

Department of Commerce
U.S. Census Bureau
OMB Information Collection Request
Automated Export System (AES) Program
OMB Control No. 0607-0152

A. Justification

1. Necessity of the Information Collection

The clearance under Office of Management and Budget Number 0607-0152 covers the Automated Commercial Environment (ACE) *AESDirect* Record Formats (Attachment A) and related documents, including the AES Letter of Intent (Attachment B), ACE Exporter Account Application and Quick Reference Guide (Attachment C), AES Certification Statements (Attachment D), and the ACE *AESDirect* User Guide (Attachment E). With this submission, the Census Bureau is requesting continued clearance with revisions for the AES program.

The Census Bureau requires mandatory filing of all export information via the AES. This requirement is mandated through Public Law 107-228 of the Foreign Trade Relations Act of 2003. This law authorizes the Secretary of Commerce with the concurrences of the Secretary of State and the Secretary of Homeland Security to require all persons who file export information according to Title 13, United States Code (U.S.C.), Chapter 9, to file such information through the AES.

The AES is the primary instrument used for collecting export trade data, which are used by the Census Bureau for statistical purposes. The AES record provides the means for collecting data on U.S. exports. Title 13, U.S.C., Chapter 9, Sections 301-307, mandates the collection of these data. The regulatory provisions for the collection of these data are contained in the Foreign Trade Regulations (FTR), Title 15, Code of Federal Regulations (CFR), Part 30. The official export statistics collected from these tools provide the basic component for the compilation of the U.S. position on merchandise trade. These data are an essential component of the monthly totals provided in the U.S. International Trade in Goods and Services Press Release, a principal economic indicator and a primary component of the Gross Domestic Product. Traditionally, other federal agencies use the Electronic Export Information (EEI) for export control purposes to detect and prevent the export of certain items by unauthorized parties or to unauthorized destinations or end users. This information is noted in the ACE *AESDirect* User Guide located in Attachment E.

Since 2016, the Census Bureau and the U.S. Customs and Border Protection (CBP) have implemented the following enhancements to the AES, in accordance with revisions to the FTR: (1) added the Original Internal Transaction Number (ITN) to the AES. The Original ITN field is an optional data element and is utilized if the filer creates an additional AES record for a shipment that was previously filed; (2) added the Ultimate Consignee Type

data field, which requires the filer to identify the ultimate consignee as a Direct Consumer, Government Entity, Reseller, or Other.

In addition, the Census Bureau and CBP implemented the following changes to the AES: (1) added Bureau of Industry and Security (BIS) Export Control Classification Numbers (ECCNs) and increased edits and validations between License Codes and ECCNs, including the addition of the 600 series ECCNs; (2) renamed the country Swaziland to Eswatini in the AES; and (3) removed the BIS license codes C32, C49, C55, and C56.

The Census Bureau also revised the FTR to clarify the split shipment requirements (82 FR 18383) and the collection of the Kimberley Process Certificates (83 FR 17749). Additionally, the Census Bureau revised language in the FTR to reflect the implementation of the International Trade Data System, in accordance with the Executive Order 13659, *Streamlining the Export/Import Process for America's Businesses*.

These revisions made should not affect the average three-minute response time for the completion of the AES record: The Original ITN is an optional data element and filers will only report it when they choose to provide CBP with additional information about the export shipment; The Ultimate Consignee Type was added for the BIS for export enforcement purposes and is information that filers should know based on BIS's "Know Your Customer" guidance; The revision to the ECCNs and License Codes modified selections for fields that already exist.

Currently, the Census Bureau is drafting a Notice of Proposed Rulemaking (NPRM) to clarify the responsibilities of parties participating in routed and standard export transactions. The Census Bureau published an Advance Notice of Proposed Rulemaking (ANPRM) on October 6, 2017 (82 FR 46739) soliciting comments on the clarity, usability, and any other matters of interest to the trade community and the public related to the regulatory requirements for routed transactions. The Census Bureau considered all comments received in response to the ANPRM in drafting the NPRM. The NPRM potentially would propose revisions and add several key terms used in the regulatory provision of these transactions, including authorized agent, forwarding agent, standard export transaction and written release. While revisions to the FTR are necessary to improve clarity to the filing requirements for the routed export transaction, it is critical for the Census Bureau to ensure that any revisions made to the FTR will allow for the continued collection and compilation of accurate trade statistics. Additionally, it is important that the responsibilities of the U.S. Principal Party in Interest (USPPI) and the U.S. authorized agent are clearly defined to ensure that the Electronic Export Information is filed by the appropriate party to prevent receiving duplicate filings or in some cases, no filings. The changes proposed in the NPRM will not have an impact on the reporting burden of the export trade community.

2. Needs and Uses

The information collected via the AES conveys what is being exported (description and commodity classification number), how much is exported (quantity, shipping weight, and

value), how it is exported (mode of transport, exporting carrier, and whether containerized), from where (state of origin and port of export), to where (port of unloading and country of ultimate destination), and when a commodity is exported (date of exportation). The identification of the USPPI shows who is exporting goods. The USPPI and/or the forwarding or other agent information provides a contact for verification of the information.

The information is used by the U.S. Federal Government. The Federal Government uses every data element on the AES record. The Census Bureau published the Final Rule “Foreign Trade Regulations (FTR): Clarification on Filing Requirements” on April 19, 2017 (82 FR 18383) to update the language in the Foreign Trade Regulations to reflect the implementation of the International Trade Data System (ITDS). The ITDS was established to eliminate the redundant information collection requirements, efficiently regulate the flow of commerce, and effectively enforce laws and regulations relating to international trade. ITDS establishes a single portal system for the collection and distribution of standard electronic import and export data required by all participating federal agencies. In addition, this Rule allows federal agencies with appropriate authority to access export data in the AES and ensure consistency with the Executive Order 13659, *Streamlining the Export/Import Process for America’s Businesses*, issued on February 19, 2014.

The data collected from the AES serves as the official record of export transactions. The mandatory use of the AES enables the Federal Government to produce more accurate export statistics. The Census Bureau delegated the authority to enforce the FTR to the BIS’s Office of Export Enforcement and the Department of Homeland Security’s CBP and Immigrations and Customs Enforcement. The mandatory use of the AES also facilitates the enforcement of the Export Administration Regulations for the detection and prevention of exports of high technology commodities to unauthorized destinations by the BIS and the CBP; the International Traffic in Arms Regulations by the U.S. Department of State for the exports of munitions; and the validation of the Kimberly Process Certificate for the exports of rough diamonds.

Other Federal agencies use these data to develop the components of the merchandise trade figures used to calculate the balance of payments and Gross Domestic Product accounts; to enforce U.S. export laws and regulations; to plan and examine export promotion programs and agricultural development and assistance programs; and to prepare for and assist in trade negotiations under the General Agreement on Tariffs and Trade. Collection of these data also eliminates the need for conducting additional surveys for the collection of information, as the AES shows the relationship of the parties to the export transaction (as required by the Bureau of Economic Analysis). These AES data are also used by the Bureau of Labor Statistics as a source for developing the export price index and by the U.S. Department of Transportation for administering the negotiation of reciprocal arrangements for transportation facilities between the United States and other countries.

Export statistics collected from the AES aid state governments, private sector companies, financial institutions, and transportation entities in conducting market analysis and market penetration studies for the development of new markets and market-share strategies. A collaborative effort among the Census Bureau, the National Governors' Association and other data users resulted in the development of export statistics using the state of origin reported on the AES. This information enables state governments to focus activities and resources on fostering the exports of goods that originate in their states. Port authorities, steamship lines, airlines, aircraft manufacturers, and air transport associations use these data for measuring the volume and effect of air or vessel shipments and the need for additional or new types of facilities.

The implementation of quality standards is an integral part of the pre-dissemination review by the Census Bureau (fully described in the Census Bureau's Information Quality Guidelines). In addition, information quality is incorporated into the clearance process required by the Paperwork Reduction Act.

3. Use of Information Technology

The AES was developed jointly by the Census Bureau and CBP to provide a paperless method for reporting export information. It is an information gateway for both the Census Bureau and CBP to improve the timeliness and accuracy of export trade statistics, improve customer service, and ensure compliance with and enforcement of export laws.

There are 19,574 AES filers submitting export information for 287,314 USPPIs. These AES submissions represent approximately 1,442,996 export records monthly which is 100 percent of non-Canadian export transactions. An AES record is not required for exports to Canada, except for shipments that are license-controlled, contain rough diamonds, used self-propelled vehicles, or are en route through Canada destined for a third country. Under the terms of a Memorandum of Understanding (MOU) with Canada, the Census Bureau uses Canadian import data as a replacement for U.S. export information. Including automated Canadian data, the Census Bureau receives all of its information from electronic sources. The AES improves the accuracy and timeliness of processing trade statistics. In the AES, system edits prohibit entry of invalid information and corrections must be made before these data are accepted and processed. As a result, AES records have less than one tenth of a percent error rate.

4. Efforts to Identify Duplication

To prevent duplication in the federal collection of import and export data, Executive Order 13659, *Streamlining the Export/Import Process for America's Businesses*, was issued on February 19, 2014. The Executive Order initiated further development of the International Trade Data System (ITDS), enacted by the Security and Accountability for Every Port Act of 2006 (the SAFE Port Act), Public Law 109-437. The ITDS allows businesses to electronically transmit data required by participating agencies for imports and exports through a single portal system, or "single window." This single window is the ACE. The ACE is the primary system through which the international trade

community submits import and export data and documentation required by all Federal agencies. The platform was developed to streamline the export and import processes. The ACE, with the integrated *AESDirect* platform, eliminates the need for other federal agencies to collect export data separately.

The Census Bureau also maintains ongoing contact with other federal agencies involved in collecting information on exports or engaged in export control functions. The Census Bureau has representatives on various ITDS working groups to ensure that export data collected by the Census Bureau are not duplicated by other agencies and that the agencies who use the export data that is collected in the AES adhere to the Census Bureau's statutory and regulatory guidelines on access, use, release, and confidentiality. In addition, the Census Bureau monitors policy and regulatory changes being made by other federal agencies to ensure that they comply with the guidelines listed above and do not duplicate information currently being collected by the Census Bureau.

5. Efforts to Minimize Burden

The AES is accessible via a free Internet application. The AES provides online registration (*ACE Exporter Account Application*) and a user guide which provides assistance in filing export information electronically. It also provides users the capability to recall a previous record for use as a template to create of subsequent records. The Census Bureau has developed numerous resources to help educate users through webinars, training, and online videos.

Information is constantly gathered from the AES for use by CBP, the Census Bureau, other federal agencies, and the export community. In 2014, the AES was migrated to the ACE to update the system's technology and platform, while complying with Executive Order 13659. The ACE is the primary system through which the international trade community submits import and export data and documentation required by all Federal agencies. The platform was developed to streamline the export and import processes. Additionally, the functionality of *ACE AESDirect* has been improved by reducing the number of data entry sections from seven to four by grouping similar elements in one view.

Export information and transportation data collected from the AES provide complete, timely, and accurate data. This is accomplished by using up-front edits for data fields in the AES. For example, if an error occurs while filing export information, it must be corrected immediately while the filer is entering the information, otherwise the system will not confirm that the transaction is valid and accepted.

Several agencies including the Census Bureau, CBP, BIS, and the U.S. Department of State are involved in an extensive outreach and education effort to ensure that the trade community is aware of the export filing requirements in order to improve reporting compliance. The Census Bureau also partners with private organizations and trade associations to provide additional educational opportunities to those involved in the export process. Additionally, the Census Bureau has ongoing efforts to inform the trade

community about new system updates and regulatory changes that can affect business operation practices. As a result of these efforts, the following tools are made available: (1) export training videos; (2) the Global Reach blog; (3) webinars/seminars, which provide training on new regulations, changes to filing requirements, and commodity classification; and (4) updated user guides which detail proper procedures for creating the AES record, transmitting the AES record, retrieving the AES record to verify and/or update export information, printing the AES record and deleting the AES record. We engage in extensive outreach in an effort to increase compliance and improve the quality of information filed in the AES. Currently, 98.83% of filers have a compliance rate of 95% or higher.

Under the terms of a MOU signed by the CBP, the Census Bureau, Statistics Canada, and Canadian Customs, the United States can substitute Canadian import statistics for U.S. export statistics. Conversely, the MOU enables Canada to substitute U.S. import statistics for Canadian exports to the United States. This exchange eliminates the filing of over eight million AES records annually.

6. Consequences of Less Frequent Collection

Less frequent collection of export statistics would result in the loss of data that is currently released monthly. This would adversely affect the release of the monthly U.S. International Trade in Goods and Services Report (including U.S. trade balance figures) and the release of the monthly Advance Economic Indicators report that contains international trade in goods statistics. This would also impact the Bureau of Economic Analysis' (BEA) Advance Estimate of Gross Domestic Product (GDP).

Should the Census Bureau begin to release the official export statistics on a quarterly basis, information currently released around 30 calendar days after the month of export would be delayed an additional 90 calendar days. This could greatly impact the publication of the merchandise trade balance, produced by the Federal Government, which is one of the most sensitive and closely watched of the principal economic indicators. The Council of Economic Advisors, Congress, the Trade Policy Agencies, the press, and financial markets focus great attention on the monthly release. Slight movements in the trade balance affect public policy, financial decisions, Congressional actions, and market movements. The trade deficit is one of the most important economic issues in recent years.

In addition, BEA uses merchandise trade figures in their advance GDP estimate. The GDP measures the value of goods and services produced in the U.S. economy and is critical to the Federal Reserve, businesses, and policymakers around the world. Undercoverage of exports will reduce the accuracy of the advance GDP and lead to greater revisions to the second and third estimates of GDP.

Separating the AES record from the actual export movement of a shipment would disallow the use of the AES record as a tool to be used for export control purposes by the CBP, Immigration and Customs Enforcement, the BIS, U.S. Department of State, and any

other federal agency utilizing the information for detecting and preventing the export of high technology commodities to unauthorized destinations.

7. Special Circumstances

The collection of export information from the AES record is conducted in a manner consistent with the Office of Management and Budget guidelines, except that the response is required more frequently than on a quarterly basis. The USPPPI must present the AES proof of filing citation, postdeparture filing citation, AES downtime citation, exemption or exclusion citation to the exporting carrier prior to export. However, for shipments between the United States and Puerto Rico, the AES proof of filing citation, postdeparture filing citation, AES downtime citation, exemption or exclusion citation must be presented to the carrier by the time the shipment arrives at the port of unloading. In addition, where the CBP requires that a manifest be filed, the USPPPI, or its authorized agent, must provide the outbound carrier with a proof of filing citation, postdeparture filing citation, AES downtime citation, exemption or exclusion legend, for annotation on the carrier's outward manifest (19 United States Code). This is because the information is necessary to obtain current data for the monthly balance of trade, and is used on an ongoing basis by the CBP, BIS, and U.S. Department of State for export control purposes.

8. Consultations Outside the Agency (Census Bureau)

The Census Bureau has an established email list of more than 156,809 individuals and businesses that export. We inform these contacts of any developments or changes within this data collection program and frequently receive feedback in person by email, telephone, or in writing from these entities.

The Census Bureau's Governments and Trade Management Division maintains a website and blog that is accessible over the Internet. It provides up-to-date information on all major developments relating to the AES, FTR, filing requirements, and trade data. The trade community uses these sites and other federal agency's websites extensively to keep informed on current export trade policies as they pertain to developments regarding the preparation and filing of exports.

The Census Bureau regularly participates in seminars and conferences sponsored by various trade organizations and other government agencies. These seminars and conferences educate the trade community on the export filing requirements as it pertains to the FTR, Title 15 Code of Federal Regulations, Part 30. These seminars and conferences address numerous topics such as how to maintain compliance with the U.S. export regulations, accurately preparing and filing the AES record, and classifying commodities. Although these programs are not specifically designed to elicit public response, the seminars do provide a means of obtaining the public's views on statistical regulations governing exports. Comments received at these various conferences and seminars are on an individual basis, informal in nature and not for building a consensus. Participation in these conferences enables the Census Bureau to keep the trade

community informed of current regulatory policy decisions and allow for the exchange of information.

The Census Bureau published a notice in the Federal Register on September 18, 2018 (volume 83, pages 47129-47130) inviting public comments on our plans to submit this request. In response to the notice, we received a letter of support from the Bureau of Economic Analysis (Attachment F). We thank BEA for its continued support of the program.

9. Paying Respondents

The Census Bureau does not pay respondents to provide the AES information.

10. Assurance of Confidentiality

The AES record is exempt from public disclosure by statute, Title 13, United States Code (U.S.C.), Chapter 9, Section 301(g), which also exempts disclosure under the Freedom of Information Act, Title 5, U.S.C., Sections 552 (b)(3) and (b)(4). Title 13, U.S.C., Section 301(g) provides that “Shipper’s Export Declarations (or any successor document), wherever located, shall be exempt from public disclosure unless the Secretary determines that such exemption would be contrary to the national interest.” Department Organization Order 35-2A, Section 3.01a, delegated the authority to make the national interest determination to the Director of the Census Bureau. The statutory responsibility to protect information filed in the AES is implemented in the Foreign Trade Regulations, Title 15, Code of Federal Regulations, Part 30.60.

During the AES registration process, filers must certify that all statements made and information provided is true and correct and that the penalty provisions for violations of the U.S. laws that may be imposed (referenced on the AES record) as related to exportation are understood. In addition, the filing of complete and accurate export information via the AES is mandatory under Chapter 9, Title 13, U.S.C.

11. Justification for Sensitive Questions

The AES records do not contain any questions of sensitive nature.

12. Estimate of Respondent Burden

The following table shows the total annual responses, and the time required to collect information and to complete the AES record. The hours per response also include time required for record keeping.

	Annual Responses	X	Hours Per Response	=	Total Hours
AES	17,315,950		.05		865,798

The estimate of approximately three minutes (.05 hours) per electronic AES submission is based on historical records and an examination of an electronic submission. We estimate that approximately one quarter to one third of the information reported in the AES is repetitious and can be automatically inserted on each electronic submission. An example of such repetitious information is the name, address, and Employer Identification Number of the USPPI. Many automated filing respondents extract preexisting information from their electronic databases eliminating the need to repeatedly enter duplicate information. Additionally, the estimate represents an average time and accounts for a wide variety of circumstances.

Burden Hours	X	Median Hourly Wage	=	Respondent Cost/AES Record
865,798		\$18.12 /hour		\$15,688,260

The estimate of \$18.12 per hour is roughly based on the wages of the cargo and freight agents responsible for preparing the AES record. The estimate was derived from the U.S. Department of Labor’s occupational employment statistics.

13. Estimate of Cost Burden

The Census Bureau expects that varying costs will be incurred for respondents submitting AES records. For respondents that use the ACE *AESDirect*, the only cost involved is a personal computer and access to the Internet. Since this investment would be used for more than AES purposes, the cost of this investment would be minimal.

Respondents that prefer to develop or purchase software that connects to the AES, must submit a Letter of Intent (Attachment B) to the Census Bureau to participate in the AES. Typically, there is an initial cost in developing the software that connects to the AES. For respondents who purchase pre-developed software packages, the cost is usually between \$1,000 and \$4,400. We estimate that approximately 150 USPPIs or, more likely agents, such as freight forwarders that service many exporters using this process, will purchase compatible software within the next three years.

Using \$2,700 as an average cost, we estimate this initial software procurement will cost the export community about \$405,000. Some filers may also program the linking process into their existing programs, which is generally less expensive than purchasing or developing new software. Further, purchasing of outside freight forwarder services, if utilized by respondents, is part of usual and customary business practices and not specifically required for this information collection. The data supports the decrease in cost because the growth of Non-ACE *AESDirect* filers has drastically decreased. Filers are more likely to use the free, ACE *AESDirect*, system to file EEI.

14. Cost to Federal Government

The Census Bureau bears the primary federal cost of the AES Program. Since the collection of export data is an integrated program, detailed costs are not available for each individual AES record. The AES export statistics program in the Governments and

Trade Management Division is estimated to cost \$5 million for FY2018. The costs include survey design, data collection, data processing, outreach, promotion, and overhead costs. We expect this cost to remain relatively constant for FY2019 and FY2020.

15. Reason for Change in Burden

The burden associated with this collection is being increased by 104,857 hours due to an adjustment in the number of annual responses. The increase in burden is due to an increase in the total annual responses from 15,218,820 in the previous OMB submission, to 17,315,950.

16. Project Schedule

The Census Bureau processes export data reported on the AES record for publication in categories outlined in the regular foreign trade statistics program. These data are collected and published monthly, approximately 26-28 calendar days after the reference month for the advance international trade in goods and 34-38 calendar days after the reference month for the U.S. International Trade in Goods and Services report.

17. Request to Not Display Expiration Date

We do not wish to display an expiration date within the AES because AES software is vendor developed. To include an expiration date within AES-based software would impose extensive and costly changes on AES software vendors and filers.

18. Exceptions to the Certification

There are no exceptions.