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Exporting from the Zone

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Census Authority

- Legislative Authority
- Title 13, Chapter 9, Section 301 mandates that Census collect, compile and publish data on imports/exports
- “Balance of Trade Figures for the U.S.”



Census Authority

- Regulatory Authority - The Foreign-Trade Regulations (FTR) (15 C.F.R., Part 30). The regulations provide support for the Title 13 and document the following:
 - FTR Terms and Definition
 - Automated Export System (AES) requirements
 - Penalty Provisions
 - Other Government Agency requirements
 - Voluntary Self Disclosures



Census Requirements AES/EEI Submission

- Automated Export System (AES)
 - Currently mandatory for shipments requiring an export filing
 - Multiple methods of electronic submission: (AES Software, AESDirect (internet based), AES PCLink)
- EEI (Electronic Export Information) refers to information about an export that must be provided electronically to Census via AES
- Must be certified to be EEI
- Upon acceptance of EEI in AES receive Internal Transaction Number (ITN), proof of filing and acceptance of EEI. ITN must be included on export documents (i.e., commercial invoices, transport documents)



Census Requirements AES/EEI Submission

- Required for almost all exports
- Required for shipments to/from Puerto Rico, Virgin Islands
- Primary exceptions:
 - Canada
 - Low value shipments (\$2500 per HTSUS)



Census Requirements USPPI

- USPPI is responsible for preparation and submission of EEI for most export transactions
- USPPI = “The person in the United States that receives the primary benefit, monetary or otherwise, of the transaction.” 15 C.F.R. § 30.4(a)(1)
- USPPI can give Power of Attorney to agent to submit EEI



Census Requirements: USPPI

- Examples of USPPIs:
 - U.S. manufacturer sells merchandise directly for export to foreign PPI → U.S. Buyer is USPPI
 - U.S. order party directly arranges sale and export of merchandise to foreign buyer, conducts negotiations with foreign buyer and as a result of negotiations receives order → U.S. order party is USPPI
 - Foreign entity (Foreign PPI) is in United States when items are purchased or obtained for export → U.S. buyer is USPPI



Census Requirements Routed Export Transactions

- “Routed Export Transaction” = Export transaction where Foreign PPI controls exporting agent (i.e. freight forwarder)
- In routed export transaction, USPPI must provide exporter’s agent with certain data as provided in 15 C.F.R. § 30(c)(1)
- USPPI does not have to file EEI or provide forwarding agent with Power of Attorney
- USPPI should request copy of AES record, but will find that certain fields are blacked out



Census Requirements HTSUS v. "Schedule B" Use

- HTSUS numbers usually may – and should – be used instead of Schedule B numbers on export documentation
 - Management perspective: Easiest to use one classification
- However, Census has identified certain HTSUS numbers that are not valid for reporting exports; must use Schedule B Code
 - AES will not accept HTSUS codes for certain types of meat, mineral products, metals, aircraft, and machinery
 - See <http://www.census.gov/foreign-trade/aes/documentlibrary/hts-not-for-aes.html>
- Shipments will be rejected in AES if exporter attempts to use invalid HTSUS number



Census Requirements: Export Valuation

- For EEI reporting, value to be reported must be Free Aboard Ship (FAS) U.S. port of export (selling price or cost if not sold, including inland freight, insurance, and other charges to U.S. port of exportation)
- Exclusions: commissions, U.S. loading charges, charges/expense incurred outside of U.S.
- Net Unconditional Discounts
 - Discounts for conditional acts are not deducted
- Value on invoice may not match EEI value
- Complex example: EXW Sale; EEI requires FAS value; Foreign country's Customs requires CIF value



Census Requirements

- SED/AES – “Domestic” v. “Foreign”
- Census Form 7513 SED for In-Transit Merchandise
 - Requires specific country of origin
 - “Substantial Transformation” standard
- Commercial Invoice – Bill of Lading/AWB
- Foreign Origin – U.S. Repackaging
- Does U.S. Production = Transformation?
- Destination Country Origin Requirements



Reporting Errors

- Misclassification
- Reporting value in foreign currency
- Report dollars and cents



Reporting Errors

- Reporting Wrong ISO Country Code

IE = Ireland	CH = Switzerland
IQ = Iraq	CN = China
IR = Iran	KP = North Korea
IT = Italy	KR = South Korea

- Reporting wrong Export Information Code
- TE = Temporary Exports
- HH = House Hold Goods
- MS = Export to and for Exclusive use of Military



Best Practices

- Implement an Export Compliance Program
- Develop Training Manual
- Cross Training
- Seminars and Workshops
- Create an Export Checklist



Best Practices Continued

- Post Departure Filing – must be completed by USPPI or authorized agent within 10 working days
- Verify Commodity Classification Codes
 - Number matches description
 - If using HTSUSA, make sure code is acceptable for exports
 - Make sure you have a 10-digit code



Export Checklist

- Identify key staff and their roles in the export transaction
- Ensure that goods have proper licenses
- Perform restricted party screening (minimum twice)
- Check Country against sanctions list



Export Checklist Continued

- Confirm Internal Transaction Number (ITN) for each shipment
 - No fatal errors
- Determine Filing Deadline Based on Method of Transportation and Date of Departure
 - Vessel: 24 hours prior to loading cargo
 - Air: 2 hours prior to scheduled take-off
 - Truck: 1 hour prior to truck arriving at U.S. border
 - Rail: 2 hours prior to train arriving at U.S. border
 - Mail: 2 hours prior to departure
 - Other



Export Recordkeeping

- AES Internal Transaction Number (ITN)
- If EEI submission not required, indicate the applicable exemption statement
- Commercial Invoice
- Packing List
- Bill of Lading/Air Waybill
- Certificate of Origin
- Other Participating Government Agency documents as applicable
- All government agency export license applications/authorizations



**Please join us in Crystal Ballroom 6-8
from 3:30 – 4:00 PM**

Refreshment Break

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