

April 14, 2005

Director, U. S. Census Bureau
Room 2049
Federal Building 3
Washington, DC 20233

Re: Docket Number 031009254-4355-02
RIN 0607-AA38
Notice of proposed rulemaking and request for comments
Mandatory Automated Export System

Dear Sirs,

We wish to present the following comments regarding the proposed rulemaking of the mandatory automated export system. The overall opinion of our company, regarding this proposed rule is positive, and we support the principal of mandatory AES. Our overall opinion of the proposed rules is very positive, and we feel that the requirements and processes stated in the proposed rules are clearly stated and manageable within the export process of industry.

We do have some specific comments regarding sections of the proposed rules that we feel need to be made. They emphasize our agreement of the section, or point out areas of improvement that we feel could be made to make the rules more effective or more precise.

Specific Comments:

30.3(b)(2)(v)
This states "if the customs broker is listed"....It needs to also include, when the importer of record is the foreign entity. There are situations when the foreign entity is the IOR (Importer of Record) and no other U.S. entity is involved. This section should also address this scenario and state that the broker is to be the USPPI when the export takes place.

30.3(e)(1)
It is excellent that you have stated that the FPPI can authorize the USPPI to file the AES when it is a routed transaction. With the increased activity of USPPI's filing their own AES this helps those filers from being forced to use the agent of the FPPI.
We are also very pleased to see that not only have the 10 required data elements been included in the new regulations, but the fact that you have added the additional element of (x) "licensing information" is very helpful. This allows for AES filers to confirm to

the USPPI that this information being requested is regulatory in nature, and not just a "policy" type request from the AES filer. We use this section of the regulations repeatedly to clarify to the USPPI that the regulations require them to provide this information.

30.6(a)(9)(i)
This is a good definition. It provides detail that will make it easier for the USPPI and/or AES filer to understand what the proper POE is.

30.6(a)(11)(i)
There needs to be more specific detail about "having been enhanced in value". How much? If foreign goods have been advanced and now become D, then how much "enhancement" is needed? 10%, 50%? There is too much room for interpretation. There needs to be a more specific framework describing the point at which the goods move from F to D.

30.6(a)(12)
It is excellent that you have specified that the commodity classification number is 10 digits. There are many occasions when a USPPI considers 6 digits (the harmonized digit requirement) sufficient. This clarifies the requirement of the USPPI to provide the full classification number to the AES filer

30.6(b)(6)
There needs to be a specific comment within the regulations regarding EAR99. Should it be listed? If not required, is it permitted to list EAR99 in the ECCN data field? This needs to be stated more specifically.

30.6(b)(9)
We think that some additional detail within the FTR would be helpful on this requirement. There is confusion as to which vehicles are within this category. ATV's, Snowmobiles, forklifts? The reference to 19 CFR only takes you to another regulation that also is not clear regarding this point. A more detailed description of what falls into this category would be helpful.

30.6(b)(13)
What about goods imported for repairs and the exported? Is the entry number required for these exports too? This would be the perfect section to state the requirement, if you intend that the entry number (when imported) is required upon export.

30.7(b)(1) & (2)
We have no objection to the new requirement of using the ITN as the proof of filing citation. We have long agreed with the Foreign Trade Division, that a requirement to prove successful filing of the AES is appropriate and reasonable for the control of the export process. We further are very glad to see that the downtime provision has been

retained within the AES process. We firmly believe that this process must be a part of the AES function, as the electronic nature of the AES system cannot be counted on to be functioning 100% of the time (both government and AES filer).

30.37(a)
The $2500 provision is very much the same as in the old regulations. One point that we feel needs to be added is the fact that if the D value of a schedule b and the F value of the same schedule b total more than $2500 this exemption cannot be used. There is confusion within industry, and many people feel that if the D value and the F value are each under $2500 this exemption can be used even if the total is greater than $2500

General Comments

As previously stated, we do support the mandatory AES process. We feel that it is essential to not only the data gathering aspects of the AES process, but an essential part of the export control regime of the U.S. Government.

Responses to these comments can be forwarded to the undersigned.

Sincerely,

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