

News

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EXPORT ALERT: Census Issues Final Rule  
Mandating Electronic Filing Through AES Effective  
October 1, 2008

Recently, the U.S. Census Bureau (“Census”) issued its [final rule](#) to amend the Foreign Trade Statistics Regulations (15 CFR Part 30) to make mandatory the filing of export information through the Automated Export System or *AESDirect*, for all shipments where a Shipper's Export Declaration (SED) is currently required, etc. AES is the electronic method for filing SED information directly with U.S. Customs and Border Protection (“CBP”) and Census. *AESDirect* is the Census’ free Internet-based system for filing SED information with AES.

While the final rule is effective July 2, 2008, Census will implement its provisions on September 30, 2008, in order to give affected entities sufficient time to come into compliance. Census is amending the Foreign Trade Statistics Regulations (“FTSR”) to specify the requirements for the mandatory reporting of all export information through AES when an SED is required. Specifically, the final rule will amend the FTSR with respect to the following:

- remove the requirements for filing a paper SED (Option 1), Form 7525-V, so that AES will be the only mode for filing information previously required by the SED;
- revise the postdeparture (formerly Option 4) requirements;

- create a new Subpart H to cover penalty provisions, which would include an increase in penalties for violations from \$100 to \$1,000 per each day of delinquency, to a maximum from \$1,100 to \$10,000 per violation, etc.;
- add language specifying the procedure for reporting the value of goods to AES when inland freight and insurance charges are not known at the time of exportation;
- remove the requirements for filing the in-transit SED, Form 7513;
- list the types of export transactions outside the scope of 15 CFR part 30;
- specify the four optional means for filing Electronic Export Information (EEI) of which two methods require the development of AES software using the AES Trade Interface Requirements (AESTIR);
- specify that in “routed” transactions, the U.S. principal party in interest (USPPI) can compile and transmit export information on behalf of the foreign principal party in interest (FPPI) when authorized by the FPPI;
- specify the time and place-of-filing requirements for presenting proof of filing citations, postdeparture filing citations, and/or exemption legends;

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- specify how to file EEI and acquire an Internal Transaction Number (ITN) when AES, AESDirect or the participant's AES is unavailable for filing;
- add the Routed Transaction Indicator and a Vehicle Identification Qualifier to the list of data elements to be reported to AES;
- remove Date of Arrival and the Waiver of Prior Notice Indicator from the list of data elements that should be reported to the AES;
- reference in Subpart B export control and export licensing issues relevant to 15 CFR part 30;
- revise the language that describes the proper manner for reporting cost of repairs and/or alterations to goods, and the reporting of the value of replacement parts exported;
- consolidate in Subpart E carrier and manifest issues pertaining to provisions relevant to 15 CFR Part 30;
- reference in Subpart F reporting requirements for import shipments relevant to 15 CFR part 30, including requirements for the electronic filing of statistical data for shipments imported into foreign trade zones (FTZs);
- make other non-substantive revisions including revisions to language incorporated from the current FTSR, to clarify the intent of the regulations.

As outlined above, Census is providing the trade an additional 90 days from July 2, 2008 to implement the changes required by

this final rule. During this period, Census will conduct extensive outreach efforts. After expiration of the 90-day period on September 30, 2008, Census will commence enforcement of the final rule.

These new regulations include stringent penalty provisions which could affect each party in the export process. Once the enforcement period begins on October 1, 2008, penalties may be imposed per violation of the FTR from \$1,100 to \$10,000 both civil and criminal, for delayed filing, failure to file, false filing of export information, and/or using the AES to further any illegal activity.

While the deadline for implementation of the final rule has been delayed 90 days, Census is instructing filers of export information to make every effort to submit these data via the AES or AESDirect to eliminate the use of paper SEDs immediately. Anyone submitting paper filings after September 30, 2008 will be in violation of the FTR and could be subject to the penalties indicated above.

Filers may call 1-800-549-0595 with any questions regarding the FTR or AES. AES Compliance Seminars and "AESPCLink Certification Workshops will be offered in various cities in the United States.

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