

Date: July 2002

Memorandum To: All AES Participants

FROM: Barbara Boney
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U.S. Bureau of the Census

SUBJECT: New Procedure for Exporting from a Foreign Trade Zone

Effective July 1st 2002, The U.S. Census Bureau (Census Bureau) and the U.S. Customs Service (Customs) has amended the filing procedures for North American Free Trade Agreement (NAFTA) duty deferral entries to reduce reporting burden on the trade community and to clarify procedures.

Currently, Foreign Trade Zone (FTZ) export shipments to another NAFTA country require a Customs Form (CF) 7501 08 entry to be filed even if a duty deferral claim will not be submitted. This requirement has resulted in companies filing paper forms CF 7512 and CF 7501 and additionally reporting the export via a Shipper's Export Declaration (SED) or through the Automated Export System (AES) or *AESDirect*.

To reduce the burden upon companies with duty deferral entries while maintaining the quality of reported statistics, the Census Bureau and Customs have agreed (based on the filer's discretion) to permit these types of consumption entries that would be filed as an 08 to be filed on an 06 entry as long as the export portion of the transaction is filed via AES, or *AESDirect*, not on a paper SED. Additionally, a new export information code "ZD" has been created to identify these goods when filing shipment information.

PROCEDURE

The filing procedures are amended so that foreign goods manufactured or changed in condition and shipped from a FTZ for export to a NAFTA country can be filed using two options at the filer's discretion:

1. Filing the Automated Broker Interface (ABI) entry summary, entry type 06 (see footnote):
 - a. Shipments to Canada - no SED reporting is required, except for U.S. Munitions List (USML) or Commerce Control List (CCL) Articles. For these articles, the SED information must be filed with Customs in AES or *AESDirect* prior to exportation.
 - b. Shipments to Mexico - the export must be filed in AES or *AESDirect*, with the correct FTZ number, the entry number from the entry summary, and be reported with the new export information code "ZD" which is now assigned for this purpose.
 - c. If shipments to another NAFTA country appear on an 06 entry, no CF 7512 Transportation & Export (T&E) or Alternate T&E tracking will be required.
2. Filing the ABI entry summary, entry type 08:
 - a. Shipments to Canada B no other Census export documentation is required. Licensable shipments or otherwise controlled shipments must meet the required reporting requirements.
 - b. Shipments to Mexico B other current 08 documentation requirements remain, including export documentation, to support this filing as found in Customs regulatory requirements Title19, Code of Federal Regulations, Section181.53.

- c. When shipments to another NAFTA country appear on an 08, a CF 7512 or Alternate T&E is required.

If you have further questions regarding the FTZ export procedure, please call the Data Collection Coordination Branch of the Census Bureau, Foreign Trade Division at 301-457-2259.

Footnote

- * The procedures contained herein apply to both individual 06 transactions and weekly 06 entries.