

# Professional Association of Exporters & Importers

## Foreign Trade Regulations & Export Value

August 23, 2011

By

George R. Tuttle, III

George R. Tuttle Law Offices

One Embarcadero Center, Suite 730, San Francisco

Tel: (415)986-8780

Fax (415) 986-0908

E-mail: [geo@tuttlelaw.com](mailto:geo@tuttlelaw.com)

# Presentation topics

- Commodity reporting requirements under Census Foreign Trade Regulations (FTR)
- Valuation of commodities under the FTR, including no charge and return shipments
- Using ITN and Exemption Statements
- Drop shipments and Routed Export Transactions
- Penalties for FTR reporting violations, Voluntary Disclosures & U.S. Customs Export Penalty Mitigation Guidelines
- Impact of additional reporting requirements under the proposed amendments to the FTR

# Census: Foreign Trade Regulations

- In 2008, Census publish its new Foreign Trade Regulations (FTR) to coincide with the:
  - Mandatory Automated Export System (AES) Filing for All Shipments Requiring Shipper's Export Declaration Information
- Link to Regulations  
<http://www.census.gov/foreign-trade/regulations/index.html>
- (GPO Access):  
[http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&sid=949fa4c49c408046e19ebb4400aaef74&tpl=/ecfrbrowse/Title15/15cfr30\\_main\\_02.tpl](http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&sid=949fa4c49c408046e19ebb4400aaef74&tpl=/ecfrbrowse/Title15/15cfr30_main_02.tpl)

# U.S. Census Bureau

## Foreign Trade

You are here: [Census.gov](#) > [Business & Industry](#) > [Foreign Trade](#) > [Regulations](#)

- Main
- About Foreign Trade
- Data
- AES
- Regulations**
- Reference
- Definitions
- Schedule B
- FAQs

### Important Links

- Global Reach Blog
- Newsletters
- AESDirect
- DropBox
- Guide to Foreign Trade
- Foreign Trade Products
- USATrade Online

### Related Sites

- Search Database
- Business and Industry
- Economic Indicators
- North American Industry Classification System (NAICS)

### Regulations

#### Regulations

Foreign Trade Regulations (FTR)

- Title 15, Part 30
  - [PDF](#), 438k
  - [HTML](#), by section (Preformatted text)

Notice of Proposed Rule: New Export Reporting Requirements

- [PDF](#), 237k
- [HTML](#)

#### FTR Letters and Notices

- [FTR Letters](#)
- [FTR Notices](#)

#### Federal Register Notices

- [Federal Register Notices](#)
- [Final Rules](#)
- [Proposed Rules](#)

#### Resources

- [Obtain an EIN](#) [1.47 MB] ([Obtener un EIN](#) [1.47 MB])
- [Obtain an EIN for third parties](#) [1.85 MB] ([Obtener un EIN para clientes](#)) [1.85 MB]
- [Seminars and Workshops](#)
- [Frequently Asked Questions about the FTR](#) [PDF, 427 kb]
- [Submitting a Voluntary Self-Disclosure](#)
- [Submitting a Data Request](#)
- Quick Guide to Title 15
  - [English](#)
  - [Spanish](#)
- [Sample Power of Attorney](#) [PDF, 70 kb] and [Written Authorization](#) [PDF, 43kb]

#### Purchase Export Compliance Flipper

- Order Form (The Export Compliance Flippers are they become available.)



*Export Comp*  
A Quick Guide to Foreign Trade Regulations  
www.census.gov/foreign-trade  
USCENSUS  
Foreign Trade Regulations

REFERENCES	A
ELECTRONIC EXPORT AND IMPORT REPORTING REQUIREMENTS	
FORMS	
FORWARDING AGENT	
RESPONSE EX TRANSACTION	
RESPONSE NOTIFIED EXPORT	
REGISTRATION AND EXPORT CONTROL	
TRIP REPORT	
VALUE	
WARRANTY REPLACEMENT	
TOOLS OF TRADE	
EXEMPTIONS DO NOT APPLY	
TEMPORARY OF DISCLOSURE	
VOLUNTARY DISCLOSURE	
EXPORT INFORMATION CENTER	
EXPORT INFORMATION CENTER	
PLANE CARRIER COMPLIANCE	
AES DOWNLINE	
EMBASSY EMPLOYEES	
INVOICE #	
TRIP REPORT	



# AES Reporting Requirements

- 30.2 General requirements for filing Electronic Export Information (EEI)
  - (a) *Filing requirements* —(1) The EEI shall be filed through the AES . . . for all exports of physical goods . . .
  - to foreign countries or areas . . . from:
    - United States
    - Puerto Rico
    - The U.S. Virgin Islands
  - To . . .
    - Puerto Rico from the United States.
    - the United States from Puerto Rico.
    - the U.S. Virgin Islands from the United States or Puerto Rico

# AES Reporting Requirements

- Notwithstanding any exemptions, EEI shall be filed for the following types of export shipments, regardless of value:
  - A Department of Commerce (BIS) license
  - A Department of State, (DDTC) license (ITAR)
  - Subject to the ITAR, but exempt from license requirements
  - A Department of Justice (DEA) export permit
  - Destined to a country listed in Country Group E:1 Supplement 1 to 15 CFR 740.
  - An export license issued by any other federal government agency

# AES Reporting Requirements: Exceptions, exclusions, and exemptions

- Provided for in paragraph (d) of section 30.2 and Subpart D to FTR (§ 30.36 to § 30.40):
  - (d) *Exclusions from filing EEI*. The following types of transactions are outside the scope of this part and shall be excluded from EEI filing:
    - (3) Electronic transmissions and intangible transfers.

# AES Reporting Requirements: Exceptions, Exclusions, and Exemptions

- § 30.36 Exemption for shipments destined to Canada
- § 30.37 Miscellaneous exemptions
  - (a) Goods under a single HTS/ Schedule B Class of \$2,500 or less
  - (b) Tools of trade and their containers that are usual and reasonable kinds and quantities of commodities and software intended for use by individual USPPIs
  - (f) Exports of technology and software as defined in 15 CFR 772 of the EAR that do not require an export license are exempt from filing requirements. However, EEL is required for mass-market software.
  - (q) Temporary exports, except those that require licensing
  - (r) Goods previously imported under a Temporary Import Bond

# AES Reporting Requirements: Exceptions, Exclusions, and Exemptions

- **§ 30.38** Exemption from the requirements for reporting complete commodity information
  - Exports of items for personal use abroad . . . such as:
    - Usual and reasonable kinds and quantities of wearing apparel, articles of personal adornment, toilet articles, medicinal supplies, food, etc.
    - Usual and reasonable kinds and quantities of furniture, household effects, household furnishings
    - Vehicles have special export reporting requirements (see 19 CFR 192)
- **§ 30.39** Special exemptions for shipments to U.S. Armed Services
- **§ 30.40** Special exemptions for certain shipments to U.S. government agencies and employees.

## § 30.37(a) Low Value Exemption

- Exemption from reporting applies to commodities where the value shipped from:
  - one USPPI to one consignee on a single exporting carrier
  - Classified under an individual Schedule B or HTSUSA commodity classification code is
  - \$2,500 or less.
  - (And an export license is not otherwise required)

## § 30.37(a) Low Value Exemption

- Exemption applies to individual Schedule B or HTS commodity classification codes regardless of the total shipment value:
  - If shipment contains a mixture of individual Schedule B or HTSUSA commodity codes valued \$2,500 or less and individual Schedule B or HTS commodity classification codes valued over \$2,500,
  - only those commodity classification codes valued over \$2,500 need to be reported.
- If the filer reports multiple items under the same Schedule B or HTSUSA code, this exemption only applies if the total value of exports for the Schedule B or HTS code is \$2,500 or less

# Foreign Trade Regulations (FTR): Export Value

- § 30.6 Electronic Export Information data elements
  - Section 30.6(a)(17) Value. Per HTS/ Schedule B line item:
    - (1) the value to be reported on AES record shall be
      - selling price or
      - cost if not sold
    - Value must include inland freight, insurance, and other charges to U.S. port of export

# Foreign Trade Regulations -- Export Value

- "Selling price"
  - For goods exported pursuant to a sale, the value to be reported is the exporter's price to the foreign principal party in interest
  - For goods shipped on consignment without a sale actually having been made at the time of export, the "selling price" to be reported on the SED or AES record is the market value at the time of export.
  - For goods shipped that are not subject to a sale, the value to report is the "cost"

# Foreign Trade Regulations -- Export Value

- Census Interpretations
  - “Selling Price” = Materials + Labor + Profit
  - “Cost” = materials + Labor + “slight overhead” to cover expenses, i.e., shipping and handling (intercompany shipments or shipments to distributors) or
  - Cost of acquisition plus freight
  - **Market value** is used when an item has not been sold. This value should reflect the "fair" value for the commodity, if it were to be sold in the United States.

# Foreign Trade Regulations -- Export Value: Adjustments (30.6(a)(17)(ii))

- When necessary, make the following adjustments to obtain the value:
  - Where goods are sold at a point **other** than the port of export (i.e., ex-works):
  - Added amounts for
    - freight, insurance, and other charges required to move the goods to the exporting carrier at the port of export

# Foreign Trade Regulations -- Export Value: Adjustments (30.6(a)(17)(ii))

- Where goods are sold at a “delivered” price to the foreign destination (i.e., CIF or DDP):
  - Subtract from the selling price:
    - the cost of loading the goods on the exporting carrier, if any,
    - and freight, insurance, and other costs beyond the port of export

# Foreign Trade Regulations -- Export Value

- A separate line item must be shown on AES filing for each Schedule B classification, and include:
  - Schedule B commodity (or HTS) number
  - Separate description of each commodity
  - shipping weight
  - “D” or “F” designation
  - Net quantity and value for the item(s)

# Foreign Trade Regulations -- Export Value

- Where two or more items are classified under the same Schedule B number and --
  - where no license is required,
  - the quantities, values, and shipping weights of such items,
- should be combined and the information shown on a single line of the the SED or AES record.

# § 30.29 Reporting of repairs and replacements

- Reporting the Value of Repairs and Alterations

- The value of repairs and alterations made on articles previously imported for such purposes are to be reported under Schedule B number 9801.10.0000
- These articles should be reported as domestic merchandise
- The value reported should represent only the total value of repairs and alterations made in the United States
- The value reported in the EEI shall include parts and labor. The value of the original product shall not be included.
- If there is no charge, a value representing the cost of repairs to the manufacturer or a reasonable estimate thereof must be reported

# § 30.29 Reporting of repairs and replacements

- (b) (1) Goods that are reexported after repair under warranty
  - It is recommended that the bill of lading, air waybill, or other loading documents include the statement,

“This product was repaired under warranty.”
  - (2) Goods that are replaced under warranty at no charge to the customer shall include the statement on the bill of lading, air waybill, or other commercial-loading documents,

“Product replaced under warranty, value for EEI purposes”.
  - Place the notation below the proof of filing citation or exemption legend on the commercial document.
  - Report the value of the replacement parts only. [Inconsistent with 30.29(a) to include both parts and labor]

# Valuation of Software



UNITED STATES DEPARTMENT OF COMMERCE  
Bureau of the Census  
Washington, DC 20233-0001

August 18, 1994

PISR Letter No. 164

To: U.S. Customs Service Headquarters, U.S. Customs District  
Offices, Department of Commerce District Offices,  
Freight Forwarders, Exporters, Exporting Carriers, and  
Others concerned.

From: Bureau of the Census

Subject: Valuation of Technical Data (Software)

This letter is directed to companies involved in the export of software written or recorded on media devices such as diskettes, tape and compact discs (CD-ROM). It is intended to clarify the Foreign Trade Statistics Regulations, Sections 30.1-General statement of requirement for Shipper's Export Declarations (SEDs) and 30.7, Information required on SEDs regarding the valuation of exported commodities.

The term software is intended to cover both "general use" and "customized" software. The term "general use" covers software products for general sales that are publicly available to any user over the counter, by mail order or by telephone. These products are designed for installation by the user and require minimal support from the vendor. "General Use" software is to be treated as a commodity and the value reported on the SED should represent the full selling price of the software.

We are maintaining the SED requirements for customized technical data (software that does not conform to the general use definition outlined above) based on the value of the media, the destination, and/or requirements of the Export Administration Regulations (EAR-15 CFR, Parts 768-799) and the International Traffic in Arms Regulations (ITAR-22 CFR, Parts 121-130.)

## § 30.7 Annotating the bill of lading, air waybill, or other commercial loading documents with proof of filing citations, and exemption legends

- Exemption Legends
  - Statement on:
    - bill of lading
    - air waybill
    - export shipping instructions or
    - other **commercial loading** documents
  - Indicates why AES filing is not required for commodities:
    - Exemption for Shipments to Canada = NOEEI § 30.36
    - Exemption for Low-Value Shipments = NOEEI § 30.37(a)
- Practice Note: type ITN and/or Exemption on Invoice for audit purposes

# AES Filing Citations, Exemptions and Exclusion Legends

## Appendix D to Part 30

### AES FILING CITATION, EXEMPTION AND EXCLUSION LEGENDS

I. USML Proof of Filing Citation .....	AES ITN Example: AES X20060101987654.
II. AES Proof of Filing Citation subpart A § 30.7 .....	AES ITN Example: AES X20060101987654.
III. AES Postdeparture Citation-USPPIUSPPI is filing the EEI .....	AESPOST USPPI EIN mm/dd/yyyy Example: AESPOST 12345678912 01/01/2006.
IV. Postdeparture Citation-Agent .....	AESPOST USPPI EIN—Filer ID mm/dd/yyyy Example: AESPOST 12345678912—987654321 01/01/2006.
V. AES Downtime Citation—Use only when AES or AES <i>Direct</i> is unavailable.	AESDOWN Filer ID mm/dd/yyyy Example: AESDOWN 123456789 01/01/2006.
VI. Standard Exclusions are found in 15 CFR 30, Subpart A, § 30.2(d)(1) through § 30.2(d)(4). The following types of transactions shall be excluded from EEI filing: (1) Goods Shipped from U.S. territories .....	NOEEI § 30.2(d)(site corresponding number).
(2) Goods Shipped to or from Guantanamo Bay Naval Base in Cuba and the United States.	
(3) Inbond Shipments through the United States, Puerto Rico, and the U.S. Virgin Islands.	
VII. Exemption for Shipments to Canada .....	NOEEI § 30.36.
VIII. Exemption for Low-Value Shipments .....	NOEEI § 30.37(a).
IX. Miscellaneous Exemption Statements are found in 15 CFR 30 Subpart D § 30.37(b) through § 30.37(u).	NOEEI § 30.37 (site corresponding alphabet).
X. Special Exemption for Shipments to the U.S. Armed Forces .....	NOEEI § 30.39
XI. Special Exemptions for Certain Shipments to U.S. Government .....	NOEEI § 30.40 (site corresponding alphabet)

## § 30.9 Transmitting and correcting Electronic Export Information

- The USPPI (or authorized agent) is responsible for transmitting accurate EEI as known at the time of filing.
- Corrections, cancellations, or amendments must be transmitted through AES for all required fields as soon as possible.
- Failure to correct the EEI is a violation of the reporting requirements.

# Filing Responsibilities & Routed Exports

- Responsibility for Filing
  - **§ 30.2 General requirements for filing Electronic Export Information (EEI).**
  - (a) *Filing requirements* —(1) The EEI shall be filed through the AES by:
    - the United States Principal Party In Interest (USPPI),
    - the USPPI's authorized agent, or
    - the authorized U.S. agent of the Foreign Principal Party In Interest (FPPI)

# Filing Responsibilities & Routed Exports

- *USPPI*. For purposes of filing EEI:
  - the USPPI is the person or legal entity in the United States that **receives the primary benefit**, monetary or otherwise, from the transaction.
- USPPI is:
  - U.S. seller
  - manufacturer
  - U.S. order party, or
  - Foreign entity purchasing or obtaining goods for export (if it is in the United States when the items are purchased or obtained for export)

# Who can be a “USPPI”?

- US Manufacturer Is USPPI when
  - sells goods directly to an entity in a foreign area.
  - The U.S. manufacturer is listed as the USPPI in the EEI.
- Wholesaler/distributor is USPPI when
  - U.S. manufacturer sells goods, as a domestic sale, to a U.S. buyer (wholesaler/distributor) and that U.S. buyer sells the goods for export to a FPPI.
  - The U.S. reseller is listed as the USPPI in the EEI.
- U.S. Order party is USPPI when
  - U.S. order party arranges for the sale and export of goods to a foreign entity, and requests the U.S. Mfg or other party to ship the goods to the FPPI.
  - the U.S. order party must be listed as the USPPI in the EEI.

# Routed Export Transactions

- 30.3(e) Routed Exports
- A routed export transaction is a transaction in which:
  - **FPPI authorizes a U.S. agent to facilitate the export** of items from the United States
  - **And to prepare and file EEI.**

(e) *Responsibilities of parties in a routed export transaction.* The Census Bureau recognizes “routed export transactions” as a subset of export transactions. **A routed export transaction is a transaction in which the FPPI authorizes a U.S. agent to facilitate the export of items from the United States and to prepare and file EEI.**

(1) *USPPI responsibilities.* In a routed export transaction, the FPPI may authorize or agree to allow the USPPI to prepare and file the EEI. If the FPPI agrees to allow the USPPI to file the EEI,

# Routed Export Transactions

- FTR . . . Parties are free to structure commercial transactions, obligations, and responsibilities as they wish . . .

## Clarification of Exporters' and Forwarding Agents' Responsibilities; Authorizing an Agent To Prepare and File a Shipper's Export Declaration on Behalf of a Principal Party in Interest

**AGENCY:** Bureau of the Census, Commerce.

**ACTION:** Supplementary notice of proposed rulemaking.

**SUMMARY:** The U.S. Census Bureau (Census Bureau) proposes amending Foreign Trade Statistics Regulation (FTSR), 15 CFR part 30, to clarify responsibilities of exporters and forwarding agents in completing the Shipper's Export Declaration (SED) to clarify provisions for authorizing forwarding agents to prepare and file SED or file the export information electronically using the Automated Export System (AES) on behalf of a principal party in interest.

amending the FTSR to clarify responsibilities of exporters and forwarding agents in completing the SED and to clarify who should be listed in the "Exporter" box on the SED and in the exporter field on the AES record. This proposed rule defines new terms, including "U.S. principal party in interest" and "routed export transaction," and clarifies existing ones (notably the definition of "exporter") for purposes of completing the SED. The . . . the regulations do not intend to interfere with the terms of sale between the foreign buyer and the U.S. seller . . .

to the proposed rule concerned identifying the U.S. seller or principal as the "exporter of record" in EX WORKS (EXW) transactions. EXW is a "term of sale" whereby the foreign buyer takes possession of the merchandise in the United States, and the foreign buyer takes responsibility for facilitating the export of the merchandise out of the United States, including export documentation responsibility. The major concern the U.S. sellers presented, when required to be listed as the "exporter of record" in these transactions, is that the U.S. seller does not have effective control over the merchandise once it is turned over to the foreign buyer's agent. The U.S. seller does not want to be held liable for any export control violations that may occur in such a transaction. The proposed Census Bureau export regulations do not intend to interfere with the terms of sale between the

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Federal Register / Vol. 64, No. 191 / Monday, October 4, 1999 / Proposed Rules

foreign buyer and the U.S. seller in the export transaction. However, in order to collect accurate trade statistics, it is

transaction. The U.S. principal party in interest is the person in the United States that receives the primary benefit,

Providing the forwarding agent with the information necessary to complete the SED or AES record; (B) Providing the

DEC 14 2006



UNITED STATES DEPARTMENT OF COMMERCE  
Economics and Statistics Administration  
U.S. Census Bureau  
Washington, DC 20233-0001

Mr. George R. Tuttle, III  
Law Offices of George R. Tuttle  
Three Embarcadero Center, Suite 1160  
San Francisco, CA 94111

Dear Mr. Tuttle:

This is in response to your faxed letter of November 21, 2006, requesting clarification as to the applicability of the provision for routed export transactions under the Foreign Trade Statistics Regulations (FTSR), Part 30, Section 30.4(c). Since there are differences in reporting requirements among the U.S. Census Bureau and the Bureau of Industry and Security (BIS), conformity of documentation is not required. In a routed export transaction as defined in Title 15, Code of Federal Regulations (CFR), Part 772.1 of the U.S. Department of Commerce Export Administration Regulations, the authorized agent can be the "exporter" for export control

purposes.  
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responsib

It is the responsibility of the U.S. agent, designated by the FPPI, to prepare and file the SED/AES record. The USPPI is responsible for providing the statistical information pertaining to the transaction. I can only address your concerns pertaining to the FTSR. The FTSR was not written to accommodate Incoterms and there are no terms that relate exactly to the requirements of the FTSR. Clearly Incoterms address common business responsibilities for the buyer and the seller, but these requirements are not carried over to the FTSR.

It is the responsibility of the U.S. agent, designated by the FPPI, to prepare and file the SED/AES record. The USPPI is responsible for providing the statistical information pertaining to the transaction. I can only address your concerns pertaining to the FTSR. The FTSR was not written to accommodate Incoterms and there are no terms that relate exactly to the requirements of the FTSR. Clearly Incoterms address common business responsibilities for the buyer and the seller, but these requirements are not carried over to the FTSR.

We appreciate the opportunity to assist you with your efforts to maintain compliance with export regulations. If you have further questions concerning this or other regulatory matters, please call Mr. Joey Morales, ROEB, FTD, on (301) 763-2238.

Sincerely,

Dale C. Kelly  
Chief, Regulations, Outreach, and Education Branch  
Foreign Trade Division

RECEIVED  
GEORGE R. TUTTLE

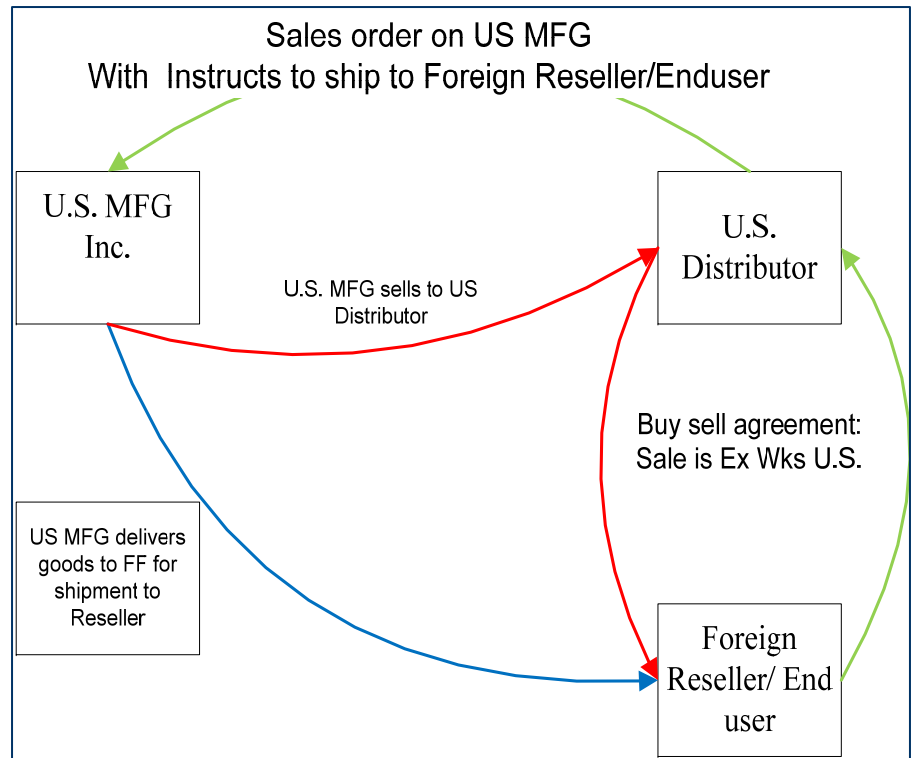
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Orig to \_\_\_\_\_  
Copy to \_\_\_\_\_  
Rec'd by \_\_\_\_\_ Rev'd by \_\_\_\_\_  
YES NO

w Offices-- (c) 2011

# Who is “USPPI” In Drop shipments?

- Who is USPPI?
  - U.S. MFG?
  - U.S. Distributor?
- Is this a “routed” export?



APR - 7 2009



UNITED STATES DEPARTMENT OF COMMERCE  
Economics and Statistics Administration  
U.S. Census Bureau  
Washington, DC 20233-0001

RECEIVED  
GEORGE R. TUTTLE

APR - 8 2009

Orig to: GRU  
Copy to: \_\_\_\_\_  
Rec'd by: MAA Rev'd by: [Signature]  
To Calendar: YES (NO)

Mr. George R. Tuttle, III  
Law Offices of George R. Tuttle  
A Professional Corporation  
One Embarcadero Center, Suite 730  
San Francisco, CA 94111-4044

Dear Mr. Tuttle:

This letter is in response to your letter dated May 21, 2008, and subsequent e-mail of March 20, 2009, to Ms. Melannie Walker, Regulations, Outreach, and Education Branch (ROEB), Foreign Trade Division (FTD), requesting clarification of the Foreign Trade Regulations (FTR), Section 30.3. You are requesting clarification of who should be reported as the United States Principal Party in Interest (USPPI) in a drop shipment. Specifically, when a U.S. manufacturer sells to a reseller or distributor and the reseller or distributor then sells the commodity to a Foreign Principal Party in Interest (FPPI) and a U.S. manufacturer ships directly to the FPPI.

The FTR, Section 30.3 (b)(ii), states that "If a U.S. manufacturer sells goods, as a domestic sale, to a U.S. buyer (wholesaler/distributor) and that U.S. buyer sells the goods for export to a FPPI, the U.S. buyer (wholesaler/distributor) shall be listed as the USPPI in the Electronic Export Information (EEI)." Therefore, since the U.S. manufacturer sells and receives payment from the U.S. reseller, this is considered a domestic transaction and the U.S. reseller will be listed as the

USPPI. In addition, I would like to clarify that the value to be reported in the EEI would be the selling price between the U.S. reseller and the FPPI and not the selling price between the U.S. manufacturer and the U.S. reseller.

Information (EEI)." Therefore, since the U.S. manufacturer sells and receives payment from the U.S. reseller, this is considered a domestic transaction and the U.S. reseller will be listed as the USPPI. In addition, I would like to clarify that the value to be reported in the EEI would be the selling price between the U.S. reseller and the FPPI and not the selling price between the U.S. manufacturer and the U.S. reseller.

We appreciate the compliance with the matters, please contact

Sincerely,  
  
Joe A. Cortez  
Chief, Regulations, Outreach,  
and Education Branch  
Foreign Trade Division

## Section 30.3(e)(1) *USPPI responsibilities in a routed export transaction:*

- provide the agent with the following information to assist in preparing the EEI:
  - (i) Name and address of the USPPI.
  - (ii) USPPI's EIN
  - (iii) State of origin (State).
  - (iv) FTZ if applicable.
  - (v) Commercial description of commodities.
  - (vi) Origin of goods indicator: Domestic (D) or Foreign (F).
  - (vii) Schedule B or HTSUSA, Classification Commodity Code.
  - (viii) Quantities/units of measure.
  - (ix) Value.
  - (x) Export Control Classification Number (ECCN) or sufficient technical information to determine the ECCN.
  - (xi) All licensing information necessary to file the EEI for commodities where the Department of State, the Department of Commerce, or other U.S. government agency issues a license for the commodities being exported, or the merchandise is being exported under a license exemption or license exception.
  - (xii) Any information that it knows will affect the determination of license authorization (see Subpart B of this part for additional information on licensing requirements).

# Routed Export Transactions

- 30.3(e)(2) provides:

“Upon request, the authorized agent must provide the USPPI with a copy of the power of attorney or written authorization from the FPPI.”

“The agents shall upon request, provide the USPPI with the data elements in paragraphs (e)(1)(i) through (xii) of this section as submitted through the AES.”

# Routed Export Transactions

- 30.3(f):  
“In routed export transactions the USPPI is not required to provide the filing agent of the FPPI with a power of attorney or written authorization.”

on its behalf. A power of attorney or written authorization should specify the responsibilities of the parties with particularity and should state that the agent has authority to act on behalf of a principal party in interest as its true and lawful agent for purposes of creating and filing EEI in accordance with the laws and regulations of the United States. In routed export transactions the USPPI is not required to provide an agent of the FPPI with a power of attorney or written authorization.

# Designating a Routed Export Transaction

File

**Related Sites:**  
[AESDirect](#)  
[Privacy Policy](#)

Now, we are going to fill in the Departure Date. Always make sure it is in MMDD/YY format. If a situation occurs where you do not know the date of departure, just fill in your best estimate of the export date. Once you have the accurate date, you can retrieve the shipment, amend it, and resubmit it to AES. Fill in "11/28/03" for November 28, 2003 and press TAB.

Origin State: MARYLAND

Foreign Trade Zone: [ ]

Port of Export (L): 1303

Country of Dest. (L): NL

Port of Unlading (L): 42157

Departure Date: [ ] [MM/DD/YY]

Mode of Transport: Select Mode of Transport...

Carrier SCAC/IATA (L): [ ] [Help]

Conveyance Name: [ ]

Vessel Flag (L): [ ]

Entry Number: [ ]

Is this shipment a **Routed Transaction**? [Help]  Yes  No

Are USPPI and Ultimate Consignee **Related Companies**?  Yes  No

Is any commodity on this shipment **Hazardous**?  Yes  No

[Top of Page]

- The Routed Export Transaction indicator.
- Advises Census whether the EEI reported is a routed export transaction, or not.
- If EEI for Routed Export a is completed by USPPI, it must have authorization
- Failure to designate a transaction as routed can subject the filer to a penalty under 30.71 for filing false or misleading information

# Census (FTR) Violations

- § 30.71 -- False or fraudulent reporting on or misuse of the AES
  - *Civil penalties—(b)(1) Failure to file or delayed filing violations.*
    - A civil penalty not to exceed \$1,100 for each day, but not more than \$10,000 per violation
  - *(2) Filing false/misleading information, furtherance of illegal activities and penalties for other violations.*
    - A civil penalty not to exceed \$10,000 per violation may be imposed for each violation other than a violation of (b)(1).
    - Penalty may be in addition to any other penalty imposed by law.
  - *(3) Forfeiture*
    - In addition to civil penalties, property involved in a violation may be subject to forfeiture.

# Census (FTR) Violations

- *Criminal penalties—*
  - (1) *Failure to file; submission of false or misleading information.*
    - Any person, including USPPs, authorized agents or carriers,
    - knowingly fails to file or knowingly submits, directly or indirectly . . . false or misleading export information through the AES are
    - subject to a fine not to exceed \$10,000 or imprisonment for not more than five years, or both, for each violation.
  - (2) *Furtherance of illegal activities.*
    - Any person . . . who knowingly reports, directly or indirectly, information through or otherwise uses the AES to further any illegal activity
    - shall be subject to a fine not to exceed \$10,000 or imprisonment for not more than five years, or both, for each violation.

# Census (FTR) Violations

- PENALTIES FOR OTHER FTR VIOLATIONS, (Not exhaustive):
  - Incorrect value for shipment.
  - Other incorrect information, such as an incorrect USPPI, consignee, end-user, commodity description, or port of export.
  - Failure to:
    - Cite proper license code or license number.
    - Obtain Power of Attorney for AES transmission.
    - identify transaction as a routed transaction.
    - correct information in AES as the changes become known to the filer.
    - provide carrier with appropriate proof of filing citation or exemption legend by the time periods set forth in the FTR.
    - retain records relating to the export shipment for a 5-yr. period from the date of export.

# Census (FTR) Violations

- CBP FTR Export Mitigation Guidelines
  - Customs Bulletin and Decisions, VOL. 43, NO. 2, January 2, 2009
  - AES Late Files
    - First Recorded Offense—\$250 per day to \$1,500
    - Second Recorded Offense—\$500 per day to \$2,500
    - Third Recorded Offense—\$750 per day to \$3,500
    - Fourth and Subsequent Recorded Offenses—\$1,100 per day up to a maximum of \$10,000
  - AES No Files
    - First Recorded Offense—\$750 to \$2,500
    - Second Recorded Offense—\$1000 to \$3,500
    - Third Recorded Offense—\$1,500 to \$5,000
    - Fourth and Subsequent Recorded Offenses—\$2,000 to \$10,000

## Sec 30.74 -- Voluntary Self-Disclosure

- Census has a Voluntary Disclosure program
- Voluntary self-disclosure is a mitigating factor in determining what administrative sanctions, if any, will be sought.
  - Does not apply if:
    - agency has the same or substantially similar information from another source and
    - commenced an investigation or inquiry in connection with that information
  - Effect of disclosure weighed against any aggravating factors
  - Must be made with with the full knowledge and authorization of senior management

## Sec 30.74 -- Voluntary Self-Disclosure

- Initial Notification
  - must be in writing and be sent to Chief, Foreign Trade Division, U.S. Census Bureau
  - include the name of the person making the disclosure
  - The notification should describe the general nature, circumstances, and extent of the violations.
  - If violations involve other gov. agency disclosing party is responsible for notifying other agency

## Sec 30.74 -- Voluntary Self-Disclosure

- The **narrative account** should include:
  - The kind of violation involved, for example, failure to file EEI, failure to correct fatal errors, failure to file timely corrections
  - Describe all data required to be reported under the FTR that was either not reported or reported incorrectly
  - An explanation of when and how the violations occurred
  - Identities and addresses of all individuals and organizations, whether foreign or domestic, involved in the activities giving rise to the violations

## Sec 30.74 -- Voluntary Self-Disclosure

- Measures taken to minimize the likelihood that violations will occur in the future
- The nature of the review conducted (conduct a thorough review of all export transactions for the past five years)
- A description of any mitigating circumstances
- *Correction of Electronic Export Information*
  - Report all data required under the FTR that was not reported. Report corrections for all data reported incorrectly.
  - All reporting of unreported data or corrections to previously reported data shall be made through AES

# Proposed Census FTR Changes

- Published in the Fed Reg. Jan. 21, 2011
- Comment Period Ended Mar. 22, 2011
- **Major Changes**
  - Modify Post Departure Filing (Option 4)
    - Selected Commodities only – agriculture/Bulk
    - Approved USPPIs – report in AES within 5 calendar days
    - Tighter criteria levels

# Proposed Census FTR Changes

- **Additional/Revised Data Elements**

- Country of Origin
- License Value
- End User
- Ultimate Consignee Type
- Transportation Reference Number
- Shipment Reference Number
- Equipment & Seal Number

# Proposed Census FTR Changes

- Additional/Revised Data Elements: Section 30.6(b)--
  - (1) *Address of license applicant.* Report the address of the applicant shown on the export license, if different from the USPPI.
  - (2) *Name of the end user.* Report the name of the end user, if known.
  - (3) *Address of the end user.* Report the address or location (no post office box number) of the reported end user.

# Proposed Census FTR Changes

- Additional/Revised Data Elements -- Section 30.6(b)
  - (7) Report the **country of origin** in which the commodities were grown, produced, manufactured, or substantially transformed If the goods are of foreign origin and have undergone no change in form or condition or enhancement in value while in the U.S.
  - (22) ***Equipment number***. Report the identification number for the shipping equipment, such as container number, truck license number, or rail car number.
  - (23) **Seal number**. The security seal number placed on the equipment or container.

# Proposed Census FTR Changes

- (24) ***Ultimate consignee type***. If at the time of filing, the USPPI or the authorized agent knows the ultimate consignee is a reseller, government reseller or government consumer, the appropriate type must be indicated in the AES.
  - (i) Reseller—a retailer, wholesaler, distributor, and/or trading company of the exported good to third parties, whether or not the third parties are known.
  - (ii) Government Reseller—a government-owned or government controlled entity that acts as retailer, wholesaler, distributor, or trading company.
  - (iii) Government Consumer—a government-owned or government controlled entity that consumes or uses the good for its own internal processes.

# FTR Compliance Manual

- All USPPIs and Forwarders should have an FTR Compliance Manual:
  - FTR EEI and exemption statement filing requirements
  - Routed Export Transaction Processing
  - Recordkeeping
  - Audit of EEI filings including those by filing agents
  - How to correct EEI filings
  - Training logs and refresher training requirements