1

2

BIS 2022 UPDATE CONFERENCE ON EXPORT CONTROLS & POLICY

Regulations (FTR) Topics

- Overview of Proposed Rules

- Best Practice for Complying with Export Regulations
  - VSD
  - Automated Commercial Environment (ACE) Reports

- Electronic Export Manifest

3

3

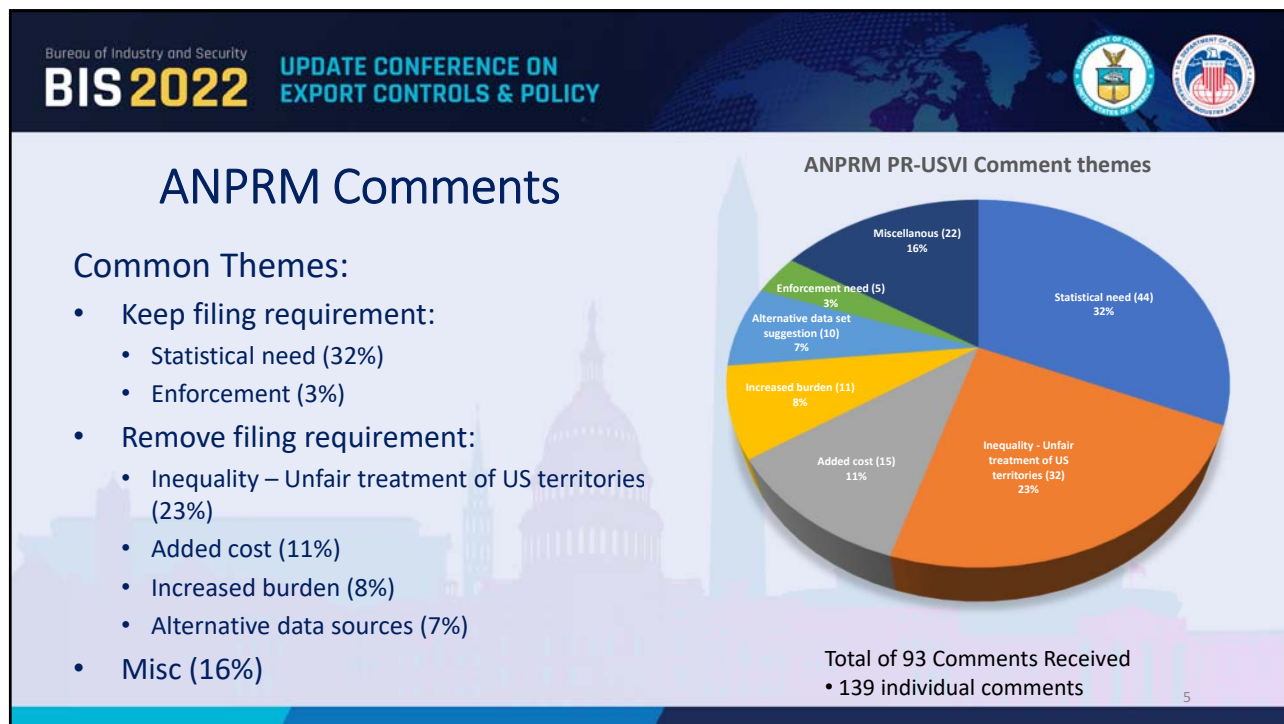**BIS 2022** UPDATE CONFERENCE ON EXPORT CONTROLS & POLICY

PR-VI ANPRM Status

- Published in Federal Register on September 17, 2020

- Public comment period ended on November 16, 2020

- 93 Letters/Emails received which accounted for 139 individual comments
  - 59 public comments are available to view on the regulations.gov portal

- ANPRM withdrawal published February 4, 2022 – Requirement still in place
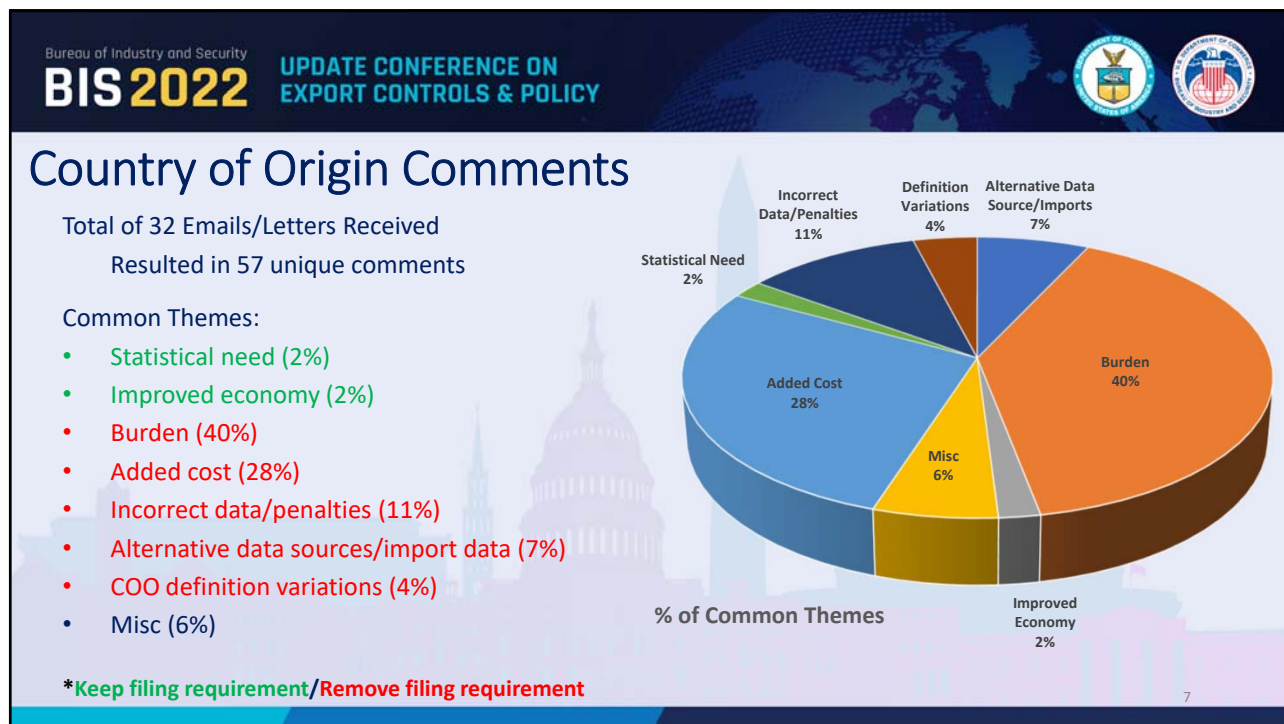
- Next Steps

4

4

Bureau of Industry and Security
BIS 2022 | **UPDATE CONFERENCE ON EXPORT CONTROLS & POLICY**

ANPRM Comments

ANPRM PR-USVI Comment themes

Common Themes:

- Keep filing requirement:
  - Statistical need (32%)
  - Enforcement (3%)
- Remove filing requirement:
  - Inequality – Unfair treatment of US territories (23%)
  - Added cost (11%)
  - Increased burden (8%)
  - Alternative data sources (7%)
- Misc (16%)

Miscellanous (22) 16%
Enforcement need (5) 3%
Alternative data set suggestion (10) 7%
Increased burden (11) 8%
Added cost (15) 11%
Statistical need (44) 32%
Inequality - Unfair treatment of US territories (32) 23%

Total of 93 Comments Received
- 139 individual comments

5

Bureau of Industry and Security
BIS 2022 | **UPDATE CONFERENCE ON EXPORT CONTROLS & POLICY**

Country of Origin NPRM Status

- Proposing to add a conditional data element, country of origin, when foreign origin is selected in the Domestic/Foreign Indicator

- Would improve statistics on distinct foreign supply chains involving re-exported goods from the U.S. and the role of re-exports in the U.S. economy

- Published in Federal Register on December 15, 2021

- Public comment period ended on February 14, 2022

- Reviewing feedback and working with leadership to determine next steps

6

Country of Origin Comments

Total of 32 Emails/Letters Received

Resulted in 57 unique comments

Common Themes:

- Statistical need (2%)
- Improved economy (2%)
- Burden (40%)
- Added cost (28%)
- Incorrect data/penalties (11%)
- Alternative data sources/import data (7%)
- COO definition variations (4%)
- Misc (6%)

*Keep filing requirement/Remove filing requirement

% of Common Themes

Pie chart segments:
- Incorrect Data/Penalties 11%
- Definition Variations 4%
- Alternative Data Source/Imports 7%
- Statistical Need 2%
- Added Cost 28%
- Burden 40%
- Misc 6%
- Improved Economy 2%

7

Best Practice for Complying with Export Regulations Gaining Access to ACE Export Reports

- Company vetted by Census
  - Request Employer Identification Number (EIN) Report
  - Authorization through ACE
  - Certificate of Authority (COA) – exportreports@census.gov
  - Additional Verification
- Who can access ACE Export Reports?
  - USPPIs
  - Filer
    - Authorized Agents and Freight Forwarders

8

Bureau of Industry and Security
BIS 2022 UPDATE CONFERENCE ON EXPORT CONTROLS & POLICY

Best Practice for Complying with Export Regulations: Voluntary Self Disclosures

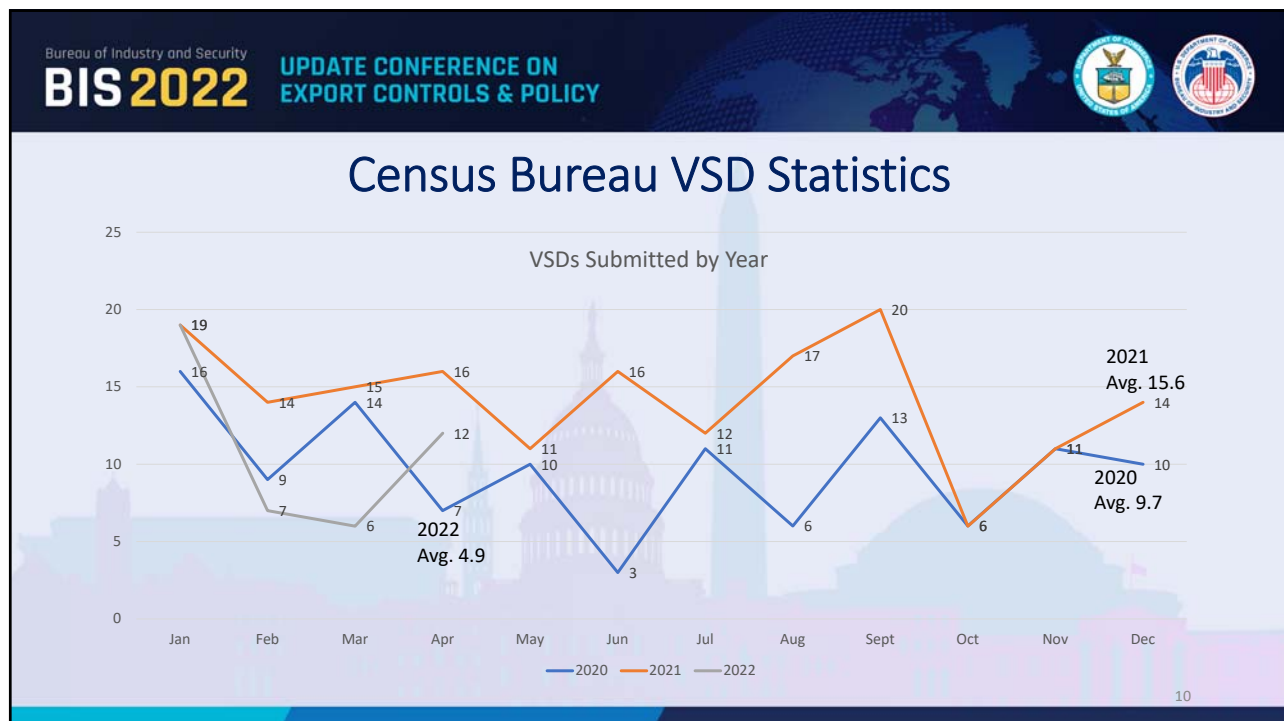**Submit a letter detailing:**
- Type of violation
- Explanation of when and how the violations occurred
- List all individuals and organizations (foreign & domestic) related to the violations
- Number and value of shipments affected
- List any export controls on the shipment(s)
- Explanation of whether the violation was a self or agency discovery
- A description of any mitigating factors
- Corrective measures
- Provide corrected or filed shipments

Send letter on company letterhead to:

Ms. Lisa Donaldson
Chief, Economic Management Division
U.S. Census Bureau
4600 Silver Hill Road
Washington DC 20233-6700

9

9

Bureau of Industry and Security
BIS 2022 UPDATE CONFERENCE ON EXPORT CONTROLS & POLICY

Census Bureau VSD Statistics

VSDs Submitted by Year

2021 Avg. 15.6
2020 Avg. 9.7
2022 Avg. 4.9

— 2020 — 2021 — 2022

10

10

BIS 2022 UPDATE CONFERENCE ON EXPORT CONTROLS & POLICY

Bureau of Industry and Security

Electronic Export Manifest

The Electronic Export Manifest will allow CBP to identify any issues with the movement of the cargo early in the supply chain to allow any administrative issues to be corrected before export movement is delayed and better identify compliant shipments earlier in the process

11

11

BIS 2022 UPDATE CONFERENCE ON EXPORT CONTROLS & POLICY

Bureau of Industry and Security

EEI vs EEM

Electronic Export Information (EEI)

- Reported by Exporters or their Authorized Agents

- Commodity and Transportation Data
    Estimates reported prior to export

Electronic Export Manifest (EEM)

- Reported by Carriers or NVOCC's

- Transportation Data
    Actual dates confirmed by departure messages

12

12

Project Goals

Short Term Goals

- Analyze Data Elements
  - Method of Transportation
  - District/ Port of Export
  - Date of Export
  - Vessel/ Carrier Name
  - Carrier SCAC/IATA
  - Foreign Port of Unlading

Long Term Goals

- Replace specific EEI data with EEM data
- Reduce respondent burden
- Filers would not need to update estimated data
- Publish more accurate export trade statistics

13

13

Current Collection of EEM

- CBP has published Federal Register Notices that encourage the participation in Pilot programs
  - **AIR Cargo Test**
  - **Vessel Cargo Test**
  - **Rail Cargo Test**
    - Incentivized through elimination of paper

- CBP is conducting Operational Testing for Rail in Port Huron, Michigan

14

14

Operational Rail Test

Port Huron (3802)

Statistical Data Elements

- Method of Transportation
  - AES – 19.9% of EEI ITN level data would be updated from Vessel (10,11), Air (40) and Truck (30,31) to show Rail (20)

- Port of Export
  - AES – 7.0% of EEI ITN level data would be updated to Port Huron (3802) from other reported port codes.

- Date of Export
  - AES – 25.2% of EEI ITN level data would be updated to correct the actual date of export from manifest data.

15

15

Operational Rail Test

Port Huron (3802)

Filer Data Elements

- SCAC code
  - AES -41.3% of EEI ITN level data would be updated to correct the SCAC code from other filed codes

- Carrier Name
  - AES – 53.7% of EEI ITN level data would be updated to correct the carrier's name from other filed names

- *Foreign Port is not required for Rail

16

16

Next Steps

- Expand Operational Testing
  - Port of Buffalo is beginning tests
  - CBP is looking to expand to a Southern Border
- New Vessel guidance coming to include Vessel Operating Carriers (VOC's) and Non-Vessel Operating Common Carriers (NVOCC's)
  - Federal Register Notices are going through CBP Management
- Continue running monthly reports on EEM
  - Adding in Port and MOT additions as they become available

17

17

AES Topics

Paul Newman
Chief, Trade Data Collection Branch

18

AES Topics

- Foreign Trade Zone Identifier Expansion

- Used Self-Propelled Vehicles between the US and PR

19

19

FTZ Identifier Extension

- The U.S. Customs and Border Protection (CBP) published Federal Register Notice (85 FR 60479) that requires the expansion of the Foreign Trade Zone Identifier from 7 to 9-characters effective May 17, 2022.

20

20

FTZ Identifier Extension

- 3 numeric digits representing the General Purpose Zone
- 3 alpha-numeric characters representing, as appropriate, *either:*
  - the Subzone designation *or* the GP Zone Acreage designation
- 3 alpha-numeric characters representing, as appropriate, *either:*
  - the Subzone Site designation *or* the GP Site designation

- Insert zeros when there is no Subzone or Subzone Site. Report leading zeros when the General Purpose Zone is less than 3 digits and when the Subzone or Subzone Site is less than 3 characters.
- Example: If the General Purpose Zone is 26, Subzone is T2, Site is 1, report 0260T2001

21

21

FTZ Identifier Extension

- The AES, AESTIR Documentation and AESDirect have all been updated
  - The requirement was previously updated to allow 7 or 9 characters in May 2019
  - This update requires the 9 characters only

- AES Response Code 15A (Appendix A) was updated to require 9 characters and the severity is an Informational Message until further notice

22

22

Used Self-Propelled Vehicles Between the US and Puerto Rico

- Pursuant to the U.S. Customs and Border Protection's (CBP) Ruling HQ H318727 dated July 21, 2021, the requirement to report the EV1 information on the AES record for shipments of used self-propelled vehicles between the United States and Puerto Rico was eliminated

- The EV1 (Used Vehicle Detail) information consists of
  - Vehicle Identification Number (VIN)/ Product ID Number
  - Vehicle ID Qualifier (V for VIN or P for PIN)
  - Vehicle Title Number
  - Vehicle Title State

- Review Appendix U of the AESTIR for HTS/Schedule B classifications deemed used self-propelled vehicles

23

International Trade Call Center
(800-549-0595)

Automated Export System
Option 1
askaes@census.gov

Classification Assistance
Option 2
eid.scheduleb@census.gov

Trade Regulations Branch
Option 3
emd.askregs@census.gov

Data Dissemination
Option 4
Eid.international.trade.data @census.gov

Outreach
Option 5
emd.outreach@census.gov

24

QUESTIONS?