



# TradeSource

## The 2011 National Export Strategy: Powering the National Export Initiative

In June 2011, Secretary of Commerce Gary Locke delivered the 2011 National Export Strategy (NES) to Congress. First published in 1993, the NES is an important public signpost of government-wide priorities and initiatives to strengthen federal export promotion services. This year's NES is especially important because it contains an update on the first year of progress under the National Export Initiative (NEI), President Obama's 5-year plan to double U.S. exports, creating millions of jobs annually. The Census Bureau is a proud contributor to many of these initiatives, and with this issue of TradeSource, continues to bring you the latest news on new programs.

During the first year of the NEI, Trade Promotion Coordinating Committee (TPCC) agencies recorded an impressive number of successes. Many of these improvements in export services are featured in this and prior issues of TradeSource. Recent highlights include:

- A new online free trade agreement (FTA) tariff search application.
- A steep increase in the number of foreign buyers brought to the United States.
- A new Renewable Energy and Energy Efficiency Export Initiative and assistance portal.
- More high-profile U.S. trade missions to key growth markets.
- Increased trade financing levels and options from the Export-Import Bank of the United States and the Small Business Administration.

During 2011, the TPCC agencies will pay special attention to improving export promotion in four key areas:

1. Collaborating with states, metropolitan areas, and border communities;
2. Encouraging exports by U.S. companies selling goods and services in high-growth sectors, which will be facilitated by improving the U.S. supply chain infrastructure;
3. Ensuring better data and measurement of U.S. services sector exporting; and
4. Removing barriers to trade, including through pending trade agreements with Korea, Colombia, and Panama.

In addition, the NES contains a full accounting of the federal government's progress implementing each of 70 recommendations originally presented to the President in September 2010, including a new set of government-wide metrics to measure the results of government efforts to promote the success of U.S. exporters.

At this critical juncture in our nation's history, the United States—its people, its companies, and its government—must embrace these challenges and the President's goal of doubling exports by 2015. The Census Bureau and its partner agencies throughout the federal government look forward to working with you to “win the future” by seizing opportunities in the global marketplace.

### In This Issue

- SBA Launches New Small Business Export Tools
- New Online Tool Highlights Tariff Benefits of Free Trade Agreements for American Businesses
- Answering the Call to Export
- Gain a Competitive Edge in Foreign Sales for Your Small Business with Ex-Im Bank
- Export.gov Makes It Easy to Plan Your Trade Events
- 2012 International Harmonized System Changes
- Schedule B Goes Green
- Notice of Proposed Rulemaking Regarding the Foreign Trade Regulations

## SBA Launches New Small Business Export Tools

Small businesses seeking to grow and create jobs through exporting have two new tools to help them get started. The Small Business Administration (SBA), Inc. Magazine, and AT&T have partnered to create a series of free videos to inspire and educate American small businesses about exporting. Once these businesses decide to become exporters, SBA has created an online interactive tool to assist entrepreneurs in developing an export business plan. Both initiatives support President Obama's National Export Initiative to double exports and create new jobs.

### Take Your Business Global

"Winning the future means supporting small businesses that want to grow and create jobs through exporting," said SBA Administrator Karen Mills. "SBA is very pleased to have partnered with Inc. Magazine and AT&T in the production and distribution of this video series, which will help small firms that are new to exporting or looking for new markets to sell their goods and services."

The video series, **Take Your Business Global**, features three main topics that guide small businesses through the process of exporting: Getting Started in Exporting, Connecting with Foreign Buyers, and five case studies of successful small business exporters. The videos are posted at [www.inc.com/exporting](http://www.inc.com/exporting).

The videos begin with answers to the frequently asked question, "Why Export?" They feature SBA

Deputy Administrator Marie Johns; U.S. Secretary of Commerce Gary Locke; U.S. Trade Representative, Ambassador Ron Kirk; and a variety of small business exporters.

Other modules feature exporting experts discussing "how-to" take your business global. Paula Murphy, Massachusetts Export Center director, and Julia Dvorko, program director for the Central Massachusetts Export Center, part of the Massachusetts Small Business Development Center network, share information about getting started in exporting and discuss counseling and training opportunities. Bill Fanjoy, director of the Northern Virginia U.S. Export Assistance Center provides advice on how the U.S. Department of Commerce's exporting programs assist small businesses in finding buyers. Two of SBA's Senior Trade and Finance Managers, John Joyce in Boston and Toni Corsini in New York, share their experiences helping small businesses finance an export sale with SBA loan programs.

### Export Business Planner

SBA's new *Export Business Planner* is a free customizable planning tool for small business owners who are considering exporting. Using the planner, you can determine your export readiness and develop an export business plan via a ready-made, easily accessible document that can be updated and referenced time and again as your export business grows. The *Export Business Planner* is located at [www.sba.gov/exportbusinessplanner](http://www.sba.gov/exportbusinessplanner).

Luz Hopewell, Acting Associate Administrator of SBA's Office of International Trade, says "The new *Export Business Planner* serves as a 'living document' for embarking on and continuing the critical planning process for export success. It guides small businesses through the development phase of making an export business plan as they ready their products or services for sale in foreign markets."

The planner is a Portable Document File (PDF) which is downloadable to your own computer via the free Adobe Acrobat Reader. You can access and update it as you create and update your export plans. Once downloaded, the planner can be customized, saved, printed, and updated each time you use it. Download it once, use it forever.

Each of the step-by-step sections includes background information which is integrated into business plan worksheets. You choose whether to work through one chapter at a time or explore multiple sections, depending on the time you have available and your current stage of export business planning.

Each chapter is cross-linked and indexed throughout for efficiency and easy access to related topics. To get you up and running right away, the first chapter in the planner provides clear how-to-use information so that you can make the most of this innovative hands-on tool.

The planner features a compilation of extensive export research and information—all in one place.

*Continued on page 3*

### **SBA Launches New Small Business Export Tools—Con.**

Throughout the comprehensive chapters, you'll find quick links to export Web sites, video profiles of successful small business exporters and export experts, training podcasts, trade statistics, and more. There's no need to remember or compile these resources yourself—they are all embedded in content specific areas.

A highlight of the planner is the customizable worksheets. These provide the templates for developing your Export Business Plan,

conducting business assessments and foreign market research, creating your marketing plan, costing and sales projections, goal-setting, and more. For example, some of the worksheets ask you to examine your business goals, options, and decision-making steps, others provide automated calculations to assist you in forecasting and costing.

By completing and saving the worksheets, you are building an ongoing plan that evolves and

grows as you work through the planner. Print only those pages you need at any given time, such as preparing for presentations or meetings with key business partners, bankers, or export counselors. As you continue updating your export business plan, it continues to evolve as your export endeavors grow.

For more information, please contact Richard Ginsburg in the SBA office of International Trade at <[richard.ginsburg@sba.gov](mailto:richard.ginsburg@sba.gov)>.

## New Online Tool Highlights Tariff Benefits of Free Trade Agreements for American Businesses

*By Justin Hoffmann, International Economist, International Trade Administration*

Are you an exporter seeking a market where the United States has an existing competitive advantage? Are you spending time looking through pages of legal texts to figure out the tariff under a trade agreement for your products? Would you like to feel empowered to perform instant and at-a-glance searches for trade and tariff trends in one easily accessed location online? The Free Trade Agreement (FTA) Tariff Tool, accessible at <[www.export.gov/FTA/FTATariffTool/](http://www.export.gov/FTA/FTATariffTool/)>, has the answers to these and many other trade-related questions.

America's FTA partners offer attractive markets for many U.S. companies looking to expand into new markets or export for the very first time. Through these agreements, the United States has

negotiated the elimination of tariffs, the removal of nontariff barriers, and secured nondiscriminatory treatment of U.S. goods and services. Originally trade and tariff information could only be accessed by sifting through the actual text of the agreements. The FTA Tariff Tool streamlines the search process. Nicole Y. Lamb-Hale, Assistant Secretary of Commerce for Manufacturing and Services, explains that, "By making information on tariff benefits more accessible, the FTA Tariff Tool will make it possible for more companies to increase their exports to these markets." Additional benefits include substantial time-savers and the integration of a user-friendly public interface. Small and medium sized enterprises (SMEs) stand to benefit from exporting to FTA partner markets. Small Business Administration Deputy Administrator Marie Johns explains that, "Many small

business owners would benefit from exporting but might not have the time or resources to get started. Giving small business owners a simple way to navigate the complexities of tariffs and international trade is a crucial step in ensuring they have what they need to grow their business and create jobs." Small businesses are vital to the health and recovery of the American economy. As of 2009, SMEs account for 97.6 percent of all exporting companies but contribute only 33 percent of the total exported value. Part of the problem resides in the fact that an overwhelming 58 percent of SMEs export to a single market. The FTA Tariff Tool hopes to address these unique informational barriers with a view to broadening the geographic coverage of SME export markets.

The FTA Tariff Tool has three functions: (1) a searchable database to find the tariff treatment of industrial goods covered under

*Continued on page 4*

**New Online Tool Highlights Tariff Benefits of Free Trade Agreements for American Businesses—Con.**

the U.S. trade agreements; (2) creates market access reports and charts across industrial sectors or product groups; and (3) creates a snapshot of current tariff and trade trends under different U.S. trade agreements. Businesses are able to see the current and future tariffs applied to their products, as well as the date on which

those products become duty free. By combining sector and product groups, trade data, and the tariff elimination schedules, users can also analyze how various sectors are treated across various trade agreements.

The development of the FTA Tariff Tool will be on-going, with plans

underway to incorporate agricultural and textile information. Trade data will be updated on an annual basis and future trade agreements will be incorporated as they are negotiated. The Web site also provides an instructional video, quick start guide, and user's manual.

**export.gov**  
Helping U.S. Companies Export

Register | Manage Account  
Search Our Site Search  
Advanced Search

↑ Opportunities Solutions Locations FAQ Blog Connect

Home > FTA Print | E-mail Page

FTA Tariff Tool Home > Market Access Reports > Market Access Reports Results

**Results of the U.S.-Peru Free Trade Agreement Negotiations: U.S. Exports to Peru**  
Chemicals Sector

Staging Category	Chemicals Sector			
	Trade (2010)		Tariff Lines (Peru)	
	% of U.S. Exports	U.S. Exports (US\$ millions)	% of HS Tariff Lines	Number of HS Tariff Lines
Immediate	87.2%	1046.9	81.4%	1306
5 Years	5.7%	68.1	6.2%	99
7 Years	1.3%	16.0	1.2%	19
10 Years	5.8%	69.3	11.3%	181
Total	100.0%	1200.3	100.0%	1605

**Percent of U.S. Exports by Staging Basket - 2010**

**Percent of Peru's Tariff Lines by Staging Basket**

Presented by the Office of Trade Policy Analysis (OTPA), Industry Analysis, Manufacturing and Services, International Trade Administration, U.S. Department of Commerce

[Disclaimer](#) | [FAQ](#) | [Notes](#) | [Contact Us](#)

## Answering the Call to Export

By Doug Barry, Senior Trade Specialist,  
Trade Information Center

Things are never boring—nor quiet—at the counseling center of the Trade Information Center (TIC) in Washington, D.C. For example, a man asks about selling pizza ovens to a buyer in Argentina. Seconds later come questions about selling aspirin to Iraq, Kentucky whiskey to China, California wine to a safari camp in South Africa, medical devices to Peru, and plastic “Made in the USA” wedding cake holders to Mexico. And so it goes on a typical day at this virtual export facilitation machine.

Since opening in 1993, the TIC, which is part of the U.S. Department of Commerce’s U.S. Commercial Service, has served as the central point of contact for U.S. exporters seeking counseling and advice. Would-be exporters ask how to start exporting, while other more experienced companies inquire about how to export a product that is already sold.

“We are constantly amazed by the innovative businesses represented by TIC inquiries,” observes Susan Lusi, director of the counseling center. “But given that only about 1 percent of U.S. companies export, there is definitely a learning curve for new exporters and fears that must be confronted. For inexperienced companies and their employees, the paperwork and regulatory matters involved in making that first shipment can seem daunting. More experienced exporters need help choosing new markets and finding buyers in them. We can offer them that help.”

### Simplifying Routine Transactions

Callers to the toll-free telephone line are offered quick online tutorials for often-requested but important tasks, such as finding estimated duties and taxes imposed by different countries. Trade specialists can facilitate export transactions by offering step-by-step assistance on

the telephone or through Export.gov, the U.S. government’s Web portal for exporters.

That arrangement greatly simplifies routine export transactions. For example, one situation that exporters commonly encounter is a request from an international buyer that the U.S. seller provide a quote for the full delivered cost of a purchased item. The Web site has tools that can easily provide the estimates, and it can be viewed 24 hours a day. Export.gov also offers other frequently needed export reference materials, such as commodity codes, templates of commonly used documents for shipping, and the full texts of regulations imposed by different countries on different commodities.

### Multiple Resources

Even more information is available to companies that register on the Web site. Registered companies gain access to market research and trade data and can be connected to a local trade specialist in one of the more than 100 Export Assistance Centers located across the United States.

Other resources offered by the TIC include more than 30 online videos; a free Webinar series about the basics of exporting <[www.census.gov/foreign-trade/aes/exporttraining/videos/](http://www.census.gov/foreign-trade/aes/exporttraining/videos/)>; indispensable publications, such as *A Basic Guide to Exporting*, which is a 250-page textbook on how to export; and the *Export Programs Guide*, which is a guide to federal export assistance programs. The Webinar series covers more than 25 subjects relating to what exporters want to know: what documents are needed and how to fill them out; estimated taxes and duties that the buyer will owe; whether the product needs an export license; country market specific information; how to write an export plan; and how to find reliable buyers. The series, which is also available in recorded form and can be viewed any time, is based on research indicating that many U.S. companies that could

export don’t because they fear failure. Fear and intimidation might explain why more than half of all U.S. exporters sell to only one international market, mainly Canada. For more information, visit <[www.export.gov/mrktresearch/eg\\_main\\_018213.asp](http://www.export.gov/mrktresearch/eg_main_018213.asp)>.

### Upselling Exports

As trade specialists field calls, they are listening for clues that indicate whether the caller’s company is shipping to one or two markets but has the capability to ship to many more, which will help grow the business. “Getting reactive U.S. businesses to proactively seek new markets is one way to double the percentage of exporting U.S. companies from 1 percent to a not unthinkable 2 percent,” notes Lusi.

Many would-be exporting companies that utilize the TIC go on to export products and services into multiple markets. They end up with far more markets than employees, and with international sales leading total growth and profits.

As the phones continue to ring, someone needs help selling custom-made recumbent tricycles to buyers in Japan. Oops, a Colorado company forgot to send paperwork with a shipment to India and needs help getting the merchandise out of Customs. “Can you send me the certificate of origin document for the U.S.-Columbia Trade Agreement,” asks a caller. “No,” replies the TIC specialist, “that agreement has not been approved by the U.S. Congress yet. Maybe later this year, and with it will come an estimated \$1 billion in additional U.S. sales to that country.”

Business is good and the TIC aims to help make it better.

To access the full range of services offered by TIC, call 1-800-USA-TRADE (1-800-872-8723) or visit their Web pages through <[www.export.gov](http://www.export.gov)>.

## Gain a Competitive Edge in Foreign Sales for Your Small Business with Ex-Im Bank

By Charles Tansey, Senior Vice President, Export-Import Bank of the United States

### Hear It First From Another Small Business Owner

BendTec Inc., a Duluth, Minnesota small business, had always self-financed its sales. However, when a large, critical order came in to export to a Russian company doing business in India, BendTec turned to Ex-Im Bank because of the size and scope of the potential transaction.

Tom Conrad, BendTec's vice president, commented, "We are grateful to Ex-Im Bank for providing us with the necessary insurance to mitigate our payment risk to enter overseas markets we are less familiar with. These markets are necessary for us to grow our business in these economically challenged times."

Ex-Im Bank's export credit insurance allowed BendTec to secure this contract, retain at least 50 employees as it prepares for this project, and rehire 30–40 additional employees who had previously been laid off due to the economy.

With the backing of a nearly \$40 million export credit insurance policy and a \$22 million working capital loan from Ex-Im Bank, BendTec will be able to complete the largest sale in its history.

### How Ex-Im Bank Can Help

Small business demands are different than those of large

businesses. Ex-Im Bank's *Global Access* for Small Business (*Global Access*) initiative is helping smaller companies address those demands in order to meet the President's goal to double exports by 2015. By 2015, Ex-Im Bank aims to reach \$9 billion in annual small business export financing, add a total of 5,000 small businesses to its portfolio, and approve at least \$30 billion in small business transactions. To reach these benchmarks, the Bank is offering new financing and insurance products as well as streamlining product delivery. In addition, Webinars are being held every month and over 20 *Global Access* forums are being held nationwide this year in coordination with federal agencies and private sector partners.

These forums are more than just informational sessions. They lay the groundwork for deals and ensure that your small business has the relationships, resources, and tools you need to export to more markets. At each forum, Ex-Im Bank offers one-on-one counseling to small business owners. The Bank can tailor guidance to meet the specific needs of your company.

Additionally, Ex-Im Bank recently introduced two new exciting products to further help your small business—Express Insurance and Supply Chain Finance Guarantee.

Express Insurance features a streamlined application and both a policy quotation and two

foreign-buyer credit indications up to \$300,000 within 5 business days.

"A big concern for small businesses beginning or expanding exports is whether they will get paid by buyers in distant and unfamiliar markets. To be competitive, they also need to be able to offer financing terms to foreign buyers. Ex-Im Bank's insurance policy substantially covers the nonpayment risk and gives exporters the ability to offer financing for short-term exports, and our new Express product enables them to insure those sales in 1 business week," said Ex-Im Bank Chairman Fred P. Hochberg.

The Gluefast Company Inc., in Neptune, N.J., is a small business that is increasing its exports through the Bank's Express Insurance. The company has approximately 12 employees at its Neptune facility. Gluefast received a buyer approval for \$250,000 of insurance coverage for a distributor in Mexico.

The company learned about Ex-Im Bank's Express Insurance from Tom Motley, the Trenton, N.J., regional officer of the U.S. Department of Commerce, who put Gluefast in touch with broker Stu Schechter of The Credit Insurance Source in Matawan, N.J.

"Our best growth is coming from exports," said Gluefast's Lester Mallet. "Initially I wanted coverage to make sure that we were protected against a loss in the

*Continued on page 7*

## **Gain a Competitive Edge in Foreign Sales for Your Small Business with Ex-Im Bank—Con.**

event our distributor in Mexico defaulted on payment, but I am excited about the prospect of offering terms to our foreign customers. This will definitely help our export efforts.”

The Supply Chain Finance Guarantee, offered to lenders, benefits U.S. exporters and their small and medium-sized business suppliers through accounts receivable financing. It is designed to inject liquidity in the marketplace and provide suppliers with access to capital.

To participate in the program, approved lenders must have an existing supply chain finance program. The Bank requires that at least 50 percent of the credit provided under the program be extended to suppliers meeting the definition of a small business according to the Small Business Administration by the end of the 12-month term. To be guaranteed, the accounts receivable must meet certain requirements, including U.S. content requirements related to the end-use of products to be exported.

In March 2011, JPMorgan Chase Bank, N.A. received a 90 percent guarantee to support up to \$450 million of liquidity to small and medium-sized suppliers of Caterpillar Inc., headquartered in Peoria, Ill. The guarantee enabled JPMorgan to increase its purchases of accounts receivable owned by U.S. suppliers and collect what's due from purchases of goods and services by Caterpillar for its export-related production. This program is designed to help qualified Caterpillar suppliers obtain cash more quickly and increase liquidity to fulfill new orders. Exporters have the option to extend payment terms and obtain a working capital benefit without imposing undue financial hardship on their suppliers.

### **Contact Ex-Im Bank**

Small businesses interested in learning more about Ex-Im Bank's export financing products may contact their nearest regional office by dialing, toll-free, 1-800-565-EXIM and selecting option 2. Information about and registration for upcoming Ex-Im Bank

events and training is available online at <http://go.usa.gov/bFV>.

By charging fees and interest on all loan-related transactions, Ex-Im Bank is self-sustaining and is able to cover all operation costs and potential losses while also producing revenue. The Bank has generated \$3.4 billion for U.S. taxpayers over the past 5 years.

In fiscal year 2010, Ex-Im Bank authorized a record high of approximately \$24.5 billion in loans, guarantees, and insurance (including more than \$5 billion in authorizations for small businesses), supporting an estimated 230,000 American jobs. In the first quarter of fiscal year 2011, the Bank approved \$8 billion in total financing authorizations, supporting nearly \$9.3 billion in U.S. export sales and approximately 66,000 American jobs. For more information, visit Ex-Im Bank's Web site at <http://www.exim.gov>.

## **Export.gov Makes It Easy to Plan Your Trade Events**

*By John Larsen, Deputy Director, Trade Promotion Coordinating Committee Secretariat*

Participation in trade events is a proven, cost-effective means for U.S. companies to find international buyers. And Export.gov is your one-stop resource for the latest announcements on federal government-sponsored trade events.

- Participants in U.S. Department of Commerce or U.S. Department of Agriculture foreign trade missions meet one-on-one with foreign government decision makers and business contacts, including potential agents, distributors, and partners.
- Reverse trade missions of the U.S. Trade and Development Agency bring foreign delegates from emerging markets to the United States for first-hand, comprehensive exposure to U.S. products and technologies.
- The U.S. Departments of Agriculture, Commerce, and

*Continued on page 8*

### **Export.gov Makes It Easy to Plan Your Trade Events—Con.**

State also operate programs to bring potential foreign buyers to major U.S. trade shows. The U.S. Commercial Service (CS), part of the U.S. Department of Commerce's International Buyer Program <<http://export.gov/ibp>>, brought nearly 13,000 foreign buyers to U.S. trade shows in 2010 to introduce them to U.S. exhibitors.

- The Departments of Commerce and Agriculture market major international trade show opportunities to U.S. companies. The CS' Trade Fair Certification program helps U.S. companies get the best return on their foreign trade show investment by

featuring top shows with expanded services and support to find export deals. The Department of Agriculture develops partnerships with show organizers for U.S. pavilions and negotiates quality services that meet Foreign Agricultural Service (FAS) standards. The FAS helps U.S. companies participate in U.S. exhibitor pavilions at major trade shows through its Market Access Program.

#### **Put Export.gov to Work for You With GovDelivery**

Key trade events are regularly featured on the Export.gov homepage, with highlights and full

listings available in the "Trade Shows" and "Trade Missions" tabs in the bottom left box. However, to truly unlock the value and convenience of Export.gov, subscribe to GovDelivery. Benefits include:

- Selecting as many or as few industries as you'd like.
- Receiving announcements about trade missions and other events important to your industry.
- Receiving general announcements that are important to everyone, such as National Export Initiative announcements. Best of all, this service is FREE!

## 2012 International Harmonized System Changes

Changes to the international Harmonized System (HS) for 2012 will be incorporated into both the *Schedule B Statistical Classification of Domestic and Foreign Commodities Exported From the United States* (Schedule B) and the *Harmonized Tariff Schedule of the United States, Annotated for Statistical Reporting Purposes* (HTS). For Automated Export System (AES) filers, this simply means download or update the AES tables of import and export codes in January, as usual.

If you are interested in a preview of what to expect, read on!

The World Customs Organization has posted the six-digit HS

changes on their Web site at <[www.wcoomd.org/home\\_hsoverviewboxes.htm](http://www.wcoomd.org/home_hsoverviewboxes.htm)>.

Click on "Nomenclature 2012" under "Tools and Instruments" to view background information and the amendments.

The U.S. International Trade Commission (ITC) also has draft pages posted online at <[http://usitc.gov/tariff\\_affairs/modifications\\_hts.htm](http://usitc.gov/tariff_affairs/modifications_hts.htm)>.

The "Final Report" is under "Investigation No. 1205-7, Proposed Amendments to the Harmonized Tariff Schedule of the United States (HTS), Pursuant to Section 1205 of the Omnibus

Trade and Tariff Act of 1988." This document outlines how the international classification changes will likely be applied to the U.S. import codes up to the eight-digit, legal level.

The Foreign Trade Division of the U.S. Census Bureau is working closely with ITC to maintain concordance between the Harmonized System, the HTS, and the Schedule B. If you have questions about how these changes may affect you as a trade data user or an AES filer, contact Mayumi Escalante at <[Mayumi.Hairston.Escalante@census.gov](mailto:Mayumi.Hairston.Escalante@census.gov)>.

## Schedule B Goes Green

Starting with the January 2012 edition, the *Schedule B Statistical Classification of Domestic and Foreign Commodities Exported From the United States*, also known as the Schedule B manual, will no longer be published and sold through the Government Printing Office.

Already available on the Foreign Trade Web site at [www.census.gov/scheduleb](http://www.census.gov/scheduleb), the online Schedule B is updated annually. The current version can

be searched, browsed, and downloaded for free. Schedule B numbers are also provided as a look-up table in the Automated Export System (AES) products, *AESDirect* and *AESpCLink*.

The *Schedule C Classification of Country and Territory Designations for U.S. Foreign Trade Statistics* and the *Schedule D Classification of U.S. Customs Districts and Ports for U.S. Foreign Trade Statistics* used to be revised and reprinted as Volume II of the

Schedule B manual. These reference codes are now maintained on a more frequent basis on the Foreign Trade Web site at [www.census.gov/foreign-trade/reference/codes/index.html](http://www.census.gov/foreign-trade/reference/codes/index.html).

For assistance with Schedule B classification codes, call the Commodity Analysis Branch at 1-800-549-0595, option 2, or e-mail: [ftd.scheduleb@census.gov](mailto:ftd.scheduleb@census.gov).

## Notice of Proposed Rulemaking Regarding the Foreign Trade Regulations

By Melannie N. Belton,  
U.S. Census Bureau

On January 21, 2011, the U.S. Census Bureau published a Notice of Proposed Rulemaking to amend the Foreign Trade Regulations (FTR) to reflect new export reporting requirements.

The Census Bureau is proposing to require mandatory filing of electronic export information through the Automated Export System (AES) or through *AESDirect* for all shipments of used self-propelled vehicles and household goods. The proposed changes will also impact the post departure filing program. Additional proposed changes include clarifications and additions to the data elements. For more information, please see the Notice of Proposed Rulemaking on the Census Bureau Web site at [www.census.gov/trade](http://www.census.gov/trade).

The comment period for the proposed rule ended on March 22, 2011. The Census Bureau has received various comments, and is reviewing these issues and concerns from the export trade community. The FTR are used by

the Census Bureau for collecting, compiling, and publishing the most accurate export statistics, while U.S. export enforcement agencies use the FTR for export control purposes.

In an effort to educate the export trade community on the FTR, the U.S. Census Bureau's Foreign Trade Division conducts AES Compliance seminars along with *AESpCLink* workshops in various areas of the United States. The objective of the AES Compliance seminars/workshops is to help companies understand their export reporting requirements, implement best practices to ensure compliance and reporting accuracy, and also to avoid costly encounters with

enforcement agencies due to noncompliance.

The Census Bureau's experts will cover the filing requirements of the FTR, how to classify commodities by providing an understanding of the Schedule B classification requirements, and finally, providing a thorough overview of the AES. *AESpCLink* workshops are offered to participants so that they can enjoy the benefits of FREE electronic filing of their export information via the Windows-based desktop PC component *AESpCLink*.

The dates of the upcoming 2011 seminars and workshops can be found below:

Location	Date
Laredo, TX	July 27–28, 2011
Baltimore, MD	August 2–3, 2011
San Francisco, CA	August 17–18, 2011
San Diego, CA	September 6–7, 2011
Miami, FL	September 21–22, 2011
Des Moines, IA	November 2–3, 2011
Irvine, CA	November 8–9, 2011
Los Angeles, CA	November 10–11, 2011

## Additional Unit of Quantity for Dairy HTS Codes

By Mayumi Escalante, U.S. Census Bureau

Effective August 2011, an additional unit of quantity of “kilograms cows’ milk solids content” will be required for several Harmonized Tariff Schedule (HTS) codes used to classify dairy products. This new unit of measure is part of an import assessment program and does not affect exporters except for those who elect to use these HTS numbers to classify their commodities in the Automated Export System (AES).

Abbreviated “kg cmsc” in the HTS of the United States Annotated for Statistical Reporting Purposes, kilograms cows’ milk solids content includes all cows’ milk components other than water. In the AES, this new HTS unit of measure will be abbreviated “CKG” for content kilograms. Exporters using these particular HTS codes are required to report both quantity one and quantity two. Where applicable, zero (0) will be accepted as a second quantity in the AES.

The *Schedule B Statistical Classification of Domestic and Foreign Commodities Exported From the United States*, or Schedule B, is the recommended classification system for export reporting purposes. The following list shows some of the impacted HTS numbers for dairy products, their two units of measure, and the corresponding Schedule B codes, which require only one quantity.

For a complete list of affected HTS numbers with their corresponding Schedule B codes, visit the Foreign Trade Web site at [www.census.gov/scheduleb](http://www.census.gov/scheduleb)

and click on “Concordance files for AES Users” under “Download.” There you may also search, browse, and download the entire Schedule B.


Further information about the final rule concerning the dairy import assessment and the U.S. Department of Agriculture’s National Dairy Promotion Research Program is in the *Federal Register*, Volume 76, No. 53, published Friday, March 18, 2011.

If you have questions about filing these codes in the AES, call the Foreign Trade Division, Automated Export System Branch: 1-800-549-0595, option 1, or e-mail [askaes@census.gov](mailto:askaes@census.gov).

### Dairy HTS Numbers Most Frequently Reported in the AES and Their Corresponding Schedule B Codes

HTS	UQ1	UQ2	Schedule B	UQ1	UQ2
0402101000	KG	CKG	0402100000	KG	
0404100500	KG	CKG	0404100500	KG	
0405101000	KG	CKG	0405100000	KG	
1702110000	KG	CKG	1702110000	KG	
1702190000	KG	CKG	1702190000	KG	
1901101500	KG	CKG	1901100000	KG	
1901104000	KG	CKG	1901100000	KG	
2202901000	L	CKG	2202901500	L	
3501906000	KG	CKG	3501906000	KG	
3502200000	KG	CKG	3502200000	KG	

### Would you like to get e-mail updates from the U.S. Census Bureau’s Foreign Trade Division (FTD)?

- AES broadcast message recipients now have the ability to manage their own FTD subscription preferences.
- To subscribe, please visit [www.aesdirect.gov](http://www.aesdirect.gov) and click the  button. This feature will soon be available on the FTD Web site.



**AESDirect**  
True Innovation In Export Automation

**Log In**

- [AESDirect](#)
- [Certification Quizzes](#)

**Account Set-up & Management**

- [Register New Account](#)
- [Registration Help](#)
- [Re-Activate an Account](#)
- [Terms & Conditions](#)
- [Privacy Policy](#)
- [Privacy Act Statement](#)
- [Account Administration](#)

**Vendor Account Set-up**

- [Developers Center](#)
- [Register Vendor Account](#)

**Training**

- [User Guides](#)
- [Sample Shipments](#)

**AESDirect Newsflash** Removal of Social Security Numbers from AESDirect



Welcome to **AESDirect**

Use AESDirect to file your Electronic Export Information (EEI) to the Automated Export System (AES)

**New to AESDirect?**

- [How to Register](#)
- [Register](#)
- [Account Administration](#)
- [Need an EIN?](#)

**Already Registered?**

- [Log In](#)
- [Take Certification Quiz](#)
- [SSN Elimination](#)

**Need Training?**

- [User Guides](#)
- [Online Training](#)
- [In-person Training](#)
- [Export Training Videos](#)

## Check Out These Upcoming Trade Events:

### Foreign Trade Missions:

- **Afghanistan Oil, Gas, and Infrastructure Trade Mission**, September 2011
- **Blue Australia Trade Mission**, September 12–15, 2011—for U.S. suppliers of water and waste water treatment equipment and services
- **Trade Mission to South Africa**, September 19–23, 2011 (apply by July 18)
- **USDA Trade Mission to Vietnam**, September 26–29, 2011
- **China Biotech Trade Mission**, October 10–13, 2011
- **India Education Trade Mission**, October 10–15, 2011
- **China Mining, Safety, and Security Equipment Trade Mission**, October 22–30, 2011
- **UAE and Qatar Transportation, Infrastructure/Multi-Model Products and Services Trade Mission**, October 30–November 2, 2011
- **India Growth in Emerging Metropolitan Sectors (GEMS) of India Trade Mission**, November 7, 2011
- **USDA Trade Mission to Colombia/Panama**, November 14–18, 2011

### Reverse Trade Mission:

- **Latin America and the Caribbean Regional Earthquake Monitoring Technologies Initiative: Reverse Trade Mission Series—Mexico and Central American Delegation**, Locations: Washington, DC; Denver/Golden, CO; Los Angeles, CA; and Seattle, WA; August 1–11, 2011

### International Buyer Programs at U.S. Trade Shows:

- **AUVSI Unmanned Systems North America**, August 16–19, 2011
- **Graph Expo 2011**, September 11–14, 2011
- **Retech (Renewable Energy Technology Conference)**, September 20–22, 2011
- **Natural Products East Expo**, September 21–24, 2011
- **Pack Expo**, September 26–28, 2011

### U.S. Commercial Service Certified Trade Shows in Foreign Countries:

- **PAACE Automechanika Mexico 2011**, July 13–15, 2011, Mexico City, Mexico—the region's most important automotive trade show
- **Marine Equipment Trade Show (METS) 2011**, November 15–17, 2011, Amsterdam, Netherlands—exhibits the latest in marine and offshore technology in one of the world's best markets, Europe
- **Dubai Airshow 2011**, November 13–15, 2011, Dubai, United Arab Emirates—the most important air show in the Gulf and Mid-East region

### Foreign Agricultural Service Endorsed Trade Shows:

- **Fine Food Australia**, September 5–8, 2011, Sydney, Australia
- **World Food Moscow**, September 13–16, 2011, Moscow, Russia
- **Food Ingredients (Fi) Asia**, September 21–23, 2011, Bangkok, Thailand
- **Food and Hotel China**, November 16–18, 2011, Shanghai, China

## Contact Information

### **AESDirect Technical Support (toll-free)**

Every day, 7 a.m.–7 p.m. ET  
 Voice: 877-715-4433  
 Fax: 301-562-7795  
 E-mail: [boc-support@tradegate2000.com](mailto:boc-support@tradegate2000.com)

### **Foreign Trade Division Call Center 800-549-0595** (see menu options below)

Please note that confidential company information should not be sent to the e-mail addresses listed below.

#### ***Automated Export System Branch, Menu Option 1***

Monday through Friday  
 7:30 a.m.–5:30 p.m. ET  
 Fax: 301-763-6638  
 E-mail: [askaes@census.gov](mailto:askaes@census.gov)

#### ***Commodity Analysis Branch (Schedule B Export Classification), Menu Option 2***

Monday through Friday  
 8:30 a.m.–6:00 p.m. ET  
 Fax: 301-763-4962  
 E-mail: [ftd.scheduleb@census.gov](mailto:ftd.scheduleb@census.gov)

#### ***Regulations, Outreach, and Education Branch, Menu Option 3***

Monday through Friday  
 8 a.m.–5:30 p.m. ET  
 Fax: 301-763-4610  
 E-mail: [ftdregs@census.gov](mailto:ftdregs@census.gov)

#### ***Data Dissemination Branch, Menu Option 4***

Monday through Friday  
 8:30 a.m.–5 p.m. ET  
 Fax: 301-763-8835  
 E-mail: [ftd.data.dissemination@census.gov](mailto:ftd.data.dissemination@census.gov)

### **Foreign Trade Division (all branches)**

Secure fax: 301-763-8835

Confidential company information (i.e., data requests) may be sent to this fax number. Please include a cover sheet with the name and phone number to whom the fax should be delivered.

*Continued on page 13*

**Contact Information—Con.****AES Partnership Agencies****U.S. Customs and Border Protection (CBP)**

Trade Enforcement and Facilitation

For questions regarding CBP, Used Vehicles, and decrementation of State Department licenses contact Robert Rawls, Program Manager, 202-344-2847.

E-mail: [robert.rawls@dhs.gov](mailto:robert.rawls@dhs.gov) or [manifest.branch@dhs.gov](mailto:manifest.branch@dhs.gov)Web site: [www.cbp.gov](http://www.cbp.gov)**Bureau of Industry and Security (BIS)**

Help Desk, Washington, DC

202-482-4811

Western Regional Office, Los Angeles/Newport Beach, CA

949-660-0144

Western Regional Office, San Jose, CA

408-351-3378

Web site: [www.bis.doc.gov](http://www.bis.doc.gov)**Directorate of Defense Trade Controls**

U.S. State Department, Washington, DC

Response Team

202-663-1282

D-Trade Questions

202-663-2838

Web site: [www.pmdtdc.state.gov](http://www.pmdtdc.state.gov)**Web sites**

International Trade Administration

<http://trade.gov/>

Small Business Administration

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

U.S. Commercial Service

<http://trade.gov/cs/>

U.S. Trade Development Agency

[www.ustda.gov/](http://www.ustda.gov/)U.S. Treasury Department, Office of  
Foreign Assets Control[www.treas.gov/offices/enforcement/ofac](http://www.treas.gov/offices/enforcement/ofac)