



MANDATORY AUTOMATED EXPORT SYSTEM (AES)

THE TIME HAS COME—EFFECTIVE OCTOBER 1, 2008!

What is AES?

The Automated Export System (AES) is the host database housing export shipment information required by multiple federal government agencies. AES provides electronic filing to Customs, using the efficiencies of Electronic Data Interchange (EDI) and convenience of the Internet. AES is now the mandatory method of filing and eliminates the paper Shipper's Export Declaration (SED), creating a new term, "Electronic Export Information" (EEI).

AES was designed to enhance compliance with export laws, improve trade statistics, reduce duplicate reporting to multiple agencies, and improve customer service. Over 1.3 million shipments are filed each year and AES has made the process more efficient by handling the volume almost immediately, and more effective by detecting possible errors at the time of filing. AES is a nationwide system for all methods of transportation, which can be accessed worldwide, around the clock. *AES website:* <http://www.census.gov/foreign-trade/aes/index.html>

When Did AES Filing Become Mandatory?

The process began several years ago and was implemented in three phases. The final phase went into effect on October 1, 2008 with the enforced compliance of AES filing of the EEI and the denial of paper SEDs. Fines and penalties will be imposed on shipments without the proper AES filing confirmation number—paper SEDs are no longer acceptable!

If you are not prepared for AES, consider giving your Freight Forwarder (agent) a signed paper SED along with written authorization to file the EEI on your behalf. Since paper SEDs are no longer valid, it would be better to prepare a thorough Shipper's *Letter of Instructions* and your agent will glean the details needed to file the EEI via AES. As the U.S. Principal Party of Interest (USPPI), you are still responsible to make sure the EEI is filed accurately and on-time!

Other Changes Important to Virginia Companies

- An AES filing exemption (i.e. confirmation) statement is called the "Proof of Filing Citation". AES filers are required to cite the Internal Transaction Number (ITN) as the AES Proof of Filing Citation on bills of lading, air waybills, commercial invoices or other loading documents.
- All exemptions, such as the \$2500 rule, are found in Section 30.35 through 30.40 Subpart D. The \$2500 low value exemption is in FTR 30.37(a); the Canadian exemption is FTR 30.36.
- Penalties increased from \$100/day to \$1,100/day with a maximum of \$10,000 per violation. Penalties can be civil or criminal and carry up to 5 years in jail. Penalties can be assessed against USPPIs, Forwarders/Agents, and/or Carriers.
- The new regulations are called "Foreign Trade Regulations" and can be found at the [Federal Register Website](#), along with more information on the implementation.
- The term "Pre-departure" replaces the term "Option 2".
- The term "Post-departure" replaces the term "Option 4". The new Post-departure Proof of Filing Citation must be in the following format:

AESPOST USPPI ID # - Filer ID # - Date of Export

Example: AESPOST 123456789AB-987654333-04/15/06

*Information provided by VEDP Fast Facts is intended as advice and guidance only. The information is in no way exhaustive and the VEDP is not a licensed broker, banker, shipper or customs agency. VEDP shall not be liable for any damages or costs of any type arising out of, or in any way connected with the use of, these Fast Facts.



MANDATORY AUTOMATED EXPORT SYSTEM (AES)

- A new AES Filing Citation for shipments moving under the AES Downtime Policy is required. The Downtime Citation may only be used when *AESDirect* or your AES filing system is not available and the shipment does not classify on the U.S. Munitions List (USML). If the Filer's system is down, the filer will need to hold cargo or find alternative electronic means for filing. If AES or *AESDirect* is down, filers must use the following filing citation format:
AESDOWN FilerID Example: AESDOWN 987654333

Getting Started with AES

If you have been preparing paper SEDs, you may find that filing via AES is easy to learn and the process of filing is better, too. For example, you can easily retrieve an EEI to make changes, or copy it for another shipment since they are all there in the database together. But don't forget, you must retain records pertaining to the shipment for five (5) years from the date of export.

First see the "*Getting Started with AES*" website with complete information on the procedures and useful tips at: <http://www.census.gov/foreign-trade/aes/gettingstarted/index.html>

You will need to decide what **type of user** you will be, which will determine potential costs:

- File on-line via *AESDirect* or download *AESPcLink*, which are FREE!!!
- Develop your own software based on the specifications available.
- Contract with an approved vendor that has developed & tested software with AES.
- Use a value-added network, electronic mailbox, or the facilities of a service center, port authority, or freight forwarder acting as your agent.

Next, submit a **Letter of Intent** to Census. Upon receipt of the letter, a Customs Client Representative and a Census Client Representative will be assigned to serve as your technical advisor during development, testing, and implementation. Once you have registered, you will be assigned a Customs & Border Patrol Client Representative.

After you are registered with a username/password, you can **begin using *AESDirect***.

For more information, contact the AES Team at their Hotline (800) 549-0595, Monday-Friday, 7:30 AM to 6:00 PM EST, or you can E-mail askAES@census.gov.

To keep informed, view the AES Newsletters and request an email subscription. Archives and most recent newsletters are available online at: http://www.census.gov/foreign-trade/aes/documentlibrary/index.html#aes_newsletters

AES Filing Website or Software and User-Training

Remember—Filing an EEI is free! Simply use the *AESDirect* website or download the user-friendly *AESPcLink* software. *AESPcLink* is a free Windows- or network-based program that can be downloaded at: <http://www.aesdirect.gov/pclink.html>.

On-line user training classes are officially provided by Flagship Custom Services, Inc. (the developer & operator of AES) and supported by Census FTD staff. To schedule training, visit: <http://www.census.gov/foreign-trade/aes/meetingsandpresentations/index.html>



MANDATORY AUTOMATED EXPORT SYSTEM (AES)

Pre-Departure Filing Time Frames

Depending on the mode of transportation and whether the item is on the U.S. Munitions List, your Electronic Export Information (EEI) must be filed prior to shipment according to the following charts:

<i>For non-USML shipments, file the EEI as follows:</i>	
Vessel cargo	24 hours prior to loading cargo on the vessel at the U.S. port where the cargo is laden.
Air cargo	2 hours prior to the scheduled departure time of the aircraft.
Truck cargo	1 hour prior to the arrival of the truck at the United States border to go foreign.
Rail cargo	2 hours prior to the time the train arrives at the U.S. border to go foreign
Mail	2 hours prior to departure of exporting carrier
Pipeline	Within 4 calendar days following the end of the month.

<i>For USML shipments, the EEI must be filed earlier as follows:</i>	
Vessel cargo	24 hours prior to loading cargo on the vessel at the U.S. port where the cargo is laden.
Rail cargo	24 hours prior to the time the train arrives at the U.S. border to go foreign.
Truck cargo	8 hours prior to the arrival of the truck at the United States border to go foreign.
Air cargo	8 hours prior to the scheduled departure time of the aircraft

Note: Electronic transmissions and intangible transfers are outside the scope of the Foreign Trade Regulations and are excluded from filing via AES.

Export Compliance

With the advent of electronic applications, many processes have become easier and more efficient. It is important to remember everything you already know about export compliance regarding licensing, record-keeping, and the responsibilities of the “shipper of record” as was said in old parlance. Filing the EEI on licensed cargo has been mandatory for some time, and although it is not considered an enforcement mechanism, AES is an export control tool making tracking easier. Also, be sure to keep detailed records in-house and have a comprehensive compliance program in place to protect your company.

For shipments that are routed transactions or when there is a Foreign Principal Party of Interest, there is room for a breakdown in compliance due to confusion on who is responsible for filing the EEI. In the event that a shipment is not filed or filed incorrectly, it will be looked on favorably by Customs if the shipper, or USPPI, makes a voluntary self-disclosure (VSD), since they carry the ultimate burden. Filing a VSD must be in writing to the appropriate agency and the procedures can be found at: <http://www.census.gov/foreign-trade/regulations/voluntaryselfdisclosure.html>



MANDATORY AUTOMATED EXPORT SYSTEM (AES)

VEDP TRADE EVENTS

The VEDP participates in many international trade events and hosts a number of trade missions. All Virginia companies are welcome to attend.

For a complete listing of the VEDP's international trade events, please visit the "Events" tab on our website: www.ExportVirginia.org

VEDP CONTACT INFORMATION

Virginia Economic Development Partnership—Division of International Trade

P.O. Box 798, 901 East Byrd Street, Richmond, Virginia 23218-0798

Tel: (804) 545-5764 Fax: (804) 545-5751

E-mail: clientservices@yesvirginia.org Website: www.ExportVirginia.org

ADDITIONAL RESOURCES

- AES Software Vendors: <http://www.census.gov/foreign-trade/aes/documentlibrary/vendors.html>

WORKS CITED

- AES Direct: www.aesdirect.gov
- U.S. Census Bureau—AES: <http://www.census.gov/foreign-trade/aes/index.html>
- U.S. Customs and Border Protection—How to Register for AES: http://www.cbp.gov/xp/cgov/trade/automated/aes/letter_intent/register.xml

Publication Date: November 2008

**Information provided by VEDP Fast Facts is intended as advice and guidance only. The information is in no way exhaustive and the VEDP is not a licensed broker, banker, shipper or customs agency. VEDP shall not be liable for any damages or costs of any type arising out of, or in any way connected with the use of, these Fast Facts.*