

AES Quick Reference Guide

Automated Export System (AES) AES is the system U.S. exporters use to electronically declare their international exports, known as Electronic Export Information (EEI), to the Census Bureau to help compile U.S. export and trade statistics. It is also used by other government agencies for trade enforcement purposes. As a general rule, if your company exports goods valued at more than \$2,500 per Schedule B number to anywhere other than Canada or goods that require an export license, the FTR require that you file through AES. The Census Bureau has a video with a more complete description of when you must file which can be found on their website.

Electronic Export Information (EEI) EEI is the data that is submitted to U.S. Customs and Border Protection (CBP) the Census Bureau through AES. It includes the exporter's name, address and identification number, as well as detailed information concerning the exported products, including their proper classification and licensing requirements.

Foreign Trade Regulations (FTR) The FTR are administered by the International Trade Management Division (formerly known as the Foreign Trade Division) of the U.S. Census Bureau. The FTR have a dual purpose—they allow for the collection of statistical trade data, and they provide the tactical information required by the Bureau of Industry and Security (BIS) and Customs and Border Protection (CBP) to perform their export oversight roles. The Census Bureau also provides a quick guide to the FTR, or, if you're looking for some light reading, you'll find the current version of the FTR at the **Government Publishing Office website**.

United States Principal Party in Interest (USPPI) The USPPI is the person in the U.S. who receives the primary benefit—monetary or otherwise—of an export transaction. According to *AESDirect*, that person can be a:

- U.S. seller (wholesaler/distributor) of the merchandise for export.
- U.S. manufacturer if selling the merchandise for export.
- U.S. order party who directly negotiated between the U.S. seller and foreign buyer and received the order for the export of the merchandise.
- Foreign entity if in the U.S. when items are purchased or obtained for export.

Foreign Principal Party in Interest (FPPI) The FPPI is the party who purchases the goods for export or to whom final delivery or end-use of the goods will be made. This party may be the ultimate consignee.

Schedule B Code and Commodity Description For every item included in the export shipment, you must include the proper classification number for that good as provided in the Schedule B codes or Harmonized Tariff Schedule of the U.S. (HTSUS). (Learn about the difference between Schedule B and HTSUS codes here (<http://www.shippingsolutions.com/blog/whats-the-difference-between-hs-codes-hts-codes>))

You'll find the complete list of current Schedule B codes at the Census Bureau website. In addition to including the correct code, your AES filing should include a description of the goods

that can be used to verify the proper Schedule B or HTSUSA number as well as the export license if one is required.

Unit of Measure: The most common problem for people with reporting the correct unit of measure for their goods, is because the unit of measure they use on their invoices may be different than the unit of measure required based on the Schedule B classification of their items.

A look at the Chapter 10 of the Schedule B codes reveals that they not only list the 10-digit code and the item description, they also include the correct unit of measure that must be reported. Duram wheat seeds (1001.11.0000), for example, must be reported in kilograms. For a small number of goods, two units of measure are required. The quantity and value of the goods should be calculated using the correct unit of measure.

Origin While certificates of origin may require that you list the country of origin for each item in your shipment, AES is simply wants to know if the goods originated in the U.S. or in a foreign country: **D** for domestic; **F** for foreign.

Export Control Classification Number (ECCN) The ECCN is an alpha-numeric classification found in the Commerce Control List of the Export Administration Regulations to identify dual-use items for export control purposes. An ECCN is different from HS, HTSUS or Schedule B numbers. The ECCN number is used to determine whether or not your goods require an Export License (see below). You can find out more about ECCNs and how they are classified on the Bureau of Industry and Security (BIS) website.

Export License Number, License Type, and License Value Depending on what you are exporting and where you are shipping, your product or products may require an export license from the U.S. Department of Commerce, State Department, or other agency. If so, the license number should be included along with the value of the goods being shipped under the license. Regardless of whether or not a license is needed, the license type or license exception needs to be included.

Export Information Code This code identifies the type of export shipment or conditions of the exported items (i.e. goods donated for relief or charity, impelled shipments, shipments under the Foreign Military Sales program, household goods, all other shipments). The Census Bureau tells us that the overwhelming majority of exports use the code: OS – All Other Exports.

Shipment Reference Number Every export shipment you submit to AES needs to include a unique identification number that is permanently associated with a shipment. You should never reuse a reference number.

Routed Export Transaction A routed export transaction occurs when a foreign purchaser, or a foreign principal party in interest (FPPI), requests to have their merchandise delivered to another location within the United States. The merchandise is retrieved by a freight forwarder or another agent who has been contracted by the foreign purchaser to export the merchandise from the United States.

Internal Transaction Number (ITN) When you submit your EEI to the AES server, the server notifies you when your information has been successfully submitted. The email address associated with submitting the EEI will receive an ITN as a receipt of confirmation that your EEI has been accepted. That number is your proof of filing, and it should be included in your bills of lading (B/L) and the Shipper's Letter of Instruction (SLI) so your forwarder—and Customs—know you've filed.

Filing Exception You may not need to file through AES for all of your export shipments. If your shipment is going to Canada or the value is less than \$2,500, for example, you may not need to file. But if you don't need to file, you do need to explain why by using the appropriate AES exemption statement.

Automated Commercial Environment (ACE) Starting this year (2016), exporters or their representatives who are filing through AES will need to log into the U.S. Customs and Border Protection's Automated Commercial Environment (ACE) instead of the U.S. Census Bureau's server. Most exporters currently have the option to file via either server, but by the end of spring 2016 the option for filing through the Census Bureau server will go away.

Keep in mind that while the platform through which exporters will need to file through AES is changing, the 15 (now 16) terms included in this article are not. This is still an AES filing of Electronic Export Information that is regulated primarily by the Foreign Trade Regulations.