



AES Newsletter



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Automated Export System (AES) Compliance Review Program

The U.S. Census Bureau's Foreign Trade Division (FTD) successfully launched the AES Compliance Review visits nationwide in July of this year. FTD staff participated in 46 on-site visits to learn best practices and educate companies on the proper filing guidelines. Since the implementation of the program the rate for shipments reported late was 2.90% in January 2007 and has been reduced to 1.60% in August 2007. In fact, within a month following the company visits, we have seen significant improvement in their compliance rates. Companies are granted 90 days to achieve compliance.

The AES Best Practices Manual is now available at the following Web site:

http://www.census.gov/foreign-trade/aes/documentlibrary/bp/aes_bestpractices.html

The file can be retrieved in Adobe Acrobat or as a Word document for your convenience. We believe the AES Best Practices Manual provides valuable insight on how to achieve and maintain compliance with export filing requirements. Upon receiving the monthly AES Compliance Report, please review and if your rate is below 95%, we strongly recommend that you contact an AES Client Representative on 800-549-0595 Menu Option 1 or through email at askaes@census.gov for assistance.

We look forward to working closely with you on AES.

Two options to report commodity line items

An advantage to using AES to report export commodity information is filers have two options for specifying commodity details. They may choose to summarize or not to summarize their shipment data by commodity number.

The first rule is to report all commodity lines, regardless of value, including values of \$2,500 or less. Hypothetical example: The Schedule B number is 3405.10.0000 for shoe polish. For one shipment, there may be different commercial invoices showing 21 kg

@ \$1500; 15kg @ \$1000; 10 kg @ \$500 and 40 kg @ \$3000. In this example, each line of data is entered as an individual commodity line item, without the tedious task of summarizing all values.

Note: the \$2,500 filing exemption only applies to shipment data summarized by individual commodity number.

The second rule is to report at summary level. Using the previous example of Shoe Polish, instead of reporting multiple commodity lines for the same Schedule B number, you would only report one line item for shoe polish showing 86 kg @ \$6,000.

Filers choosing not to summarize their shipment data by commodity number must report this way for all their shipments. They cannot choose to report both ways. Authorized agents of U.S. Principal Parties in Interest (USPPIs) reporting export commodity information in AES must file consistently for each separate USPPI.

AES Compliance Reports

The U.S. Census Bureau monitors and reviews data filed through AES for quality and timeliness. In addition, the Census Bureau's Foreign Trade Division sends monthly Compliance Reports, and contacts filers as needed.

On each AES Compliance Report, a compliance rate is calculated for the current statistical month. The compliance rate is calculated by dividing the Number of Compliance Alerts (designated on the report) by the Number of Shipments, subtracted from 100%.

For example:
ANY COMPANY
E-mail: <employee@anycompany.com>

Number of Shipments for October 2007: 100
Shipments with compliance alerts for October 2007: 3

Compliance rate for October 2007: 97.00 %

If your Compliance Rate is below 95%, we strongly recommend that your company implement measures to improve its compliance rate level and prevent or correct identified problem areas. The AES Compliance Report will be one of the tools used to identify companies for the AES Compliance Review Program visits.

For AES Compliance Report details, which include a list and description of all response codes that appear on the AES Compliance Report, please link to:
<<http://www.census.gov/foreign-trade/aes/documentlibrary/aescompliancereport.html>>

AES Fatal Error Reports

Another critical issue for maintaining AES compliance is to correct all fatal errors promptly. To assist you in doing this, the AES Branch sends out bimonthly Fatal Error Reports to filers showing their unresolved fatal errors. Under 15 CFR part 30.64, AES filers are required to correct fatal errors prior to exportation of the merchandise or prior to the tenth day after exportation if

the U.S. Principal Party in Interest (USPPI) is an approved postdeparture (Option 4) filer. An AES export transaction receiving a fatal error is rejected by 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 filed receive an ITN.

If a company continues to be noncompliant after repeated warnings, it may be subject to fines, seizures, and/or penalties or revocation of its AES filing privileges.

The Fatal Error Report provides a list of shipment reference numbers and the corresponding fatal condition(s) for each shipment.

How to Handle Fatal Errors

- Retrieve the transaction using the shipment reference number listed on the report. Correct the problem that is causing the fatal error. Resubmit the transaction again under the same shipment reference number. Wait to receive your ITN from AES assuring that the transaction was accepted.
- If you have already corrected the error and received the ITN for the shipment reference number listed on the report, do not retransmit again unless you need to make further corrections to the shipment.
- Duplicating a shipment reference number within a 5-year period will produce an additional fatal error. In this case you should resubmit the shipment using a new, unique reference number. Do not attempt to delete the original submission as this will generate another fatal error.
- In some cases, you will need to identify the cause of the error. For example, response code 835—Value of Goods Too High for Commodity—may reflect a keying error in the value of the goods or the goods may be misclassified. Detailed information on resolving fatal errors, is available from the following website—
<www.census.gov/foreign-trade/redirects/aestir-appendix-a.html>
- Open the “AESTIR Appendix A” document.
- Select EDIT:FIND from the file menu or press CTRL F on your keypad.
- Type your fatal error code in the text box and click the “FIND NEXT” button.
- Read the resolution for the response code text to help you correct the error.
- If you need assistance with resolving fatal errors, please contact a Census Bureau AES Client Representative by e-mail at <ftd.aes.fatal.reports@census.gov> or by phone at— 800-549-0595 Menu Option 1.
- When you call, please have available:
 - An ITN for a prior shipment.
 - The shipment reference number(s) you wish to discuss.

Remember: When a fatal error is received the ITN is not generated. Without the ITN, the transaction has NOT been accepted, and the filer has not met their reporting requirement.

DO NOT Ignore the Fatal Error Report!

Instructions for Submitting a Voluntary Self-Disclosure (VSD)

The Census Bureau strongly encourages companies, without prompting from other Federal agencies, to discover, disclose, and correct potential violations of the FTSR. Identifying possible causes of incidents or practices will address noncompliance issues and encourage you to pursue compliance with due diligence. A VSD must be made when information was not reported or when incorrect information was provided (whether deliberate or unintentional).

A VSD cannot be used to report a correction to a shipment. Shipments must be filed based on the information known at the time of export. If that information changes after the export, corrections/amendments must be made to the transaction information in the AES/SED. See Section 30.64 of the FTSR for instructions on making corrections. Furthermore, shipments must be corrected as soon as possible, whether prior to or after submission of the VSD.

Follow these steps to submit a VSD:

- (1) Initial notification. The disclosure must be made promptly after knowledge of the error(s). The individual making the disclosure must do so with full knowledge and authorization of the firm's senior management. The initial notification must be in writing and be sent to the address in (4) below. The notification must include the name of the person making the disclosure and a brief description of the suspected violations. The notification must describe the general nature and extent of the violations.

Note: Also, disclosure must be made of suspected violations that involve export of items controlled, licensed, or otherwise subject to the jurisdiction by a department or agency of the Federal Government. These disclosures must be made to the appropriate Federal department or agency, in addition to the VSD required by the Census Bureau.

- (2) Narrative account. The narrative account must include:
 - (i) The kind of violation involved, for example, failure to file, failure to correct fatal errors, failure to file timely corrections,
 - (ii) Describe all FTSR-mandated information that was either unreported or reported incorrectly,
 - (iii) An explanation of when and how the violations occurred,
 - (iv) The complete identities and addresses of all individuals and organizations, whether foreign or domestic, involved in the activities giving rise to the violations,
 - (v) Describe corrective measures applied to resolve violations that occurred, and
 - (vi) A description of any mitigating circumstances.
- (3) AES Information. Report all data required under the FTSR that was not previously reported or was reported incorrectly.
- (4) Where to make a VSD. The information constituting or pertaining to VSD may be submitted to:

Chief, Foreign Trade Division
U.S. Census Bureau
4600 Silver Hill Road, Room 6K032
Washington, D.C. 20233-6700

Trade Ombudsman's Corner

How to Report Value

Trade Compliance Managers and Officers:

My travels, to date, have taken me from New York to California and multiple points in between. During these travels, I have the opportunity to speak with individuals involved in all aspects of international trade. There are varying opinions, pertaining to the Census Bureau's requirements for reporting VALUE.

15 CFR, Part 30.7(q) is the section of the Foreign Trade Statistics Regulations that explains the Census requirements for reporting value on the Shipper's Export Declaration (SED) or through the Automated Export System (AES). There are three acceptable values that can be reported.

Traditionally, the value reported to the Census Bureau is the "selling price" from the sale of the merchandise to the buyer. This price is exclusive of performance based incentives on the part of the buyer.

If the sale is to a partially or fully owned entity, the value will generally be the manufacturing price, plus reasonable markup for shipping and handling. Companies normally discount their own entities less than their clients outside of the company.

Finally, there are shipments that are exported prior to actual sale. For these shipments, the Census Bureau requires you to report the "fair market value" for the commodity. This is the "fair market value" of the commodity in the US, not in the country of ultimate destination.

It is important that you report the correct value, as this information is used by the Census Bureau to compile the official trade statistics. If you have concerns pertaining to Valuation, please contact the Regulations, Outreach and Education Branch on 800-549-0595, Menu Option 3.

E-mail—Jerome.M.Greenwell@census.gov

Work—301-763-6975

Cell—301-980-1743

2008 AES Import and Export Concordance

2008 Schedule B and Harmonized Tariff Schedule (HTS) Tables

NEW SCHEDULE B & HTS CODES EFFECTIVE JANUARY 2008

The 2008 AES Export and Import Concordances will be available beginning in late December 2007:

[<http://www.census.gov/foreign-trade/aes/documentlibrary/index.html#concordance>](http://www.census.gov/foreign-trade/aes/documentlibrary/index.html#concordance)

AESPCLink Users—Please update your AESDirect Code Tables no later than January 2008.

For further information or assistance, contact a Census Bureau AES Client Representative:

1-800-549-0595, Menu Option 1 or [<askaes@census.gov>](mailto:askaes@census.gov)

AESDirect/AESPCLink

AESDirect Users: If you have a pop-up box blocker on your computer, you must temporarily remove it to use the AESDirect look-up feature. The search boxes will not pop-up during a look-up if you have the pop-up box blocker activated.

AESPCLink Users: Remember to update your AESDirect Code Tables regularly.

Common Terms and Acroymns

AES	Automated Export System
AESTIR	Automated Export System Trade Interface Requirements
BIS	Bureau of Industry and Security
BOL	Bill of Lading
CBP	U.S. Customs and Border Protection
CCL	Commerce Control List
CFR	Code of Federal Regulations
DDTC	Department of State, Directorate of Defense Trade Controls
DUNS	Data Universal Numbering System (Dun & Bradstreet Number)
EAR	Export Administration Regulations
ECCN	Export Control Classification Number
EEI	Electronic Export Information
EIN	Employer Identification Number
FPPI	Foreign Principal Party in Interest

FTD	Foreign Trade Division
FTSR	Foreign Trade Statistics Regulations
FTZ	Foreign Trade Zone
HTSUSA	Harmonized Tariff Schedule of the United States Annotated
IATA	International Air Transport Association
ISO	International Standards Organization
ITA	International Trade Administration
ITAR	International Traffic in Arms Regulations
LOI	Letter of Intent
NMFTA	National Motor Freight Traffic Association
OEA	Office of Enforcement Analysis
OEE	Office of Export Enforcement
OFAC	Office of Foreign Assets Control
SCAC	Standard Carrier Alpha Code
Sch B	Schedule B number
SED	Shipper's Export Declaration, form 7525-V
USC	United States Code
USITC	U.S. International Trade Commission
USML	U.S. Munitions List
USPPI	U.S. Principal Party in Interest
VSD	Voluntary Self Disclosure

Education and Outreach

The Foreign Trade Division will participate in the following Bureau of Industry and Security (BIS) Compliance Seminars—

Date	Location
February 13-14, 2008	Puerto Rico
February 20-21, 2008	Washington, DC
April 8-9, 2008	Atlanta, GA
April 16-17, 2008	Chicago, IL
May 7-8, 2008	Louisville, KY
May 14-15, 2008	Houston, TX

Please go to the following BIS Web site for details—
www.bis.doc.gov/seminarsandtraining/index.htm

If you have further questions regarding the BIS seminars, please contact—

Christine Wheeler
 Bureau of Industry and Security
 Office of Exporter Services
 Outreach and Educational Services Division
 (202) 482-6031

Note: The AES Compliance Conference and AESDirect/AESPcLink workshops have been suspended until further notice. Please continue to visit our Web site for updates:
www.census.gov/foreigntrade/aes/meetingsandpresentations/index.html

Helpful Export Web Links

The following documents on the Web should be viewed and printed and kept as reference to assist you in keeping in compliance with export regulations.

Examples of AES Proof of Filing Citation, Exclusion, and Exemption Legends

www.census.gov/foreign-trade/regulations/ftsletters/fts168-amendment2.pdf

2006 Schedule B Table Harmonized Tariff Schedule of the United States, Annotated (HTSUSA)

www.census.gov/foreign-trade/aes/documentlibrary/index.html - concordance

HTSUSA Not Valid For Export

www.census.gov/foreign-trade/aes/documentlibrary/hts-not-for-aes.html

Regulations to use AES for the Reporting of Items on the Commerce Control List or United States Munitions List

Census Bureau's Foreign Trade Statistics Regulation

www.census.gov/foreign-trade/regulations/fedregnotices/fedreg-07172003.pdf

State Department Regulation

www.census.gov/foreign-trade/regulations/fedregnotices/ITARonAES.pdf

AES Newsletters

www.census.gov/foreign-trade/aes/documentlibrary/index.html-aes_newsletters

Bureau of Industry and Security (BIS) export controls and the Export Administration Regulations and how to use them

www.bis.doc.gov/ExportLicensingQandA.htm

Contact Information

AESDirect Technical Support Helpdesk (toll-free)

Everyday: 7:00a.m.–7:00p.m. ET

Voice: 877-715-4433

Fax: 301-562-7795

E-mail: boc-support@tradegate2000.com

Census Call Center: 1-800-549-0595

Please note that the e-mail addresses below are not secure. Confidential company information should not be sent to these addresses.

If you have questions for the—

AES Branch, Select Option 1

Monday through Friday

7:30a.m.–5:30p.m. ET

Fax: 301-763-4610 or 301-763-6638

E-mail: ASKAES@census.gov

Commodity Analysis Branch (Schedule B/HTS classification), Select Option 2

Monday through Friday

8:00a.m.–5:00p.m. ET

Fax: 301-763-4962

Regulations, Outreach, and Education Branch, Select Option 3

Monday through Friday

8:00a.m. - 5:00p.m. ET

Fax: 301-763-4610

E-mail: ftdregs@census.gov

U.S. Customs and Border Protection (CBP)

Trade Enforcement And Facilitation

For questions regarding CBP, ITAR, and Used Vehicles contact:

Cynthia Oliver: 202-344-3277, cynthia.oliver@dhs.gov or manifest.branch@dhs.gov

Other Phone Numbers/Web site Addresses

Bureau of Industry and Security (BIS)

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 Sites

BUREAU OF CENSUS, FOREIGN TRADE

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

U. S. CUSTOMS AND BORDER PROTECTION

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

BUREAU OF INDUSTRY AND SECURITY

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