



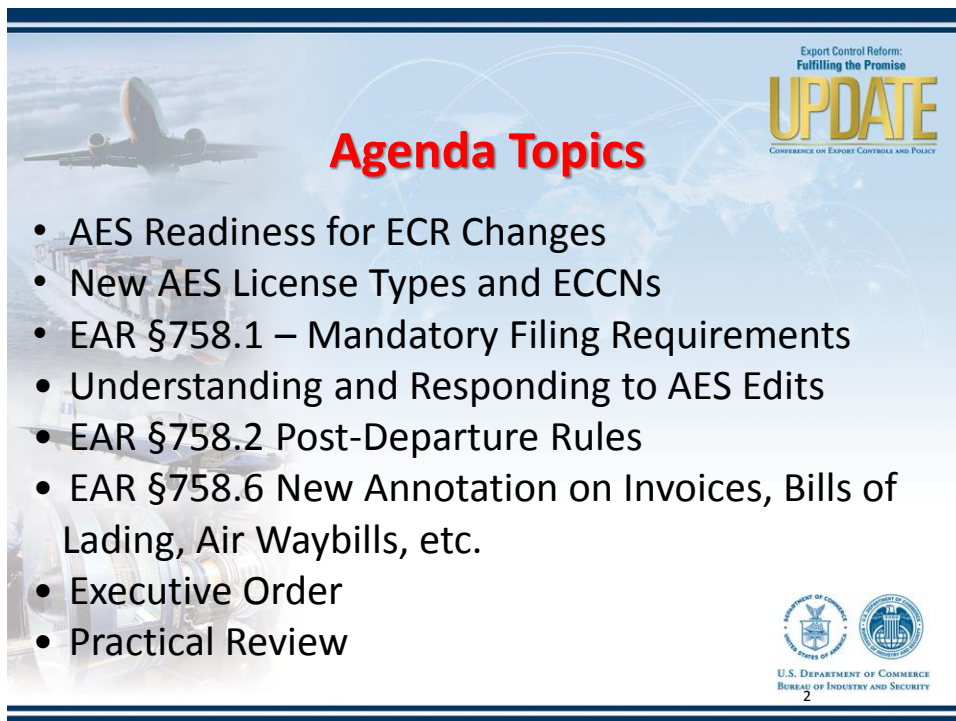
Export Control Reform:
Fulfilling the Promise
UPDATE
CONFERENCE ON EXPORT CONTROLS AND POLICY

Export Control Reform Changes for Shippers, and the Automated Export System

Gerry Horner
Director, Office of Technology Evaluation
Bureau of Industry and Security



U.S. DEPARTMENT OF COMMERCE
BUREAU OF INDUSTRY AND SECURITY
1



Export Control Reform:
Fulfilling the Promise
UPDATE
CONFERENCE ON EXPORT CONTROLS AND POLICY

Agenda Topics

- AES Readiness for ECR Changes
- New AES License Types and ECCNs
- EAR §758.1 – Mandatory Filing Requirements
- Understanding and Responding to AES Edits
- EAR §758.2 Post-Departure Rules
- EAR §758.6 New Annotation on Invoices, Bills of Lading, Air Waybills, etc.
- Executive Order
- Practical Review



U.S. DEPARTMENT OF COMMERCE
BUREAU OF INDUSTRY AND SECURITY
2



Effective Date of ECR Regulations

- AES Changes will be in early October 2013
- Allowing for filing dates in AES in early October 2013 for exports of “600 series” items with an export shipment date of October 15, 2013 or later



3



Addition of “600 Series” ECCNs

- October 2013 - ECCNs 9A610, 9A619, 9B610, 9B619, 9C610, 9C619, 9D610, 9D619, 9E610 and 9E619 will be added to AES ECCN reference table
- New “600 series” ECCNs will be added as additional items from USML categories transition to the CCL



4

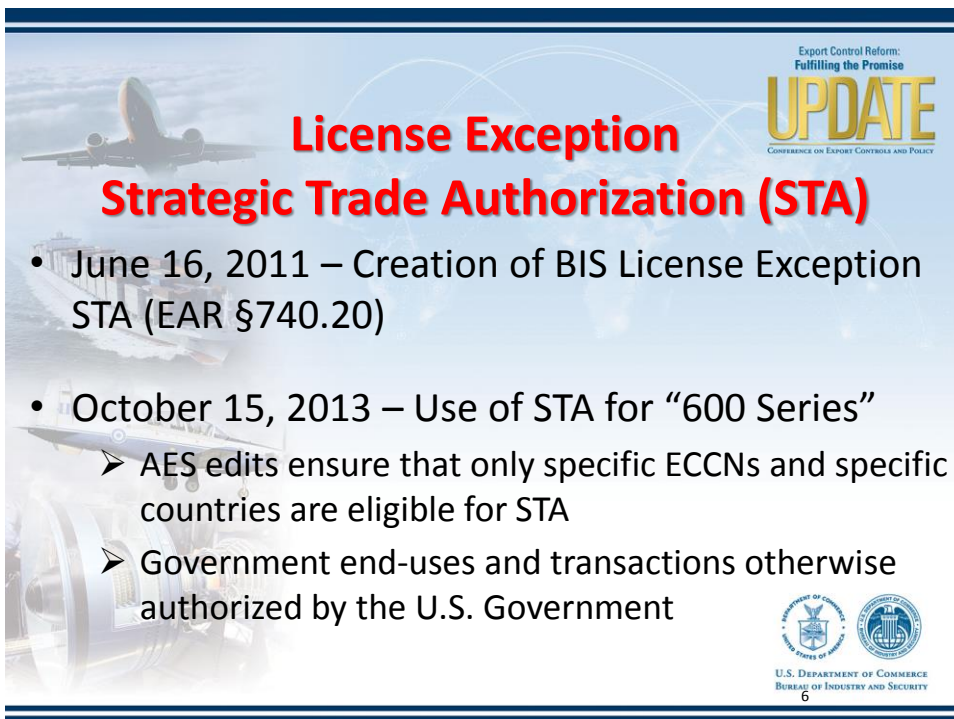


Export Control Reform:
Fulfilling the Promise
UPDATE
CONFERENCE ON EXPORT CONTROLS AND POLICY

New AES License Type – C60 (DY6)

- Required for .y paragraph 600-series items only
- Identifies less significant military items

U.S. DEPARTMENT OF COMMERCE
BUREAU OF INDUSTRY AND SECURITY
5



Export Control Reform:
Fulfilling the Promise
UPDATE
CONFERENCE ON EXPORT CONTROLS AND POLICY

License Exception Strategic Trade Authorization (STA)

- June 16, 2011 – Creation of BIS License Exception STA (EAR §740.20)
- October 15, 2013 – Use of STA for “600 Series”
 - AES edits ensure that only specific ECCNs and specific countries are eligible for STA
 - Government end-uses and transactions otherwise authorized by the U.S. Government

U.S. DEPARTMENT OF COMMERCE
BUREAU OF INDUSTRY AND SECURITY
6

Overview of EAR §758.1 Changes

- AES Filing is Required:
 - For all exports of “600 series” items enumerated in paragraphs .a through .x of a “600 series” ECCN regardless of value or destination, including exports to Canada
 - For all exports under License Exception Strategic Trade Authorization (STA)

AES Editing on “600 Series” ECCNs

- Only certain license types will be eligible for “600 Series” ECCNs
 - Fatal Errors if reported incorrectly
- Refer to AES-ECR email broadcast
- Review Appendix F of the AES Trade Interface Requirements (AESTIR) for specific reporting instructions

Export Control Reform:
 Fulfilling the Promise

CONFERENCE ON EXPORT CONTROLS AND POLICY

AES Editing on “600 Series” ECCNs

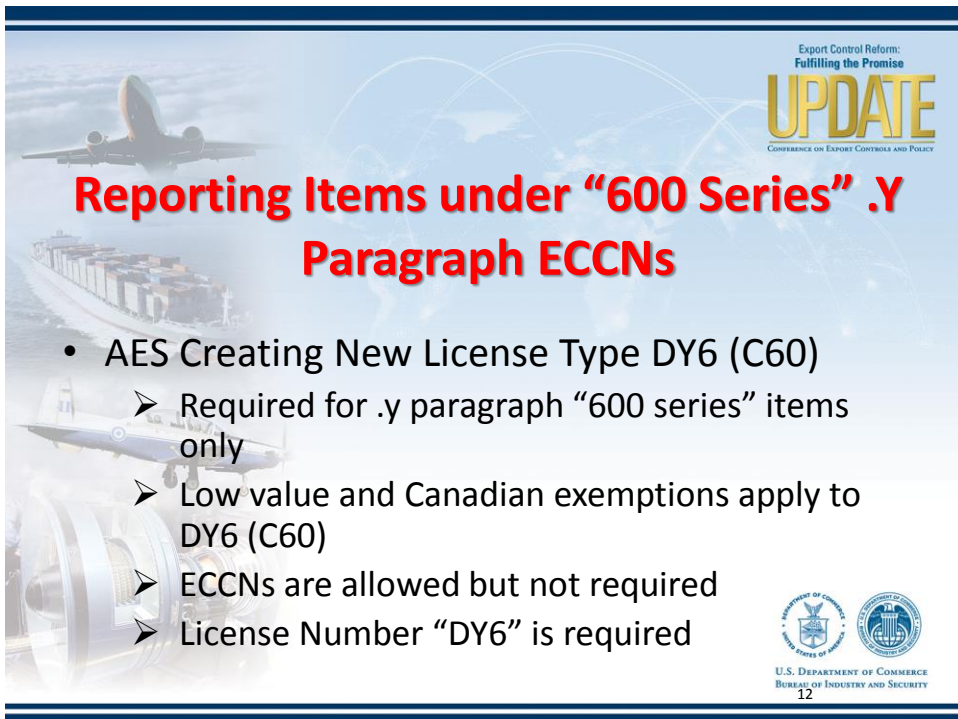
- C30, C31, C40, C41, C42, C59
 - All 10 ECCNs permitted
- C32
 - All 10 ECCNs permitted to Canada only
- C35
 - 9A610, 9A619, 9B610, 9B619, 9C610, 9C619
- C44
 - 9D610, 9D619, 9E610, 9E619



U.S. DEPARTMENT OF COMMERCE
BUREAU OF INDUSTRY AND SECURITY

License Code	Description	Export License Nbr / CFR Citation / Authorization Symbol/KPC#	ECCN	Allowed Export Info Codes	Allowed MOT Codes
C35	Limited Value Shipments (LVS) Part 740.3 EAR99 may NOT be reported as an ECCN. Only allow Countries of Destination from the Country Group B list Reference: www.access.gpo.gov/bis/ear/pdf/740spir.pdf	Report ‘LVS’.	Mandatory Must be one of the following: All eligible ECCNs, plus 9A610 9A619 9B610 9B619 9C610 9C619	CR, IS, TE, TL, CH, CI, MS, GS, IP, IR, OI, OS, DD, IW	All except ‘70’ Fixed Transport

License Code	Description	Export License Nbr/ CFR Citation/ Authorization Symbol/KPC#	ECCN	Allowed Export Info Codes	Allowed MOT Codes
C43	Gift Parcels and Humanitarian Donations (GFT) Part 740.12 (AES or EEI not required) Items under "600 series" ECCNs are not eligible under this license type. Consolidates the following categories: Gift parcels; Humanitarian donations. EAR99 may be reported as an ECCN.	Report 'GFT'.	Mandatory	UG, IW	All except '70' Fixed Transprt
				11	



Export Control Reform:
Fulfilling the Promise

UPDATE
CONFERENCE ON EXPORT CONTROLS AND POLICY

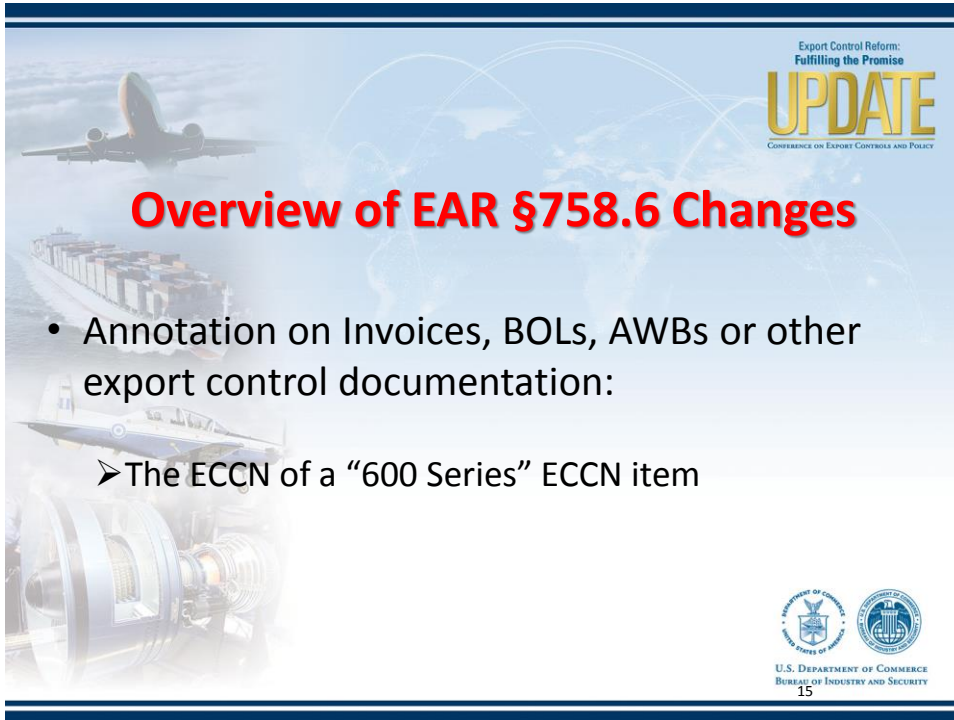
Reporting Items under "600 Series" .Y Paragraph ECCNs

- AES Creating New License Type DY6 (C60)
 - Required for .y paragraph "600 series" items only
 - Low value and Canadian exemptions apply to DY6 (C60)
 - ECCNs are allowed but not required
 - License Number "DY6" is required

U.S. DEPARTMENT OF COMMERCE
BUREAU OF INDUSTRY AND SECURITY

12

7

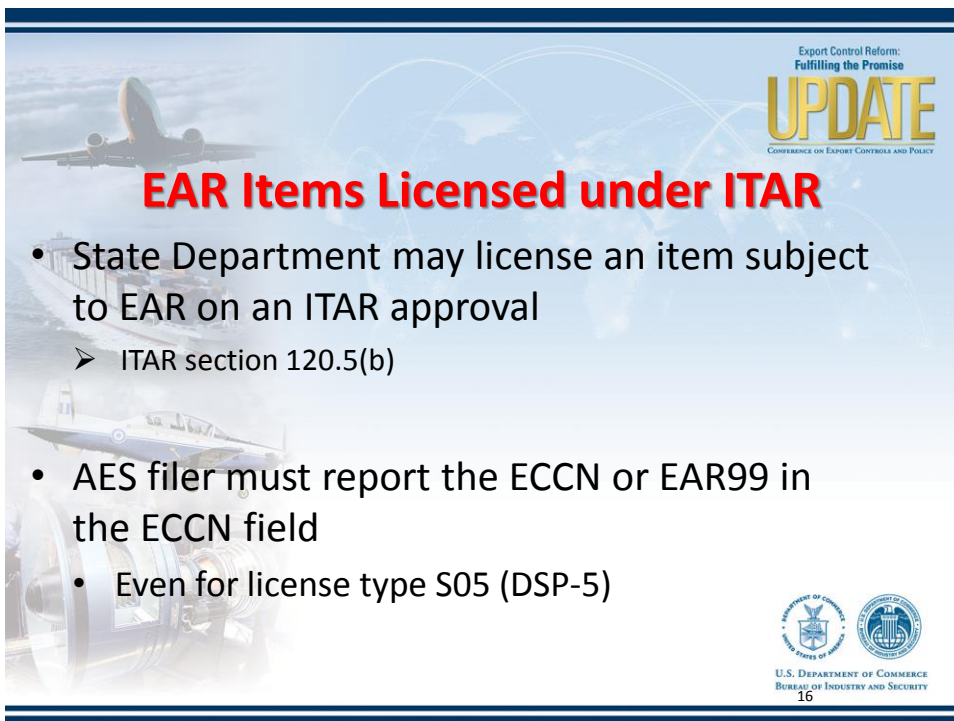


Export Control Reform:
Fulfilling the Promise
UPDATE
CONFERENCE ON EXPORT CONTROLS AND POLICY

Overview of EAR §758.6 Changes

- Annotation on Invoices, BOLs, AWBs or other export control documentation:
 - The ECCN of a “600 Series” ECCN item

U.S. DEPARTMENT OF COMMERCE
BUREAU OF INDUSTRY AND SECURITY
15



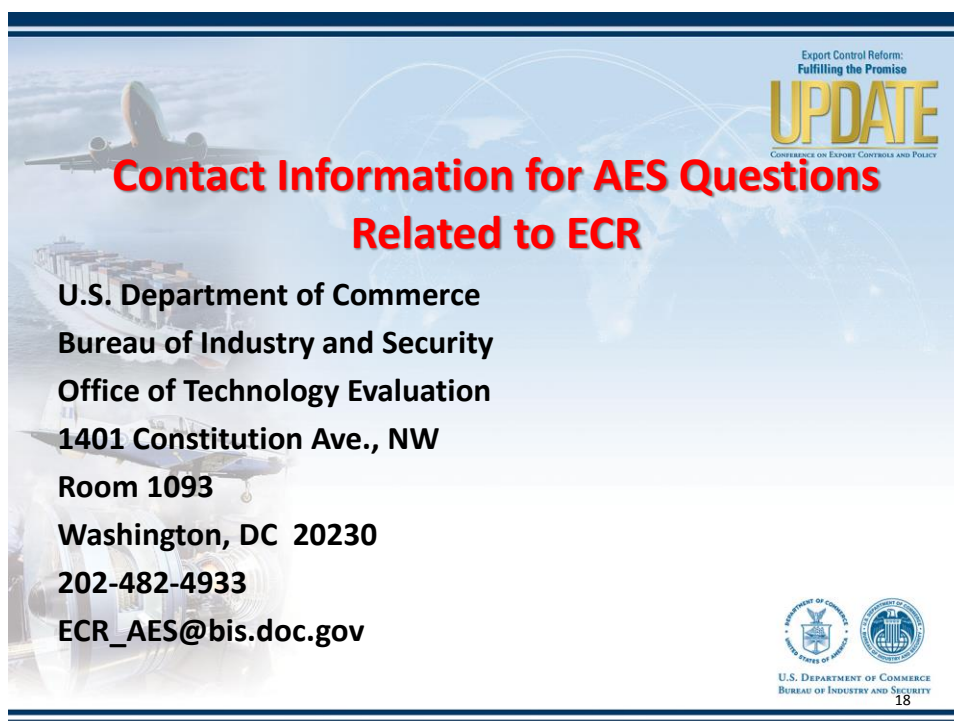
Export Control Reform:
Fulfilling the Promise
UPDATE
CONFERENCE ON EXPORT CONTROLS AND POLICY

EAR Items Licensed under ITAR

- State Department may license an item subject to EAR on an ITAR approval
 - ITAR section 120.5(b)
- AES filer must report the ECCN or EAR99 in the ECCN field
 - Even for license type S05 (DSP-5)

U.S. DEPARTMENT OF COMMERCE
BUREAU OF INDUSTRY AND SECURITY
16

#1 SHIPPER'S LETTER OF INSTRUCTIONS Revised 02/10/2011																			
U.S. PRINCIPAL PARTY IN INTEREST (USPPI) (complete name/address)																			
ZIP CODE USPPIN (HS) NO. OR OLD NO. ULTIMATE CONSIGNEE INTERMEDIATE CONSIGNEE FORWARDING AGENT PARTIES TO TRANSACTION ☐ Related ☐ Non-related MODE OF TRANSPORT ☐ AIR ☐ OCEAN ALL AIR SHIPMENTS ARE SUBJECT TO INSPECTION SHIPPER consents TO CARGO SCREENING OCEAN SERVICE TYPE ☐ FCL ☐ LCL FCL CONTAINER TYPE ☐ 20 Foot ☐ 40 Foot ☐ 40 Foot High Cube AIR SERVICE TYPE ☐ CONSOLIDATION ☐ DIRECT POINT (STATE) OF ORIGIN ☐ 10 COUNTRY OF ULTIMATE DESTINATION (OR PPT) NO.																			
SPECIAL INSTRUCTIONS: IF YOU HAVE SHIPPED THIS MATERIAL TO US VIA AN INLAND CARRIER, PLEASE GIVE US THE INLAND CARRIER'S NAME, SHIPPING DATE, AND RECEIPT OF PRO NO. (IF AVAILABLE). THIS WILL HELP US EXPEDITE YOUR SHIPMENT WITH THE INLAND CARRIER.																			
BE SURE TO SIGN THIS DOCUMENT, AUTHORIZING US TO PREPARE THE NECESSARY DOCUMENTS FOR AIRPORT CONTROL AND CUSTOMS PURPOSES.																			
SHIPPER'S REF. NO. ☐ 12 BOLTED EXPORT TRANSACTION ☐ 13 ENTRY NUMBER ☐ 14 HAZARDOUS MATERIAL																			
IF THIS SHIPMENT CONTAINS HAZARDOUS MATERIAL, U.S. LAW REQUIRES THE SHIPPER TO PREPARE A SHIPPER'S DECLARATION FOR DANGEROUS GOODS																			
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">SCHEDULE B DE</th> <th style="width: 45%;">SCHEDULE B NUMBER & DESCRIPTION</th> <th style="width: 15%;">QUANTITY</th> <th style="width: 15%;">WEIGHT</th> <th style="width: 10%;">VEHICLE IDENTIFICATION NUMBER</th> <th style="width: 10%;">VALUE</th> </tr> <tr> <th>D/F</th> <th></th> <th>SCHEDULE B UNIT(S)</th> <th>(Kgs)</th> <th>PRODUCT NUMBER</th> <th>USD only, unit costs, netting prices, cost if not sold</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		SCHEDULE B DE	SCHEDULE B NUMBER & DESCRIPTION	QUANTITY	WEIGHT	VEHICLE IDENTIFICATION NUMBER	VALUE	D/F		SCHEDULE B UNIT(S)	(Kgs)	PRODUCT NUMBER	USD only, unit costs, netting prices, cost if not sold						
SCHEDULE B DE	SCHEDULE B NUMBER & DESCRIPTION	QUANTITY	WEIGHT	VEHICLE IDENTIFICATION NUMBER	VALUE														
D/F		SCHEDULE B UNIT(S)	(Kgs)	PRODUCT NUMBER	USD only, unit costs, netting prices, cost if not sold														
DATE ☐ YES ☐ NO ☐ SMI ☐ YES ☐ NO ☐ ELIGIBILITY PARTY FOR EXEMPTION ☐ YES ☐ NO ☐ USML CAT. CODE																			
LICENSE NO./LICENSE EXCEPTION SYMBOL/AUTHORIZATION ☐ 24 (FN Number (if AHS self filer)) ☐ 25 FREIGHT TERMS ☐ PREPAID ☐ COLLECT ☐ P.O.B. CHARGES ☐ PREPAID ☐ COLLECT																			
DELIVERY TERMS ☐ DELIVERY TERMS ☐ DDP ☐ DDP ☐ OTHER																			
SPECIAL INSTRUCTIONS ☐ 31 Documents Attached ☐ UTI to Prepare																			
Signature _____ Title _____ Date (mm/dd/yyyy) _____ Telephone No. _____																			
SHIPPER'S DECLARATION IN CASE OF INABILITY TO DELIVER (FORWARDMENT AS CONSIGNMENT) ☐ ABANDON ☐ RETURN TO SHIPPER																			
INSURANCE REQUESTED (payable by Shipper) ☐ DELIVER TO: ☐ NO ☐ YES \$ (All insurance requests are subject to authorization)																			
DECLARED VALUE FOR CARRIAGE (if applicable) \$																			



Export Control Reform:
Fulfilling the Promise

UPDATE
CONFERENCE ON EXPORT CONTROLS AND POLICY

Contact Information for AES Questions Related to ECR

U.S. Department of Commerce
Bureau of Industry and Security
Office of Technology Evaluation
1401 Constitution Ave., NW
Room 1093
Washington, DC 20230
202-482-4933
ECR_AES@bis.doc.gov

 
U.S. DEPARTMENT OF COMMERCE
BUREAU OF INDUSTRY AND SECURITY

18

Foreign Trade Regulations



Export Control Reform

Joe A. Cortez
U.S. Census Bureau

Today's Topics

- **Updates to the Foreign Trade Regulations**
- **Advanced Export Information**
- **Outreach & Training**



Exclusions

[FTR 30.2(d)]

New Exclusion

1. AES filing is not required for: Licensed goods where the country of ultimate destination is the United States
2. Goods destined to international waters where the person(s) or entity assuming control of the item(s) is a U.S. citizen or permanent resident alien of the United States [30.2(d)(5)]

The exclusion legend is required to be reported on commercial loading documents



U.S. Department of Commerce
Economics and Statistics Administration
U.S. CENSUS BUREAU

21

International Waters

[FTR 30.6]

Definition

- Waters located outside the U.S. territorial sea, which extends 12 nautical miles measured from the baselines of the United States, and outside the territory of any foreign country....

Licensable Shipments

- The person designated on the export license must be reported as the ultimate consignee

License Exceptions/Non-licensable Shipments

- Report the nationality of the person(s) or entity assuming control of the item(s) subject to the EAR [30.6(a)(5)(i)]



U.S. Department of Commerce
Economics and Statistics Administration
U.S. CENSUS BUREAU

22

Port of Export

[FTR 30.6(a)(9)]

The port of export for shipments by overland transportation is where the goods cross the border



Note: This includes **transshipments** through Canada or Mexico

United States[™]
Census
Bureau

U.S. Department of Commerce
Economics and Statistics Administration
U.S. CENSUS BUREAU

23

Data Elements Added

[FTR 30.6]

License Value

Ultimate Consignee Type

- Direct Consumer
- Government Entity
- Reseller
- Other/Unknown

United States[™]
Census
Bureau

U.S. Department of Commerce
Economics and Statistics Administration
U.S. CENSUS BUREAU

24

Postdeparture Filing

[FTR 30.5]

Current

- Postdeparture filing time frame - from **10** calendar days to **5** calendar days
- The moratorium on new applications will continue

Future

- The Census Bureau and Customs and Border Protection will implement an alternate pilot program

Advanced Export Information (AEI) Pilot

- All interested USPPIs will have to apply
- Predeparture data elements to be reported

1. USPPi information	7. Port of export
2. Ultimate Consignee	8. Date of export
3. Filer ID number	9. SCAC/IATA code (Carrier code)
4. Shipment Reference Number	10. Conveyance Name
5. Schedule B/HTS number	11. License code (If needed)
6. Product description	12. Export Control Classification Number (ECCN) (If needed)
- Remainder items filed within **5** calendar days

Foreign Trade Division - Outreach

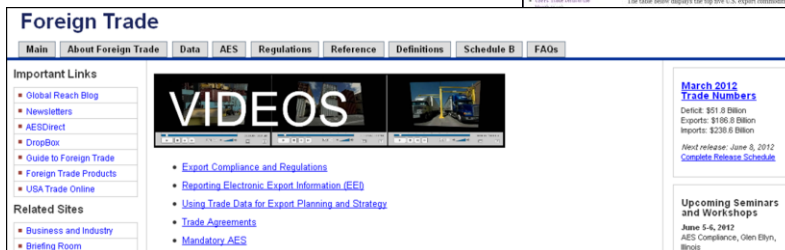
AES Compliance Seminars and Workshops

- | | |
|-------------------|--------------------|
| ▪ Los Angeles, CA | August 21, 2013 |
| ▪ Orlando, FL | September 9, 2013 |
| ▪ Washington, DC | September 26, 2013 |
| ▪ Milwaukee, WI | October 9, 2013 |
| ▪ Boston, MA | October 23, 2013 |
| ▪ Dallas, TX | November 6, 2013 |
| ▪ Savannah, GA | December 4, 2013 |

Training Tools

- Export training videos
- Webinars
- Global Reach Blog

<http://globalreach.blogs.census.gov>



Resources

FTD Call Center: 800-549-0595

- Option 1 – AES
- Option 2 – Commodity Classification
- Option 3 – Foreign Trade Regulations
- Option 4 – Data Products and Dissemination

Secure Fax: **301-763-8835**

E-mail: FTDREGS@census.gov or ASKAES@census.gov

FTD Website: www.census.gov/trade

FTD Blog: blogs.census.gov/globalreach/



U.S. Department of Commerce
Economics and Statistics Administration
U.S. CENSUS BUREAU

29



U.S. Customs and
Border Protection

U. S. Customs & Border Protection Export Processing in ACE

Bureau of Industry & Security (BIS) Update
July 24, 2013

William Delansky
ACE Business Office
U.S. Customs and Border Protection





Automated Export Processing Goals

November 2012 – CBP initiated an Agile development effort to move the legacy Automated Export System (AES) to an ACE Re-engineered system platform with the following goals:

- Establish a single automated processing platform for all export commodity, manifest, licensing (*not to overlap with USXPORTS functionality*), and other government agencies' processing needs for all modes of transportation (air, rail, sea and truck).
- Work with the Census Bureau and the Bureau of Industry and Security (BIS) to support the President's National Export Initiative and Export Control Reform (ECR) Initiative
- Work with the Trade Support Network (TSN) through the Automated Export Task Group (MMM, ITDS, and Export Committees) and other trade groups to determine export trade user requirements.
- Work with the Participating Government Agencies (PGAs) through the ITDS board and other partnerships to identify PGA export user requirements for licenses, permits and data collections.

31



AES Re-Engineering

These goals will be accomplished through the following development:

- Replacing the legacy AES mainframe system with a modern IT platform conforming to the CBP Enterprise Technical Architecture that will drive down operating and future development cost.
- Replacing manual or paper based processing in exports for licensing, manifest and notifications with electronic processing to better facilitate movement of compliant shipments and identification of high risk shipments.
- Implementing a single window in the re-engineered AES that allows the CBP user to view all commodity, enforcement, licensing and findings data from a single application.
- Leveraging recent ACE functionality development on imports to provide a means in exports for additional services for CBP, PGAs and the trade community.

32



AES Enhancements

Bureau of the Census:

The reengineered AES will include the following enhancements for Census Bureau regulatory changes:

- Post-departure filing times changed from ten (10) to five (5) calendar days from the date of exportation
- Added Ultimate Consignee Type
- Added License Value
- Foreign Trade Zone Identifier increased from five to seven alpha-numeric characters

Advanced Export Information (AEI) pilot for filing of 11 mandatory data elements pre-departure and remaining data elements filed five days post departure (this is a revised Option 3 process to provide certain trade members the ability to file the commodity data with a limited set of data).

33



AES Enhancements - continued

Bureau of Industry and Security:

CBP is working with BIS to include:

- Development of license decrementation capability within the reengineered AES platform.
- Provide a placeholder for the potential expansion of the Export Control Classification Number (ECCN) in support of possible future regulatory changes.
- Development of better validations and edits on license data to enhance processing of filings and notifications.

34



AES Enhancements - continued

Participating Government Agencies:

- The AES development team is also working to identify additional PGAs license types, data elements, Document Imaging System submissions and other functionality to include as possible pilots in the re-engineered system.

Export Manifest:

- The AES development team is also working closely with the Air and Rail groups to identify electronic export manifest filing functionality.

35



AES Re-Engineering – Current Status

AES Re-Engineering is being built in a series of Increments. Four (4) Increments make up the AES Re-Engineering Project:

- Increment 1 - Trade Electronic Data Interchange (EDI) – **Completed January 2013**
- Increment 2 – CBP User Interface, Enforcement – **Completed April 2013**
- Increment 3 – User Interface, Inbound and Outbound data feeds – July 2013
- Increment 4 – Findings and outstanding system enhancements – September 2013

36



AES Re-Engineering Sprint Process

6 sprints = 1 Increment		
Increment I	Trade EDI Interface	January 2013
Increment II	User Interface, Enforcement	April 2013
Increment III	User Interface, Inbound data feeds, outbound data extracts	July 2013
Increment IV	Findings, Outstanding system enhancements	September 2013
Phased Capability Rollout		
Phase I	Load Historical Data	August 2013
Phase II	Run re-engineered AES in parallel with legacy AES and retire mainframe user-interface	September 2013
Phase III	Migrate CBP users from legacy AES, and retire mainframe user-interface	November 2013
Phase IV	Migrate trade users from legacy AES, and retire mainframe trade interface	December 2013 / January 2014

37



**U.S. Customs and
Border Protection**