resubmit the EEI. If the EEI is left uncorrected, the AES will generate warning reminders to the filer until the correction is made.

### Verify Messages

A **Verify** message is sent by the AES when shipment data conflicts with a Census Bureau parameter regarding a commodity or another unlikely condition is found. The EEI may or may not be correct. The filer is required to transmit a correction if a correction is warranted.

Verify messages generated by the filer are also included in the AES Compliance Report. The common Verify messages are “Value/Quantity Out of Range” and “Shipping Weight/Quantity Out of Range.” Shipments with a Verify Message receive an ITN and are not counted against your Compliance Rate, but the information in question must be verified as correct. If not correct, please make the necessary correction and resubmit the shipment.

### Informational Messages

An **Informational** message is sent by the AES to provide notification to the filer. No action is required by the filer.

Examples of Informational messages include “DDTC License Now Exhausted”, “Original License To Be Lodged With CBP”, and “Quantity 2 Not Required By Schedule B/HTS”

## **Correcting Export Information in the AES**

Based on FTR 30.9, the USPPI or their authorized agent is responsible for transmitting corrections, cancellations, or amendments to information previously submitted to the AES. Corrections, cancellations, or amendments must be made as soon as they are known, whether before or after exportation.

All required information must be reported as known at the time of export or an estimate provided. Should such information change after the export of the commodity, a correction must be made to the EEI filed as soon as it is known. Corrections to the EEI can be made up to five years from the date of export. Please refer to the FTR, Section 30.9 for corrections to the EEI. A VSD should not be used to report a routine correction to EEI.

### *Failure to File*

Export information not filed in the AES in accordance with the reporting requirements must be reported as soon as the failure is known.

Questions regarding corrections should be directed to the Regulations, Outreach and Education Branch at 800-549-0595, Menu Option 3 or at [FTDRegs@census.gov](mailto:FTDRegs@census.gov).

## When to Submit a Voluntary Self-Disclosure

The Census Bureau strongly encourages companies, without prompting from Federal agencies, to voluntarily disclose, and expeditiously correct all violations or potential violations of Title 15, Code of Federal Regulations, Part 30, the FTR. The Census Bureau recommends that Voluntary Self-Disclosure (VSD) be made for violations or potential violations going back at least five years. A VSD reflects due diligence by a USPPI or authorized agent in detecting, and correcting potential violations when required information was not reported or when incorrect information was provided that violates the regulations. The VSD must be identified and submitted before the Census Bureau or another export enforcement Federal government agency identifies the problem.

Voluntary Self-Disclosures are made for violations or suspected violations of electronic export information submission and/or inadvertent recurring non-compliance errors of the regulations. Suspected violations or non-compliant practices that are recurring over an extended period of time also should be submitted via a self-disclosure. For example, over a six-month period during 2012, electronic export information is not filed for numerous shipments will constitute the need to file a voluntary self-disclosure as soon as the failure to file is discovered. Another example, is the consistent use of the wrong EIN for numerous shipments and/or over an extended period of time. If the shipment is licensed goods and a potential violation or non-compliant practiced occurs, a self-disclosure may be made regardless of the number of transactions or the time frame involved. Whether or not the non-compliant practice or violation is systematic (recurring), the volume of shipments involved, licensed goods, non-responsiveness to fatal errors, and late filing timeframes should be taken into consideration when determining whether or not to make a disclosure. Please refer to Section 30.74 of the FTR for regulatory requirements on voluntary self-disclosures.

Procedures for submitting a Voluntary Self-Disclosure to the Census Bureau are as follows:

1. Must be in writing, on company letterhead, and addressed to:  
  
Chief, Foreign Trade Division  
U.S. Census Bureau  
4600 Silver Hill Road, Room 6K032  
Washington, DC 20233-6700
2. The letter should include the following information:
  - a. The name of the person making the disclosure and contact information: address, telephone number, and email address, if applicable.
  - b. A description of the violation(s) or suspected violation(s) including the nature and extent of the violation(s).
  - c. An explanation of when and how the violation occurred.

## **When to Submit a Voluntary Self-Disclosure Cont'd.**

- d. A description of all FTR-mandated information that was either unreported or reported incorrectly.
  - e. The complete identities and addresses of all individuals and organizations, whether foreign or domestic, involved in the activities associated with the violation(s).
  - f. A description of corrective measures applied to resolve the violation(s) that occurred and steps taken to prevent a recurrence of the violation(s).
  - g. A description of any mitigating circumstances that should be considered.
3. Once a VSD is submitted, a staff person in the Regulations, Outreach, and Education Branch, Foreign Trade Division, will communicate with the point of contact listed in the disclosure document to determine actions to be taken.

Please note the following:

1. Disclosures should be made of all suspected violations that involve export of items controlled, licensed, or otherwise subject to export control or enforcement jurisdiction by a department or agency of the federal government. These disclosures should be made to the appropriate federal department or agency, in addition to the VSD required by the Census Bureau.
2. Questions regarding when voluntary self-disclosures should be made to the Regulations, Outreach, and Education Branch on 800-549-0595, Menu Option 3 or at [FTDRegs@census.gov](mailto:FTDRegs@census.gov).

## Review Your AES Compliance and Fatal Error Reports

The U.S. Census Bureau (Census Bureau) monitors and reviews data filed through the AES for quality and timeliness. The Foreign Trade Division (FTD) sends a monthly Compliance Report and Fatal Error Report. It is strongly recommended that companies filing via the AES closely monitor these reports to ensure export compliance. We strongly encourage you to include a section in your manual on the AES reports to stress their importance and effectiveness. Reports should be reviewed and monitored to ensure compliance with export reporting requirements.

The Foreign Trade Regulations (FTR), 15CFR, Part 30.5(e), authorizes the AES Branch to identify inconsistencies in the AES data and to make recommendations that will result in the appropriate corrective actions by the filer. The **AES Compliance Report and Fatal Error Report** are an important component in this process.

The AES Compliance Rate includes outstanding fatal errors. This provides AES filers with a complete Compliance Rate that reflects a filer's effort to maintain compliance with the FTR.

The AES Compliance Report displays the details of shipments with unresolved fatal errors including the Shipment Reference Numbers, AES Response Codes and AES Response Narratives. The report also provides a listing of the most frequent unresolved fatal error(s) and their associated reason(s) and resolution(s).

For detailed information on your AES response messages and how to resolve any identified errors, follow this link to Appendix A of the AES Trade Interface Requirements:

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

Two weeks following the AES Compliance Report, filers with remaining fatal errors will receive an AES Fatal Error Report as they have in the past. Only one AES Fatal Error Report will be sent to filers each month, rather than two per month as in the past.

The AES Compliance Report displays the following for each company:

- AES Compliance Rate for each of the last three statistical months
- Number of shipments for each of the last three statistical months
- Number of shipments with Response Messages for the latest statistical month (Unresolved Fatal Errors, Compliance Alerts, Informational messages, Warning messages, and Verify messages)
- Details for shipments with unresolved cumulative fatal errors
- Most frequent unresolved fatal error(s) for the latest statistical month
- Details for shipments with Compliance Alerts for the latest statistical month

When a filer's AES Compliance Rate falls below 95 percent, the AES Branch will work with the filer to improve the quality of AES filings and to raise the AES Compliance Rate.

## **Review Your AES Compliance and Fatal Error Reports Cont'd**

As a best practice and to maintain a high Compliance Rate, filers should:

1. Make sure your AES Compliance and AES Fatal Error Reports are sent to the appropriate person in your company.
2. Minimize the total number of monthly AES Compliance Alerts
3. Monitor and resolve outstanding Fatal Errors as soon as they are received
4. Properly suppress or resubmit rejected shipments
5. Familiarize yourself with Appendix A – Commodity Filing Response Messages to correct Fatal Errors

**NOTE:** The AES Compliance Rate does not factor in the number of Warning, Verify, and Informational messages.

## Data Request Information for Customers

A best practice for companies involved in export reporting is to conduct an annual audit of their filings. A company is able to request 12 months of data that they filed or that was filed on their behalf free of charge every 365 days. If a company requests more than 12 months of data in a 365-day time period, the company will be charged \$125/month for every extra month outside of the twelve. If you are requesting more than 12 months' worth of data, please make the check payable to Commerce/Census/FTD and send to the address below.

When making a data request you must submit a request letter on your company letterhead addressed to:

Mr. Joe A. Cortez  
Chief, Regulations, Outreach, and Education Branch  
U.S. Census Bureau  
4600 Silver Hill Road - Room 6K125  
Suitland, MD 20746 (if sent by FedEx) or Washington DC 20233 (Regular Mail)

The request must include:

- Reason for request (i.e. internal company audit);
- EIN(s) (company name including company names of its subsidiaries. If the name and the EIN submitted do not match what is in our database, we will not release the information);
- Indication of whether your company is a USPPI or the Authorized Agent (see Foreign Trade Regulations section 30.6 (a)(1) and 30.6(b)(1)) ; and
- Contact Information: name, address, phone number, fax number, email address, and signature

The letter can also be faxed to 301-763-8835 (If faxing please fax to the attention of Mr. Joe A. Cortez) but we must receive the original by mail.

In addition to the request letter you must also sign and return the Certification of Authority found on the Foreign Trade Division's website at:

[http://www.census.gov/foreign-trade/regulations/roeb\\_certification\\_of\\_authority.pdf](http://www.census.gov/foreign-trade/regulations/roeb_certification_of_authority.pdf)

The data request is a great way to audit authorized agents filing on your behalf. If you outsource some or all of your EEI filing it is a recommended practice to request your data annually and audit a portion of the records filed to ensure completeness and accuracy.

## **Software Enhancements**

### ***Software Selection***

The software (proprietary or purchased) used to file in AES should contain certain edits that will flag/reject invalid export information before it is submitted. Make sure the software vendor or service center have been authorized by a U.S. Customs Border & Protection client representative. If not authorized, the software vendor must submit a Letter of Intent to the Census Bureau. A client representative will be assigned to test and validate the software. Upon receiving your assigned client representative allow 2-3 weeks for testing.

There should be edits to ensure all required data elements are reported, for example, "Missing value", if the product value is missing, the selected software should reject the shipment, requiring the filer to correct the error before it is transmitted to AES. Companies must ensure that they have current code tables and that the most recent error messages from Appendix A of the Automated Export System Trade Interface Requirements are built in the software. This allows a company to be proactive in identifying errors before the EEI is transmitted.

If you use the standard-edition *AESpCLink* software, you must update the software and tables on all individual computers using the software. If you use the network-edition (LAN) software, your network administrator must update the software and tables for all users. We recommend that you perform the update functions at least once per month, or more often if you experience coding errors. Make sure you pay close attention to broadcast messages from the AES Branch and notices placed on the *AESDirect* web site regarding updates to the *AESpCLink* software. To update the *AESpCLink* software, click on Tools – then, click on Update *AESpCLink* software. To update the AES Code Tables, such as Port of Export, Carrier Codes, etc., click on Tools – then, click on AES Code Tables. If any of the code tables are outdated, then *AESpCLink* will allow you to update those tables.

### ***Daily Reports***

Develop or purchase software that has the capabilities of identifying unresolved error responses by running specific reports based on different types of criteria. For example, the software could generate a report for "Shipments without an ITN," "Shipments with an ITN," "Shipments Pending Response," "Shipments Reported Over 24 Hour Time Period," etc. These reports gives the filer a snapshot of their status regarding compliance alerts, fatal errors, verify messages, etc. If you are a USPPI with an authorized agent that files on your behalf, request that your agent provide you with reports of these types.



## Export Checklist

Develop a checklist that identifies what the staff must do prior to submitting a shipment transaction via the AES. A checklist provides a tool for collecting information and establishing steps and procedures to ensure that your organization complies with FTR and with export regulations of other government agencies. The following are some examples of the items that should appear on your checklist:

- Ensure that goods have proper licenses, if necessary (See the References section for government agency Websites),
- Check the consignees name against the Denied Parties List (See the References section for government agency Websites).
- Verify that the ultimate destination is not a sanctioned country (See the References section for government agency Websites),
- Confirm that an ITN is received for each shipment submitted
- Promptly correct all fatal errors,
- Determine the filing deadline,
- Predeparture filers must file prior to export based on the mode of transportation:
  - Vessel: 24 hours prior to loading cargo
  - Air: 2 hours prior to scheduled takeoff
  - Truck: 1 hour prior to truck arriving at the U.S. border
  - Rail: 2 hours prior to train arriving at the U.S. border
  - Mail/Other: 2 hours prior to departure

Note: 'Other' includes passenger/hand carried
- If the USPPI is an approved Postdeparture filer, the USPPI or authorized agent must file within 10 working days of exportation.
- Verify that the commodity classification code is valid,
- If using HTS codes, check to see if the code is not on the "HTS not for use in AES" list located at the following website:  
<http://www.census.gov/foreign-trade/aes/documentlibrary/hts-not-for-aes.html>
- Ensure the classification code properly identifies the commodity being shipped, and
- Verify that the commodity code is 10 digits with no embedded spaces or characters.

## Export Filing Resources

The following list highlights some of the resources available for training and informational purposes. This list is not comprehensive and other resources are listed in the *References* section of this manual.

### *Foreign Trade Regulations*

The complete FTR is available online at:

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

### *FTR Export Compliance Flipper*

The Export Compliance is an extremely helpful tool for exporters and AES filers. They are available at conferences and trade shows where the Census Bureau is represented, however, they are also available for purchase from our website. Visit

<http://www.census.gov/foreign-trade/regulations/index.html> for more information.

### *The Schedule B Search Engine*

Use advanced search technology to classify your commodities by using the engine available at: <http://www.census.gov/foreign-trade/schedules/b/index.html>

### *Export Videos*

The Census Bureau, in conjunction with the International Trade Administration and other partnering agencies, has released a collection of videos to enhance the export training process through video technology. The web library is updated with new videos as they are released: <http://www.census.gov/foreign-trade/aes/exporttraining/videos/index.html>

### *Newsletters*

The AES Newsletter is published 4 times per year (in English and Spanish) and the TradeSource multi-agency newsletter is published 2 times per year. The newsletters are available online at:

[http://www.census.gov/foreign-trade/aes/documentlibrary/index.html#aes\\_newsletters](http://www.census.gov/foreign-trade/aes/documentlibrary/index.html#aes_newsletters)

### *GovDelivery Broadcast Messaging Subscription*

Stay abreast of the latest updates concerning the AES and the FTR, newsletter releases, export training videos, upcoming training opportunities (webinars, seminars, conferences, etc.) and other pertinent information by subscribing to our GovDelivery Broadcast Messaging service. Visit <http://www.census.gov/foreign-trade/aes/index.html> and click the e-mail icon “Get Email Updates” to subscribe and/or manage your subscription.

### *FTD Global Reach Blog*

Visit <http://globalreach.blogs.census.gov> and check the FTD blog content that is available

## Export Filing Resources Cont'd

for review and/or comment. Become a subscriber and participate in discussions on topics relevant to the current and future export environment.

### *AES Best Practices Manual*

This manual will be updated regular to maintain relevance to day-to-day export processes.

### *FTD Call Center*

The Call Center operated by FTD provides assistance with AES filing issues, FTR inquiries/interpretation, commodity classification assistance, data products, and other related concerns. See *References* section for the call center number and a complete breakdown of the transfer options.

### *The AESDirect Program*

The AESDirect Program features AESDirect, AESPcLink, AES Web Link, and AES EEI Batch Filing. This program is one of your greatest resources because it is a free filing alternative with a multitude of resources available at your convenience. All filers are encouraged to create and maintain an AESDirect account whether they file through another system, outsource filing to an authorized agent, etc. This will ensure that they are able to file even if their proprietary system, third party vendor, or agent's system is inoperable.

It is important for all AESDirect account holders to login into their account at least once every 30 days to maintain an active account status. In addition, Administrator Account passwords must be changed every 30 days and User Account passwords must be changed every 60 days.

Available resources for the AESDirect Program are as follows:

- AESDirect/AESPcLink/Admin User Guides and Sample Shipments:  
[aesdirect.census.gov/support/userguide.html](http://aesdirect.census.gov/support/userguide.html)
- AESDirect Support Center:  
[http:// aesdirect.census.gov/support.html](http://aesdirect.census.gov/support.html)
- AESDirect Technical Support:  
help desk: 877-715-4433  
e-mail: [boc-support@tradegate2000.com](mailto:boc-support@tradegate2000.com)

## Acronyms

There are many common acronyms and abbreviations used by the trade community and government agencies regarding the export process. Below is a list of the most common acronyms for your reference:

<b>AES</b>	Automated Export System
<b>AESTIR</b>	Automated Export System Trade Interface Requirements
<b>BIS</b>	Bureau of Industry and Security
<b>BOL</b>	Bill of Lading
<b>CBP</b>	U.S. Customs and Border Protection
<b>CCL</b>	Commerce Control List
<b>CFR</b>	Code of Federal Regulations
<b>DDTC</b>	Department of State, Directorate of Defense Trade Controls
<b>DUNS</b>	Data Universal Numbering System (Dun & Bradstreet Number)
<b>EAR</b>	Export Administration Regulations
<b>ECCN</b>	Export Control Classification Number
<b>EEI</b>	Electronic Export Information
<b>EIN</b>	Employee Identification Number
<b>FPPI</b>	Foreign Principal Party in Interest
<b>FTD</b>	Foreign Trade Division
<b>FTR</b>	Foreign Trade Regulations
<b>FTZ</b>	Foreign Trade Zone
<b>HTSUSA</b>	Harmonized Tariff Schedule of the United States Annotated
<b>IATA</b>	International Air Transport Association
<b>ISO</b>	International Standards Organization
<b>ITA</b>	International Trade Administration
<b>ITAR</b>	International Traffic in Arms Regulations
<b>LOI</b>	Letter of Intent
<b>NMFTA</b>	National Motor Freight Traffic Association
<b>OEA</b>	Office of Enforcement Analysis
<b>OEE</b>	Office of Export Enforcement
<b>OFAC</b>	Office of Foreign Assets Control
<b>SCAC</b>	Standard Carrier Alpha Code
<b>Sch B</b>	Schedule B number
<b>USC</b>	United States Code
<b>USITC</b>	U.S. International Trade Commission
<b>USML</b>	U.S. Munitions List
<b>USPPI</b>	U.S. Principal Party in Interest
<b>VSD</b>	Voluntary Self-Disclosure

## References

### *Contact Information*

- FTD Census Call Center 800-549-0595
  - AES Help Desk–Option 1
    - For help with AES filings, fatal errors, compliance and fatal error reports, downtime policy, etc.
  - Schedule B Classification Assistance–Option 2
    - For help with your classification of Schedule B/HTSUSA numbers for merchandise exported out of the country and information on data discrepancies of published trade statistics
  - Regulations Assistance–Option 3
    - For help with clarification of the Foreign Trade Regulations, responsibilities of parties in export transactions
  - Data Dissemination--Option 4
    - For questions about foreign trade press releases or help with our data products such as USA Trade Online or our Merchandise Trade downloads.
  
- *AESDirect* Technical Support 877-715-4433, Ext. 6 or 301-562-7790, Ext. 3
  - For help with technical problems with *AESDirect* or *AESpLink*, username, passwords and/or administrator codes

For help with Licensing, License Exemptions, and export requirements issued by the agency

- U.S. Customs & Border Protection – 202-344-3277
  
- Bureau of Industry and Security
  - Commerce License Help Desk – 202-482-4811
  - Western Regional Office – 949-660-0144 or 408-351-3378
  
- U.S. State Department, Directorate Defense Trade Controls – 202-663-1282
  
- U.S. Department of Treasury, Office of Foreign Asset Control – 202-622-2480

## References Cont'd.

### *Useful Websites*

AES Data Elements Reference Table

<http://www.census.gov/foreign-trade/regulations/forms/sedreftable.pdf>

Commodity Filing Response Messages Appendix A (AES Error Messages)

[http://www.customs.gov/linkhandler/cgov/trade/automated/aes/tech\\_docs/aestir/june04\\_intro/appendices/apndx\\_a.ctt/apndx\\_a.doc](http://www.customs.gov/linkhandler/cgov/trade/automated/aes/tech_docs/aestir/june04_intro/appendices/apndx_a.ctt/apndx_a.doc)

Export Compliance Quick Link to Field Questions on CCL/USML (Brief overview)

<http://www.bis.doc.gov/licensing/exportingbasics.htm>

Harmonized Tariff Schedule of the United States Annotated

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

Instructions for Resolving Fatal Errors

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

Lists to Check Before Exporting

<http://www.bis.doc.gov/ComplianceAndEnforcement/ListsToCheck.htm>

Routed Export Procedures- FTR Section 30.3

<http://www.census.gov/foreign-trade/regulations/regs/regulations20080602-federalregister.pdf>

Schedule B

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

Trade Restrictions & Sanctions

<http://www.treas.gov/offices/enforcement/ofac/>

## References Cont'd.

### *Government Agencies*

NOAA's National Marine Fisheries Service - Authorization to Import/Export Pre-Act Marine Mammal Parts/Products

[http://www.nmfs.noaa.gov/pr/permits/parts\\_instructions.htm](http://www.nmfs.noaa.gov/pr/permits/parts_instructions.htm)

U.S. Army Corps of Engineers

[www.iwr.usace.army.mil](http://www.iwr.usace.army.mil)

U.S. Bureau of Industry and Security

[www.bis.doc.gov](http://www.bis.doc.gov)

U.S. Census Bureau, Foreign Trade Division

[www.census.gov/trade](http://www.census.gov/trade)

U.S. Customs and Border Protection

[www.cbp.gov](http://www.cbp.gov)

U.S. Department of Agriculture - Exporting Regulations and Policies

<http://www.usda.gov/wps/portal/!ut/p/s.7 0 A/7 0 10B?navid=EXPORTING GO ODS&parentnav=MARKETING TRADE&navtype=RT>

U.S. Department of Agriculture, Foreign Agricultural Service

<http://www.fas.usda.gov/>

U.S. Department of Agriculture - Importing Regulations and Policies

<http://www.usda.gov/wps/portal/!ut/p/s.7 0 A/7 0 10B?navid=IMPORTING GO ODS&parentnav=MARKETING TRADE&navtype=RT>

U.S. Department of State, Directorate of Defense Trade Controls

<http://www.pmdtcc.state.gov/>

U.S. Department Treasury, Office of Foreign Assets Control

<http://www.treas.gov/offices/enforcement/ofac/index.shtml>

## References Cont'd.

### *Regulatory Websites*

Export Administration Regulations

[http://www.access.gpo.gov/bis/ear/ear\\_data.html](http://www.access.gpo.gov/bis/ear/ear_data.html)

Foreign Trade Statistics Regulations

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

International Traffic in Arms Regulations

[http://www.pddtc.state.gov/itar\\_index.htm](http://www.pddtc.state.gov/itar_index.htm)