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## News

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### House of Representatives Bill Proposes Changes to AES to Prevent Prohibited Exports

On April 17, 2008, a new bill was introduced in the U.S. House of Representatives which would significantly alter AES (Automated Export System), which currently allows for the electronic filing of Shipper's Export Declarations. The bill, entitled the Securing Exports Through Coordination and Technology Act (H.R. 5828), provides for the establishment of a licensing program to grant licenses to persons to file information in AES (on their own behalf or acting as an intermediary). Secondly, the Secretary of Commerce is directed to issue regulations insuring AES will not allow the filing of data for an export involving a prohibited party or destination.

To this end, AES would ensure that codes entered into AES to identify an export under the HTS or otherwise will alert the exporter of license requirements under EAR (Export Administration Regulations) or ITAR (International Traffic in Arms Regulations). AES would issue fatal error notices indicating the transaction cannot be completed when the name or address of any individual is on the restricted party list, the intermediate or ultimate country of destination indicated is subject to trade sanctions but the necessary authorization has not been indicated, or for defense articles/services, when the country of the

intermediate or ultimate consignee is subject to an arms embargo/prohibition, but the necessary license has not been indicated. However, AES would only issue "compliance alerts or other warning" when the HTS tariff code is inconsistent with the ECCN/Munitions List category, when for EAR items the license exception is not available to the intermediate/ultimate consignee or the country of said consignee, or in the case of defense articles/services, when the Munitions List Category is identified but no license number, exemption or exception is correctly identified.

Further, AES filings and Shipper's Export Declarations would be exempt from public disclosure, but the proposed Act states they could be shared with other federal agencies or foreign governments if it determined to be in the national interest to do so. Finally, the proposed Act mandates training for various federal agency personnel in the Department of State, Homeland Security, and the Department of the Treasury including conferences and seminars on the subject of educating exporters about export laws and regulations in general and AES in particular. We will continue to monitor the progress of this bill in Congress.

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