



TradeSource

July 2016
Issue 13

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Successful Transition of AESDirect Filing Into the Automated Commercial Environment (ACE)

Welcome to the July 2016 edition of *TradeSource*. This special two-part edition will help familiarize U.S. companies with the many key resources that can assist in the planning of global business strategies. As readers shall see, these tools are both comprehensive and easily accessible. In Section One, Dale Kelly of the U.S. Census Bureau provides some exciting news with the successful transition of AESDirect filing capability into the Automated Commercial Environment. In Section Two, Curt Cultice of the U.S. Commercial Service provides insights with trade experts on navigating supply chain opportunities, rural exporting, and available export financing for overseas buyers of U.S. products and services.

Exporters...Welcome to the Automated Commercial Environment (ACE)!!!

By Dale Kelly, Division Chief, U.S. Census Bureau

As of May 2016, the anticipated transition of AESDirect functionality to the ACE is complete. The U.S. Census Bureau and U.S. Customs and Border Protection (CBP) worked diligently during the last 2 years to develop the various applications associated with AESDirect in ACE and convert companies that have export filing requirements to the single window system. This was a tremendous undertaking and greatly improves the export reporting process for U.S. exporters. We are pleased to report that we received a significant amount of positive and constructive feedback on both the new system and the access to the comprehensive export-reporting feature in ACE. We are tracking all feedback and will utilize this information to determine if there is a need for future enhancements to the AESDirect and export reports in ACE to ensure accuracy and timeliness of collecting data.

Since 1999, the AESDirect system has evolved from a portal application utilized by a handful of companies that opted to file their Shipper's Export Declaration information electronically, to a program offering multiple communication methods facilitating mandatory filing obligations for tens of thousands of companies. As electronic filing for export processes improves, we look forward to continued feedback and partnerships with you, the trade community. We value these partnerships and recognize the integral role that you play in facilitating international trade.

Again, we officially welcome you to ACE exports. We look forward to the future in the single window!

The screenshot displays the 'ace secure data portal' for U.S. Customs and Border Protection. The interface includes a menu bar (File, Edit, View, Favorites, Tools, Help) and a navigation pane with tabs for Home, Accounts, References, and Tools. The 'Accounts' tab is active, showing a 'Task Selector' with options like 'Create Exporter', 'Change History', and 'Submit AESDirect Filings Reports'. Below this is an 'Account Selector' with 'View By' options (Acct Name, EIN) and a 'Sort by' dropdown. The main content area, titled 'View Top Account', displays 'Top Account Information' for 'AESDirect', including 'ACE ID', 'Organizational Structure: Corporation', 'DUNS #', 'Website', and 'End of Fiscal Year: 9/30'. A 'Program Participation' section is also visible. At the bottom, there is a 'Contacts' table with one entry: 'Account Owner' with 'Branch' as the last name and 'Data' as the first name. The table has columns for Type, Last Name, First Name, Phone, and Email. A status bar at the bottom indicates 'No Exporter Account Selected'.

Type	Last Name	First Name	Phone	Email
Account Owner	Branch	Data		

The New Normal: An Exporter's Overview of the Automated Commercial Environment (ACE), Automated Export System (AES), and AESDirect Systems

By Theresa Gordon, Trade Ombudsman, U.S. Census Bureau

In order to provide further clarity on the different export systems and acronyms associated with this new environment, let's review the fundamentals of export processing.

The **Automated Commercial Environment (ACE)**, previously the central hub for import processing, has been leveraged as the primary system through which the trade community reports both import, export, and transportation information. ACE will further streamline and automate processes as well as facilitate the elimination of paper reporting for trade related transactions. ACE is the single window system developed and maintained by U.S. Customs and Border Protection (CBP).

The **Automated Export System (AES)** is the central point through which export shipment data is filed electronically to CBP. AES is used to collect, process, and store all Electronic Export Information (EEI); is the source of all Internal Transaction Numbers (ITNs); and generates other messages as applicable (Fatal Errors, Compliance Alerts, etc.). The AES transitioned onto the ACE platform in March 2014, laying the groundwork for the development of the AESDirect functionality in ACE. Today, approximately 1,000 companies and application developers connect directly to AES via Electronic Data Interchange, Virtual Private Networks, and now, the recently added option for secure File Transfer Protocol (sFTP).

AESDirect is the portal that allows filers to enter EEI for submission to the AES. AESDirect functionality allows for the manual entry of export shipment data through a Web portal, a bulk upload option that allows for batch filing, and a Weblink option that allows developers to create a link to the filing application to transfer data to the portal. AESDirect functionality is now fully accessible from the ACE portal.

The U.S. Census Bureau managed the development and maintenance of the AESDirect application since its deployment in 1999. We will continue to play a key role in its operation and maintenance in the ACE environment.

With respect to customer service, CBP is responsible for accounts management and technical issues related to ACE accounts and ACE Export Reports:

Assistance With ACE Accounts and Reports
ACE Service Desk, U.S. Customs and Border Patrol
 1-866-530-4172, option 1, then option 2
ACE.Support@cbp.dhs.gov

With respect to the filing requirements in AESDirect or questions regarding ACE Export Reports Authorization and Vetting, please contact the Census Bureau:

Assistance With AESDirect Filing Process
Data Collection Branch, U.S. Census Bureau
 1-800-549-0595, option 1
askaes@census.gov

Assistance with Export Reports Authorization and Vetting Process
Trade Outreach Branch, U.S. Census Bureau
 1-800-549-0595, option 5
exportreports@census.gov

Example of data fields in ACE

The screenshot shows a web form with a progress bar at the top indicating four steps: Step 1: Shipment (active), Step 2: Parties, Step 3: Commodities, and Step 4: Transportation. The form contains the following fields and questions:

- Email Response Address(es) ***: A text input field with a help icon.
- Mode of Transport (MOT) ***: A dropdown menu with a help icon.
- Departure Date ***: A date picker field with a help icon.
- Inbond Type ***: A dropdown menu with a help icon.
- Is this a Routed Transaction? ***: Radio buttons for Yes and No.
- Are USPP and Ultimate Consignee companies related? ***: Radio buttons for Yes and No.
- Does shipment contain hazardous material? ***: Radio buttons for Yes and No.

Publication of the Notice of Proposed Rulemaking to Revise the Foreign Trade Regulations

By Shannon Barley, Survey Statistician, U.S. Census Bureau

The Notice of Proposed Rulemaking (NPRM) to revise the Foreign Trade Regulations (FTR) was published on March 9, 2016 (*Federal Register* Volume 81, Number 46, page 12423). This rule reflects new export reporting requirements related to the International Trade Data System (ITDS). The ITDS was established by Executive Order 13659, *Streamlining the Export/Import Process for America's Businesses*, to eliminate redundant information collection and distribute standard electronic import and export data required by all participating federal agencies. The proposed changes include the addition of two new data elements and other regulatory changes to provide clarity on existing reporting requirements. This article will highlight the most significant proposed changes.

First, we have proposed the addition of two data elements in the Automated Export System (AES). The added data elements include the Original Internal Transaction Number (ITN) and the Used Electronics Indicator. The Original ITN field is an optional data element and is utilized if the filer creates an additional AES record for a shipment that was previously filed. For example, if a previously filed shipment is divided and an additional shipment(s) must be filed, the Original ITN field can be used to reference the original shipment. The use of this field will help enforcement agencies know that the original shipment was filed properly. The second proposed data element is the Used Electronics Indicator, which is a conditional data element. This data element identifies a commodity as a used electronic. This field is only required when a particular Harmonized Tariff Schedule or Schedule B classification number is reported in the AES. In addition to the two new proposed data elements that will be added to the AES, the Census Bureau added language to include the new timeframes for split shipments addressed in FTR Letter #6, Notice of Regulatory Change for Split Shipments. In practice, the export trade community currently adheres to the split shipment filing timeframes, which are 24 hours by vessel or 7 days by air, truck, or rail.

There are a few other notable revisions to the FTR to highlight. We have changed the AES *Direct* certification process. Filers will now register for an export account through the Automated Commercial Environment (ACE). There will no longer be a certification quiz required to register for an account.

As the federal government increases its use of automation, we have made revisions throughout the FTR to accommodate the new processes. Currently, CBP is working to establish an electronic manifest; therefore, we have revised the manifest section in the FTR to reference the CBP regulations to ensure that as CBP changes their regulations, the FTR is aligned with those changes. In addition, we modified the definitions of "annotation" and "proof of filing citation" by removing the word "placed" to eliminate the implication of a manual process and add "or electronic equivalent" to allow for an electronic process.

The last change I would like to highlight is the addition of the authorized agent's responsibility to provide, upon request, the ITN and date of export to the USPPI for routed transactions. Adding these two data elements to the agent's responsibilities will provide the USPPI with more information to help locate shipments in their export data reports when they are not the filer in a routed export transaction.

So what does this all mean?

The proposed revisions in the NPRM are not set in stone. We are currently reviewing the comments we received during the 60-day comment period, which ended on May 9, 2016. These comments, along with our responses, will be included in the publication of the Final Rule.

For more information about the NPRM or the subsequent Final Rule, please feel free to contact us at 800-549-0595, Option 3 or itmd.FTRnotices@census.gov.

New Advance Economic Indicators Report

By Nicole Davis and Kyle Vezina, Survey Statisticians, U.S. Census Bureau

On July 28, 2016, at 8:30 a.m., the U.S. Census Bureau will introduce a new release, the *Advance Economic Indicators Report*. Last July, we began releasing the *Advance Report: U.S. International Trade in Goods* in an effort to provide more timely statistics on exports and imports of goods. As part of the Census Bureau's ongoing commitment to release timely statistics, we are incorporating advance estimates for retail and wholesale inventories with advanced statistics on trade in goods to create the *Advance Economic Indicators Report*.

This summary-level report consists of three tables and includes:

- Statistics for international trade in goods on a census basis by principal end-use category.
- Estimates for total retail inventories, total retail inventories excluding motor vehicle and parts dealers, and retail inventories for motor vehicle and parts dealers.
- Estimates for total merchant wholesale inventories (excluding manufacturers' sales branches and offices), total durable goods inventories, and total nondurable goods inventories.

Government agencies, businesses, and policy makers rely on the Census Bureau's statistics to make important

decisions. These advanced estimates will not only give data users earlier access to our statistics, but will also provide improved inputs to initial estimates of quarterly Gross Domestic Product (GDP). Currently, the Bureau of Economic Analysis (BEA) uses the *Advance Report: US International Trade in Goods* when preparing its advance estimate of quarterly GDP, which measures the value of goods and services produced in the U.S. economy and is one of the most comprehensive and most closely watched economic statistics. The new *Advance Economic Indicators Report* will provide BEA with estimates for both the retail and wholesale inventories sectors, which should reduce the size of GDP revisions.

The *Advance Economic Indicators Report* will be released at 8:30 a.m., 18 to 21 working days after the close of the reference month. The *Advance Economic Indicators Report* is yet another example of our dedication to release the timeliest, accurate, and most trusted information about our nation's economy.

For more information and sample files of the new report check out the Notices and Corrections section of the International Trade Web site, which can be found at: www.census.gov/foreign-trade/statistics/notices/20160504_adveconrelease.html.

Table 2. Levels and Percent Changes for Inventories

Inventories estimates are shown in millions of dollars. Estimates are based on data from the Monthly Wholesale Trade Survey and the Monthly Retail Trade Survey.

	Inventories					
	Monthly			Percent change		
	June 2016 (a)	May 2016 (r)	June 2015 (r)	June 2016/ May 2016	May 2016/ April 2016	June 2016/ June 2015
Adjusted¹						
Merchant wholesale ² trade, total	XXX,XXX	XXX,XXX	XXX,XXX	##	##	##
Durable goods	XXX,XXX	XXX,XXX	XXX,XXX	##	##	##
Nondurable goods	XXX,XXX	XXX,XXX	XXX,XXX	##	##	##
Retail trade, total	XXX,XXX	XXX,XXX	XXX,XXX	##	##	##
Total (excl. motor veh. & parts)	XXX,XXX	XXX,XXX	XXX,XXX	##	##	##
Motor vehicle & parts dealers	XXX,XXX	XXX,XXX	XXX,XXX	##	##	##
Not Adjusted						
Merchant wholesale ² trade, total	XXX,XXX	XXX,XXX	XXX,XXX	##	##	##
Durable goods	XXX,XXX	XXX,XXX	XXX,XXX	##	##	##
Nondurable goods	XXX,XXX	XXX,XXX	XXX,XXX	##	##	##
Retail trade, total	XXX,XXX	XXX,XXX	XXX,XXX	##	##	##
Total (excl. motor veh. & parts)	XXX,XXX	XXX,XXX	XXX,XXX	##	##	##
Motor vehicle & parts dealers	XXX,XXX	XXX,XXX	XXX,XXX	##	##	##

(a) Advance estimate

(r) Revised estimate

See footnotes and notes at the end of Table 3.

Upcoming Automated Export System Seminars in 2016

By Nidaal Jubran, Supervisory Survey Statistician, U.S. Census Bureau

The Automated Export System (AES) Compliance Seminars will be held in multiple locations across the country. The seminars will feature presenters from the U.S. Census Bureau, Bureau of Industry & Security, and U.S. Customs & Border Protection. They will cover filing requirements of the Foreign Trade Regulations (FTR), how to classify your commodities by providing an understanding of the Schedule B classification requirements, and a thorough overview of the AES.

The schedule to the right lists upcoming AES Compliance Seminars for 2016. For more information, including registration information, please follow the link to our schedule online: www.census.gov/foreign-trade/aes/meetingsandpresentations/index.html.

Customer Satisfaction Survey

The U.S. Census Bureau's International Trade Management Division (ITMD) conducts a customer service survey every two years in order to ensure your needs and concerns are addressed. This brief survey will provide us with valuable feedback on our current programs.

Our previous survey in 2014 provided valuable feedback that we implemented in the following ways:

- Offered more webinars for the trade community.
- Increased the number of seminars across a wider geographical area in order to accommodate all knowledge levels of the trade community.
- Created reference materials and instructional videos on how to transition and file exports in the Automated Commercial Environment.

We value your input and continue to make improvements to our outreach efforts based on the needs of our customers. Based on the success of our previous survey, we are going to launch the next Customer Satisfaction Survey in September 2016. Please be on the look out!

Miami, FL
July 21, 2016

Automated Export System (AES) Compliance Seminar

Qualified for 7 Certified Export Specialist (CES) Credits

July 21, 2016
8:00 AM - 5:00 PM

What will be presented?

These one-day seminars provide the latest information on export filing requirements. Experts from the Department of Commerce and Customs and Border Protection discuss topics such as:

- Mandatory export filing requirements
- Bureau of Industry and Security (BIS) export control requirements
- Best practices for maintaining compliance with export regulations
- How to avoid common penalties and seizure of cargo
- How to classify your product by Schedule B number and Export Control Classification Numbers (ECCN)
- The New AESDirect in the Automated Commercial Environment (ACE)

2016 Schedule

San Juan, PR	August 18
Orlando, FL	September 20
Laredo, TX	(Spanish) October 12
Chicago, IL	November 2
Boston, MA	December 7

Who Should Attend?

This dynamic seminar will provide valuable information to all involved in exporting such as:

- Manufacturers
- Suppliers
- Order Parties
- Freight Forwarders
- Exporting Carriers
- Consolidators
- Compliance Software Providers

Registration Details Visit:
go.usa.gov/cKErN
or Scan QR:

For more information about the Compliance Seminars contact the International Trade Outreach Branch
1-800-549-0595, option 5 or e-mail:
itmd.outreach@census.gov

In addition, as we are gearing up for FY 2017, we would like to know which topics you would like to see addressed pertaining to ACE. Please send your ideas to itmd.outreach@census.gov.

Border Opportunities for U.S. Parts Suppliers: U.S. Commercial Service in El Paso Helps Make the Connections

By Curt Cultice, Senior Communications Specialist, U.S. Commercial Service

Looking to do business in the U.S.-Mexico border region? U.S. parts suppliers will find good opportunities, but can benefit from doing their homework first. Robert Queen, Director of the U.S. Commercial Service's El Paso Export Assistance Center, provides some timely insight for U.S. exporters. Mr. Queen is part of the U.S. Commercial Service's global network of offices in more than 100 U.S. cities and U.S. embassies and consulates in over 75 countries.

Q: What types of products are U.S. exporters selling in the U.S.-Mexico border region?

Queen: U.S. businesses exporting to the border region are mainly parts suppliers of plastics, metals, electronics, and textiles that are selling to manufacturing assembly plants in Mexico. These assembly plants include a wide range of industries: aviation, automotive, household appliances, printers, television sets, and others. Most recently, we're now seeing U.S. firms supply bigger products, such as semi-trailer parts, to assembly facilities in Mexico.

Q: What's driving this growth in the U.S.-Mexico border region?

Queen: In a nutshell, the eliminated or lowered barriers originating from the North American Free Trade Agreement (NAFTA), but even more significantly, the fast-evolving Mexican auto and aviation industry, which is setting the pace in driving up quality standards across the spectrum of Mexico's manufacturing industries. It used to be one could get by with selling lower-quality components and manufactured goods into Mexico, but that's no longer the case. The bottom line is that today, Mexican manufacturers want globally competitive suppliers who are prequalified and meet the international quality standards.

Q: Could you give readers a perspective on U.S.-Mexico border activity?

Queen: I'm based in El Paso, Texas. The city is actually the second-largest crossing point for U.S. suppliers exporting to Mexico. And of course, being on the U.S. southern

border makes it easier for U.S. firms to do business. Every day, countless truckloads of U.S. goods cross the border from El Paso to Ciudad. El Paso, Texas, and Santa Teresa, New Mexico, are logistics gateways for border exports coming from parts suppliers from throughout the United States.

Q: How do you see continued growth opportunities in supplying parts to Mexico's manufacturers?

Queen: Good overall, with a particularly strong niche demand for high-quality mold, tool and die making, heat-treating, and precision metal machining technologies. Many U.S. firms are looking ahead and training their employees on these manufacturing technologies, which will continue to give the United States a leg up on international competitors into the future.

Q: Any challenges for U.S. parts suppliers doing business on the border?

Queen: Bothersome customs procedures and their lack of knowledge of import requirements including Norma Oficial Mexicana (NOM) and Normas Mexicanas standards (NMX); in these cases, the U.S. exporter should find expert counseling from a preferred custom broker. Additionally, the Trans-Pacific Partnership (TPP) agreement will help improve overly burdensome customs procedures by reducing red tape and allowing goods to move quickly across the border to get to their destination—whether that is an end-consumer or as part of a larger supply chain. It is also important to note that the TPP includes the strongest enforceable labor standards of any trade agreement in history.

Q: As director of the El Paso U.S. Export Assistance Center, what's a typical day like for you?

Queen: Our goal is to help U.S. companies export; our office is part of the global network of the U.S. Commercial Service, with more than 100 offices across the United States and in U.S. embassies and consulates in more than



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75 countries. The great thing about this job is that it is quite diverse; every day is different. I may spend time one day helping firms prepare competitive quotes, informing them about quality standards issues, or providing general export counseling and market research. On other days, I may be collaborating with the U.S. Department of Commerce's Manufacturing Extension Partnership (MEP) program to counsel manufacturers on ISO 9000 training programs.

I spend a great amount of time helping connect U.S. companies to prospective Mexican partners by recruiting and bringing U.S. firms to trade shows. These business-to-business matchmaking events include ExpoMRO and ExpoPack, as well as trade shows in Ciudad Juarez and the Supply Chain Summit held in El Paso, Texas, every year. At these events, American exporters can meet directly with material buyers from the Mexican manufacturing plants. The U.S. Consulates in Ciudad Juarez, Tijuana, and Nogales are valuable partners helping the U.S. Department of Commerce carry out these services along the border.

Q: What are some export tips for U.S. metals and components suppliers?

Queen: I would list the following key tips:

- First, as I mentioned, U.S. companies supplying parts should be aware that they need to have high-quality products and good after-the-sale service.
- Manage your expectation for bringing a business deal to fruition, supply, volume, and warehousing. Selling to the border region can be a long-term process depending on the size and capability of the U.S. company.
- Selling in the border region requires an enormous volume of U.S. supplier products. Larger U.S. companies are usually well-equipped to do this, but smaller firms less so.

Smaller U.S. companies should also look at opportunities to help equip larger U.S. suppliers selling to Mexico.

Key Export Resources for U.S. Businesses

Take advantage of U.S. Commercial Service programs and services by visiting www.export.gov where you can locate your nearest U.S. Commercial Service office. Our El Paso office works closely with our network of trade specialists to help U.S. exporters do business in the U.S.-Mexico border region.

- View our U.S. Country Commercial Guides, which provide key market intelligence for countries around the world, www.export.gov/ccg.
- U.S. businesses can also view U.S. Commercial Service Web sites in Mexico at www.export.gov/Mexico.
- The U.S. Department of Commerce's Manufacturing Extension Partnership (MEP) program counsels manufacturers on ISO 9000 training programs, www.nist.gov/mep/about.cfm.

It's Not Just About Brand Competition: What You Need to Know About Supply Chain Trends in the Global Economy

By Curt Cultice, Senior Communications Specialist, U.S. Commercial Service

In today's competitive global economy, U.S. businesses continue to take advantage of key export tools to boost their sales abroad. One important—and often overlooked—aspect is the importance of efficiently navigating the global supply chain. In the below Q&A, Bruce Harsh, Acting Director of the U.S. Department of Commerce's Office of Supply Chain, discusses these logistics issues and how U.S. businesses can benefit from key export assistance.

Q: What kind of trends have you seen in global supply chain activities in recent years and are there emerging trends that U.S. companies should be aware of to better prepare?

Harsh: Supply chains are constantly evolving, becoming much more sophisticated and complex in recent years to meet increasing consumer demands. Companies are realizing that it is their supply chain networks that are competing with another company's supply chain, rather than just their brands. As such, if consumers do not find a product on the store shelf, or find it is out of stock online, or not available through their phone, then they will look to another company that has that particular product available.

Consumers are also driving companies to make their supply chains adaptable to an “omnichannel” distribution network and foster good shopping experiences, whether the consumer is buying their products from the retailer's big box store, through a catalog, or online. From the operational perspective, the push for omnichannel distribution is creating more vertically integrated systems where supply chains are being more responsive to retail customer demands. Many companies operating in the United States have honed their skills and improved the efficiencies of their domestic supply chains in one of the most competitive markets. They can use this experience to better compete with other companies when exporting to other markets.

Q: Following up on the above question, are there geographic differences in supply chain criteria and ways of doing business—for example, Asia vs. Latin America vs. Africa?

Harsh: Supply chains are different for each product regardless of the market, with various raw materials or components used in each finished product coming from possibly extended distances. Consumer tastes and interests vary throughout the world, and company representatives also need to address specific political, legal (for example,

regulatory changes), economic, and social factors that impact their supply chain for the specific market. Much of this information can be found on Commerce's Web site.

One trend that some companies are also experiencing is a demand in some markets for “user-friendly” ingredients listed on the labels, with consumers wanting to better understand the food products they are eating or to use products with more environmentally sound components.

Some of the developing countries are skipping the traditional development cycles. For example, technology available to customers in certain Asian markets allows them to purchase goods from a retailer that may not even have a physical presence in their country, thus bypassing the traditional brick and mortar development cycle. Unfortunately, trade policies in many of these countries have not kept up with innovation.

Q: What are some challenges that U.S. companies face in global supply chain? Are there certain issues more unique to Small and Medium-Sized Enterprises (SMEs) and minority businesses?

Harsh: Lack of transparency, burdensome regulatory policies, and certain infrastructure factors that inhibit the smooth, efficient, and cost-effective flow of domestic commerce and international trade are key challenges to U.S. companies expanding internationally. Generally, SMEs and minority businesses have not developed supply chains that can address these challenges or sustain interruptions to them. One solution that can provide some assistance in this area is our express delivery carriers that have already developed networks to handle transporting, documenting, and customs processes for exporting to most global markets.

Q: Based on your experience in working with businesses, what types of “lessons learned” have been experienced by some of these businesses? Are there common mistakes that U.S. businesses should avoid?

Harsh: U.S. companies should consider protecting their brands before they enter new markets (Commerce has information available on www.stopfakes.gov). Too often, even for some large sophisticated companies, some companies' trademarks have been compromised. Companies should also consider double-checking their translated

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promotional materials with multiple reviewers. Generally, over the past decade, our U.S. companies have learned to adapt to the new markets much better, with better relationships with local management, improved understanding of local consumer interests, and enhanced supply chain optimization.

Q: How is the Single Window policy initiative progressing, and what types of benefits will this bring to U.S. supply chain companies?

Harsh: The U.S. International Trade Data System (ITDS), commonly referred to as the Single Window, is scheduled to be ready for implementation by December 2016. Participating government agencies are working with the lead agency, Customs and Border Protection, to replace multiple, duplicative paper forms with a single streamlined electronic system to submit import and export documentation. Transforming our U.S. paper system to a digital system will also help move goods across our U.S. borders in a safer and more efficient manner. When the ITDS is completed, companies should see near real-time decision making by the government, with automated agency interactions that should reduce paper costs. We are very fortunate to be receiving ongoing input from many stakeholders, including members of the Advisory Committee on Supply Chain Competitiveness (ACSCC) that my office oversees. This 45-member advisory group consists of leading U.S. supply chain industry experts, and they provided specific recommendations on how to develop the Single Window that benefits America's economy and not cause inefficiencies or undue burdens.

Q: How might the Trans-Pacific Partnership (TPP) facilitate supply chain activities?

Harsh: The TPP is a key element of the Obama Administration's strategy to make U.S. engagement in the Asia-Pacific region a top priority. The huge and growing markets of the Asia-Pacific already are key destinations for U.S. manufactured goods, agricultural products, and services. Removing U.S. and global supply chain barriers through trade agreement negotiations, such as TPP, reducing costs, and increasing customs efficiencies, will make it cheaper, easier, and faster for businesses to get their products to market.

Q: Could you tell us more about the Office of Supply Chain Team and how it assists U.S. businesses?

Harsh: Our team of experts adds significant value to businesses coming to our office for assistance, in person or over the phone. This team was developed mirroring the needs of businesses to not only understand specific problems relating to their products, but to share information relating to the movement of products along a supply chain (port, rail, trucking, etc.) to help ensure the product reaches the intended consumer or business. Moreover, our office works hand-in-glove with the Department of Commerce's worldwide network of

U.S. Commercial Service offices located in 108 U.S. cities and U.S. embassies and consulates in more than 75 countries. U.S. businesses can benefit from export counseling and boots-on-the-ground expertise on export market opportunities, product issues, and key market conditions.

Below are some key resources and contact information:

- For overall information on U.S. government export services, visit www.export.gov. (You can also search U.S. Commercial Service office locations and Country Commercial Guides offering the latest market intelligence on countries throughout the world.)
- Office of Supply Chain, <http://trade.gov/td/services/oscpb/supplychain/contact.html>.
- U.S. Department of Commerce's Top Market Report on Cold Supply Chain (dealing with temperature-sensitive products), http://trade.gov/topmarkets/pdf/Cold_Chain_Top_Markets_Report.pdf.

Q: Could you elaborate on the importance of your office's advocacy efforts?

Harsh: Our office works closely with our private sector stakeholders to better understand their products and interests. By doing so, our staff can raise these issues with other governments through trade negotiations or bilateral meetings, helping ensure that markets will remain open for a whole range of products. One example that led to keeping a market open to a multibillion sector for U.S. goods was our successful efforts in persuading another trading partner from banning "all products containing alcohol" from its market. We understood the foreign government's concern with consumer safety issues, but were able to suggest modifying this broad sweep of all "alcohol" that was keeping billions of dollars of cosmetics from being exported to this market. Our office also continues to make progress in pushing for a more open market with a trading partner that limits opportunities for U.S. companies to physically operate within the country. U.S. businesses have already begun to benefit from greater investment opportunities in the partner country.

Q: How about some tips on navigating the supply chain?

Harsh: Generally companies need to do as much "homework" as possible to prepare for and anticipate possible interruptions or inefficiencies in the network before going international. Another tip is for supply chain managers to let our government officials know about these situations so we can help to address these problems or barriers with our trading partners since it may take a while to find ways to reduce inefficiencies in the supply chain. My other suggestion is to have a sense of humor. Life is going to throw challenges our way, and we can try to solve these the best way we can.

Harnessing the Potential of Rural Exporters

By Curt Cultice, Senior Communications Specialist, U.S. Commercial Service

In early 2014, as part of a nationwide effort to help boost economic growth that supports jobs for Americans, President Obama launched the “Made in Rural America” export and investment initiative. Advancing the President’s National Export Initiative/NEXT is a priority of the U.S. Department of Commerce, and the agency has initiated a National Rural Team to help more rural businesses access export-related assistance, information, and events. Spearheading the Rural Team is Heather Ranck, International Trade Specialist with the Department’s U.S. Commercial Service in Fargo, North Dakota. She recently discussed how the Rural Team’s 100-plus members are working to help businesses export. Ms. Ranck is part of the worldwide network of U.S. Commercial Service offices in 108 U.S. cities and U.S. embassies and consulates in more than 75 countries.

Q: How important is it that we assist rural exporters? What do you see as the potential benefits?

Ranck: More than 95 percent of the world’s consumers are outside of the United States, so for those companies not exporting, it’s like leaving money on the table. Only a small fraction of all U.S. businesses export, and surprisingly, 58 percent of all exporters sell to only one market. Much of this export potential lies in rural America. By increasing U.S. exports, we boost economic growth, build business competitiveness, and support new jobs in rural America and across the country.

Many businesses don’t export because they believe it to be too burdensome or are unaware of the many federal, state, and local resources available. The reality is that with use of the Internet, improved transportation options, and availability of export assistance from the U.S. government and its state and local partners, exporting has become a viable option—and for many small businesses—a necessity.

Moreover, world consumers have a high affinity for quality, made in USA products and services. In fact, many international buyers would be surprised to know the plenitude of excellent exporters that are based in very rural areas, and also that America’s rural exporters produce a truly dazzling array of products, including many high-tech, advanced manufacturing products. We are working to show these businesses how to grow their sales through exports by giving them all the tools they need to sell globally.

Q: Could you tell us about Commerce’s Rural Export Team?

Ranck: The U.S. Department of Commerce’s International Trade Administration (ITA) established a National Rural Team to help more rural businesses access export-related assistance, information, and events. The team, led by ITA’s U.S. Commercial Service, is part of President Obama’s “Made in Rural America” initiative launched in February 2014. To date, our team comprises more than 100 nationwide U.S. Commercial Service trade professionals and continues to grow.

Presently, our team is working with public and private sector partners and other organizations at the local, state, and national levels to raise awareness among rural businesses about available export resources. To this end, our goal is to double the number of rural businesses served by these partners.

Q: What are the unique challenges for rural exporters?

Ranck: When it comes to export assistance, there is really no one-size-fits-all; different companies have different needs: export counseling, business matchmaking, help with logistics, market research, etc. However, most rural companies tend to be more remotely located geographically and often share common challenges—namely a lack of easy access to information and export services such as financing and logistics. In many cases, rural companies don’t know to call their local U.S. Commercial Service office because they may be unaware that such an office exists. Trade events and activities are often held in large cities, so if companies don’t regularly attend, they may be unfamiliar with the full scope of available export resources. The local office can inform and connect them with other agencies or groups such as the Small Business Administration (SBA), U.S. Export-Import Bank (Exim Bank), Commerce’s Bureau of Industry and Security (BIS), U.S. Department of Agriculture, and international bankers.

Q: What are some Rural Team initiatives?

Ranck: The Rural Team is conducting outreach and programming around the nation to open the door to exporting for rural-based businesses. We are using a range of tools, including events, one-on-one face-to-face meetings with industry analysts from our overseas network of offices, video tutorials, trade missions, customized counseling, and many other tools to reach companies; and we are finding a very high receptivity among rural businesses.

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Here are a few examples of specific things we've been working on:

- The White House Rural Council has held numerous regional "Made in Rural America" forums across the country. The events allowed attendees to hear more on the types of assistance available and how other local companies have utilized those resources to succeed in the global marketplace.
- Our team is developing a more extensive "self-serve" online tool kit for persons seeking more information, such as finding international partners; and is working to increase access to some widely utilized programs, such as ExporTech and Export University, that focus on advanced shipping, logistics, regulations, and legal considerations for U.S. exporters.
- The U.S. Commercial Service participated in the Rural Export Initiative Workshop with the New Mexico Manufacturing Extension Partnership, Navajo Nation, and manufacturers from rural Texas and New Mexico. Our Rural Team also works closely with the American Indian Alaska Native Tourism Association (AIANTA) and other Native American groups. Through these partnering efforts, we will continue to help Native American entrepreneurs export.
- Rural businesses at many of our domestic outreach efforts are benefitting from the presence of U.S. Commercial Service specialists from overseas U.S. embassies and consulates. Examples include our South Africa specialist who outreached on mining opportunities in Pennsylvania, Kentucky, and West Virginia; and our Singapore specialist who traveled to a remote area of Hawaii and generated a strong audience of interested exporters.
- In addition, our Thailand specialist provided insight into consumer goods opportunities in North and South Carolina and West Virginia. One U.S. company attending the North Carolina event had not previously considered Thailand as a possible market opportunity, but through the seminar, was able to establish a working relationship with a Thai distributor that recently led to new sales to that country.

Looking ahead, our ongoing rural-based outreach will continue to benefit from the strong collaborative efforts among the U.S. Commercial Service, economic development organizations and officers, SBA and Exim Bank, Manufacturing Extension Partnership, Appalachian Regional Commission, Delta Regional Authority, and universities.

Q: Are you seeing any interesting trends among rural exporters?

Ranck: "Rural" is generally associated with agribusiness, but surprisingly, agriculture comprises only a small share of our rural-based business clients that have achieved export success with U.S. Commercial Service assistance. Most interestingly, we're seeing a real uptick in education as a growing rural industry sector with rural-based schools looking to attract students from abroad. Our local office in Portland, Maine, hosted an education agent delegation from Thailand, India, and Mexico that visited over 20 Maine schools, leading to new potential partnerships.

A general trend among successful rural exporters is that more of these companies are connecting with their local U.S. Commercial Service offices to get information about a wide variety of international issues. The local offices serve as a central resource for the rural companies by helping with issues such as international tenders, CE marks for Europe, compliance, export controls, Intellectual Property Rights issues, Free Trade Agreement information, and international visas. Some of the popular export services utilized by rural exporters include trade shows and missions and our business matchmaking programs.

Q: Do you have examples of rural export success stories?

Ranck: The U.S. Commercial Service has generated rural export successes in more than 39 states and Puerto Rico, and a number of Rural Team projects have been approved for this fiscal year. To illustrate, check out the tips from 13 local export experts who share their answers to frequently asked questions via six brief, impactful videos. Along with participating companies, the videos include U.S. Commercial Service staff from Fargo, Brazil, and Australia. [Click here](#) to view the page with all six videos in one place.

For more information on the U.S. Commercial Service Rural Team and to locate your nearest U.S. Commercial Service office, visit www.export.gov/rural/.

Mastering Global Supply Chains Builds Strong, Sustainable Companies: The Minority Business Development Agency Helps Businesses Enter International Markets

By Albert K. Shen, MBDA National Deputy Director

Mastering supply chain strategies is critical to the growth, expansion, and sustainability of businesses looking to compete in today's global economy. For the U.S. Commerce Department Minority Business Development Agency (MBDA), helping minority business enterprises (MBEs) evaluate, leverage, and enter global supply chains is a top priority. Minority entrepreneurs are uniquely positioned in that they can often leverage key export attributes, like country-of-origin ties and cultural knowledge, that allow them to expand into international markets as a natural progression of their business operations. As trade continues to play a key role in fueling the U.S. economy, these businesses have a tremendous opportunity to grow in size, scale, and capacity by actively pursuing entry into global supply chains; an essential step towards reaching the more than 95 percent of consumers who live outside of the United States.

The United States is home to eight million MBEs with impressive reach. These firms represent more than 17.5 percent of all U.S. classifiable exporting businesses and have international operations in 14 of 19 key industry sectors. For MBEs, significant engagement in international sales and trade leads to stronger businesses, builds competitiveness, and supports job growth; providing an essential pillar for creating and sustaining a thriving community ecosystem.

For businesses that are not exporting but are already suppliers to U.S. corporations and the government, the gateway to global supply chains is closer than you think. One of many resources for MBEs is our national network of more than 40 MBDA Business Centers that help facilitate access to global markets. In collaboration with our U.S. Department of Commerce colleagues in the U.S. Commercial Service, our programs provide a wide range of expertise: consulting services, export counseling, market research, feasibility studies, business matchmaking, potential overseas partnerships, and participation in trade events, to name a few. As an initial step, these services are critical to building market intelligence and helping business owners make informed decisions about which markets are best suited for first-time exporters and which are ideal for seasoned exporters ready to expand into new markets.

MBDA Business Centers also help clients evaluate their customer portfolios to identify other global market pathways.

A great opportunity for MBEs to expand their customer network is to apply for MBE Certification through the National Minority Supplier Development Council, Inc. (NMSDC). The NMSDC has more than 1,700 corporate members looking to purchase products, services, and solutions from diverse suppliers. These members, many of whom represent multinational corporations with established global supply chains, provide an indirect entry to global markets that can be a boon to MBEs that are new-to-export.

No matter which path you take to global trade, all businesses face challenges ranging from supplier consolidation and global sourcing to R&D resources. However, the most common is timely access to sufficient capital. We again invite you to turn to our MBDA Business Center network to locate export financing. In 2014, nine Centers became loan originators under the U.S. Export-Import Bank's Global Credit Express program; while several other Centers have expertise in alternative financing for both global and domestic business opportunities.

For more than 45 years, MBDA has provided greater access to capital, contracts, and markets as an essential resource for minority-owned firms. As we look to the growing opportunities and challenges in mastering global supply chains, we are encouraged by America's commitment to innovation and inclusive entrepreneurship that is a viable competitive advantage in the global marketplace.

About the Minority Business Development Agency (MBDA)

MBDA, www.mbda.gov, is the only federal agency dedicated to the growth and global competitiveness of U.S. minority-owned businesses. Our programs and services better equip minority-owned firms to create jobs, build scale and capacity, increase revenues, and expand regionally, nationally, and internationally. Services are provided through a network of MBDA Business Centers. After 45 years of service, MBDA continues to be a dedicated strategic partner to all U.S. minority-owned businesses, committed to providing programs and services that build size, scale, and capacity through access to capital, contracts, and markets. Follow us on Twitter [@usmbda](https://twitter.com/usmbda).

Export Finance Solutions to Increase Sales for U.S. Small Businesses

by Stephen P. Maroon, Director of Marketing, Export-Import Bank of the United States

International markets represent both tremendous opportunity and an element of risk for U.S. small businesses. The global middle class is growing at a fast rate, and technology is making the world smaller. Opportunities have never been greater for American businesses to sell beyond U.S. borders. At the same time, many U.S. companies have questions and concerns such as buyer nonpayment, cash flow, and other risks.

These challenges can be intimidating—but the Export-Import Bank of the United States (EXIM Bank) has the solutions to equip U.S. companies to access new markets and customers and increase their profits.

Who We Are

EXIM Bank is the official export credit agency of the United States. It is an independent, self-sustaining federal agency with a mission of supporting American jobs by facilitating the export of U.S. goods and services—at no cost to U.S. taxpayers. When the private sector is unable or unwilling to provide financing, EXIM fills the gap by providing American businesses with the financing support necessary to compete for and win global sales. An array of financing options is tailored to the needs of the exporter—both small and large. Plus, the Bank provides support in more than 185 countries and covers transactions of all sizes.

Protecting Against Nonpayment

EXIM Bank's Export Credit Insurance empowers U.S. companies to win international sales while taking the financial risk out of exporting. EXIM insures a company's foreign accounts receivable against commercial (e.g., bankruptcy) and political risks (e.g., war). In turn, U.S. exporters are assured their bottom line will be protected should their foreign customers fail to pay.

The benefits of EXIM insurance are significant:



Limits Risk

The insurance limits the risk of U.S. exporters not receiving payment (up to 95 percent of the sales invoice).



Extends Credit to Buyers

Due to the fear of not getting paid, many companies typically require buyers to pay by cash-in-advance or costly letters of credit. With EXIM's insurance in place, U.S. exporters may provide advantageous credit terms up to 360 days to qualified foreign buyers.



Provides Access to Working Capital

Exporters can enhance the quality of their balance sheet by transforming foreign accounts receivable

into receivables insured by the U.S. government. With this insurance in place, lenders are more likely to advance a loan against these receivables.

EXIM Bank insurance policies cover an entire export portfolio, a handful of foreign buyers, or just one single buyer. Additionally, most policies come with the added benefits of only paying premiums upon shipments and having no first-loss deductible. The insurance is reasonably priced—costing as little as 55 cents per \$100 of insured shipments. For example, coverage for a \$45,000 sale would cost only \$247.50.

The Bank's medium-term support provides term financing to international buyers of capital equipment or related services. These policies protect the lender and cover sales with longer payment terms (typically ranging up to 5 years and less than \$10 million).

Obtaining a Line of Credit

For many U.S. exporters, a lack of access to financing can stand in the way of global growth. Commercial lenders do not always have the capacity or willingness to provide loans to risky markets or transactions.

EXIM can work with a company's private sector lender to help secure financing for overseas sales. With EXIM Bank's Working Capital Loan Guarantee, the lender receives a 90 percent loan-backing guarantee, decreasing its repayment risk and increasing its willingness to extend a loan. Thus, EXIM does not replace the company's private lender; it simply backs the lender's loan and increases the exporter's borrowing power. Furthermore, the approval process can be fast. Those lenders qualified under EXIM Bank's delegated authority program can expedite the loan process by committing EXIM's guarantee without prior approval.

Small Business companies may use an EXIM Working Capital Loan Guarantee to:

- Pay for materials, equipment, supplies, labor, and other inputs to fulfill export orders.
- Post standby letters of credit to serve as bid bonds, performance bonds, or payment guarantees.
- Purchase finished products for export.

Act Now to Increase Export Sales!

EXIM Bank's export finance professionals, located throughout the country, can help determine the right policy to meet your company's needs. Request a free consultation or learn more by calling 800.565.3946 (press option 1) and visiting [EXIM](#). View EXIM customer success stories at [EXIM Success](#).

Contact Information

International Trade Helpline	
ITMD blogs: http://globalreach.blogs.census.gov/ 800-549-0595 (see menu options below)*Secure fax: 301-763-8835 (all branches)	
Assistance With the Automated Export System, Option 1 Monday–Friday 7:30 a.m.–6:00 p.m. (Eastern Time) Fax: 301-763-6638 E-mail: askaes@census.gov	Assistance With Commodity Classification, Option 2 Monday–Friday 8:30 a.m.–5:00 p.m. (Eastern Time) Fax: 301-763-4962 E-mail: eid.scheduleb@census.gov
Assistance With Regulatory Guidelines, Option 3 Monday–Friday 7:00 a.m.–6:30 p.m. (Eastern Time) Fax: 301-763-4610 E-mail: itmd.askregs@census.gov	Assistance With Information on Trade Data, Option 4 Monday–Friday 8:30 a.m.–5:00 p.m. (Eastern Time) Fax: 301-763-4962 E-mail: eid.international.trade.data@census.gov
Assistance With Trade Outreach, Census Vetting, and Export Reports Authorization, Option 5 Monday–Friday 8:00 a.m.–6:00 p.m. (Eastern Time) Fax: 301-763-8835 E-mail: itmd.exportreports@census.gov	
<p>*The secure fax number is for confidential company information (i.e., data requests). Please include a cover sheet with the name and/or branch phone number to whom the fax should be delivered. The e-mail addresses below are not secure. Confidential company information should not be sent to these addresses.</p>	

AES Partnership Agencies	Web Sites
U.S. Customs and Border Protection (CBP), Trade Enforcement and Facilitation For general questions: OFO-import-exportcontrol@cbp.dhs.gov For vehicle questions: cbpvehicleexports@cbp.dhs.gov Robert Rawls, Outbound Enforcement and Policy Branch Chief E-mail: robert.c.rawls@cbp.dhs.gov	Export-Import Bank of the United States www.exim.gov U.S. Department of Agriculture <i>Foreign Agriculture Service</i> www.fas.usda.gov U.S. Department of Commerce <i>Bureau of Industry and Security</i> www.bis.doc.gov <i>International Trade Administration</i> www.export.gov www.trade.gov <i>U.S. Census Bureau</i> <i>International Trade Management Division</i> www.census.gov/foreign-trade U.S. Department of Homeland Security <i>U.S. Customs and Border Protection</i> www.cbp.gov U.S. Small Business Administration <i>Office of International Trade</i> www.sba.gov/international <i>Small Business Development Centers</i> www.sba.gov/sbdc U.S. State Department <i>Directorate of Defense Trade Controls</i> www.pmdt.state.gov U.S. Treasury Department <i>Office of Foreign Assets Control</i> www.treas.gov/offices/enforcement/ofac
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	
Directorate of Defense Trade Controls, U.S. State Department, Washington, DC Response Team 202-663-1282 D-Trade Questions 202-663-2838	