Beyond the Refactored AESDirect: Discovering a New Way to Work

This guide explores how leading exporters and forwarders are overcoming the challenges of the Refactored AESDirect. With new techniques, options and the right technology, export filers are able to do more, add value and succeed.

Click **here** to begin

(Or use the menu to the right at any time)
The Refactored AESDirect

A Fast Switch & Its Impact on the Trade

AESDirect is moving from U.S. Census management to the U.S. Customs & Border Protection (CBP) Automated Commercial Environment (ACE) Portal. The switch dramatically impacts the way that exporters and authorized forwarders interface with the government to submit an Electronic Export Information (EEI).

AESDirect is the system-of-record that essentially notifies the U.S. government that certain commodities are leaving its borders. The transmission is electronic, and a digital confirmation code, called an Internal Transaction Number (ITN) is received in return.

Given the various capabilities of exporters, the U.S. Census offered a number of filing options though its technology partners and via other methods. These choices included a web-based system, transmission via a Virtual Private Network (VPN), capabilities to transmit via Electronic Data Interchange (EDI) and others. Much of this functionality is being eliminated or is greatly changing.

With an average of approximately 900,000 EEI filings processed per month, the switch is substantial due to the volume of U.S. exports. It is important to note that the change not only impacts US Principal Parties in Interest and authorized agents, but also represents a major transition of functionality and control within the U.S. government.

Many export filers are looking for alternatives to AESDirect in the ACE Portal and are actively seeking solutions that can increase productivity, maximize efficiency and better leverage data.

A NEW SYSTEM OF RECORD FOR EEIs

The CBP ACE system and the International Trade Data System (ITDS) will help businesses more easily transmit information to multiple Partner Government Agencies (PGAs) involved in the export and licensure of cargo. It is anticipated that ACE, and the single-window to government model, will help the U.S. government improve security and gain better insight into the movement of goods.
A Timeline & Looking Forward

The Scale of the Transition At-a-Glance

Following the rapid on-boarding schedule and the move of EEI filing to the ACE Portal, there are few enhancements scheduled and no plans to replace functionality such as AESPcLink. In addition, given the fast pace and changing nature of the export industry, companies will require continued development and features to meet changing market and business needs.

In the Refactored AESDirect, enhancements such as reducing filers Denied Party Screening risk, enabling the portal to serve for recordkeeping and other capabilities are not planned.

1993
The Modernization Act called for additional electronic trade processes

2002
Trade Act of 2002 called for advance filing of electronic cargo information

2003
Electronic reporting of CCL and ITAR managed goods

2006
SAFE Port Act officially established the ITDS initiative under the Department of the Treasury

2008
Electronic filing is required for for many goods valued over $2,500 (exceptions apply)

2014
AES mainframe change to ACE

11/30/2016
The Refactored AESDirect system in ACE was launched

2/29/2016
AESPcLink users switched off in order of the first two digits of a company’s EIN

4/30/2016
AESWebLink, EDI and VPN functionality phased out
AESPcLink

Rapid Closure to Long-standing Procedures

Developed as an option to the web-based AESDirect U.S. Census functionality, AESPcLink was a service offering designed to facilitate the electronic filing of legacy Shipper’s Export Declaration (SED) information. The solution enabled users to complete filings while not connected to the internet. This offline data-gathering and storage structure allowed time to collect information for later upload and transmission. The AESPcLink download helped export filers manage submissions locally from a PC-based interface.

Both versions of AESPcLink, the individual desktop-based software as well as the enterprise-wide network edition, are being decommissioned based on the first two digits of a filer’s primary Employer Identification Number (EIN). As a result, all users are expected to rapidly transition to the CBP ACE Portal or other enabled connectivity options. The first step for many export filers was applying for an ACE Exporter Account.

Export filers who chose to use the CBP ACE Portal will need to enter each EEI one at a time in a new interface. Given the tight deadlines and rapid workflow of export departments, manual entry in a web-based platform is not always practical with the exception of a very low frequency of exports or one-off scenarios. Additional options and functionality are required to enable businesses to meet the rigorous demands of fast-paced export departments.
**AESWebLink**

*Changing Methodology for Web Services Connections*

Engineered to use external web-forms to file EEI and receive ITNs, AESWebLink can be analogous to web services. Essentially, the legacy AESWebLink capabilities allowed information to be passed to and from separate, third-party applications and AESDirect. The concept was to reduce redundant data entry and add a higher level of efficiency for logistics-oriented businesses. It is important to note that given the various methods that web-forms can be deployed and enabled across programming languages, a large variety of interfaces to AESWeblink were developed.

As current AESDirect WebLink users transition to communication with CBP’s Refactored AESDirect, there are certain types of connectivity and ease-of-use capabilities that differ. For example, pre-login to the CBP ACE Portal may be required ahead of initiating a web link. This is a change from form submission initiating the login process.

As with other regulatory changes, companies are leveraging the opportunity of the switch to the Refactored AESDirect as an opportunity to increase security, modernize programming and enable added flexibility. Businesses are actively seeking technology that can offer proven connectivity, or enable a platform to further leverage the data beyond an EEI filing for added communication.

The legacy AESWebLink solution enabled web developers and providers to pass data from third party applications to AESDirect. The Refactored AESDirect provides limited connection options and reduces some ease-of-use. The export community requires added connectivity choices to better suit operations.
AESDirect VPN & EDI Connectivity

The Need for Added Technology to Enable Communication

Higher volume filers who depended on AESDirect VPN and/or EDI connectivity may face one of the more substantial hurdles as far as the four types of users that use AESDirect connectivity.

The legacy U.S. Census AESDirect offered two options for automated filing including EDI and VPN functionality. With the Refactored AESDirect VPN functionality, if additional data is sent to CBP, the agency will reject the entire filing.

As a result, the Refactored AESDirect VPN functionality is more rigid and requires technology that can provide strict pre-validation. On the AESDirect EDI side, a substantial amount of setup is required in order to connect to the new system. In addition to this, there is a need for a solution to validate and format the data.

What is important to note is that users require further use of data. The ability to leverage messaging and offer added communication or notifications is essential. With the government portal, much of this functionality is not offered.

Larger or higher frequency export filers require solutions that can easily transmit EEI data elements and receive messaging and ITNs in return. Given the demands of the export industry, a commercial solution is often needed for optimal connectivity and streamlined processing.
AESDirect Alternatives

**Key Considerations for USPPIs & Authorized Agents**

Given the challenges of interfacing with AESDirect in the ACE Portal, there is a clear industry case for another viable option. Since many capabilities were not available in the legacy U.S. Census AESDirect.gov system, nor offered in the Refactored AESDirect, alternatives are needed to provide and address:

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td><strong>Recordkeeping requirements</strong> While data entered in the Refactored AESDirect is digital, all parties are still required to maintain supporting export documentation. Recordkeeping is mandated for many exports but is of particular importance for higher scrutiny goods such as those that fall under U.S. Department of State (DoS) International Traffic of Arms Regulations (ITAR) jurisdiction.</td>
</tr>
<tr>
<td>2</td>
<td><strong>Denied Party Screening (DPS)</strong> With large fines for transacting business with denied or restricted parties, a pre-filing sanctions review is necessary to help mitigate risk. Filers need flexible, easy-to-use options that quickly and efficiently screen customers, suppliers and trading partners against a comprehensive database of international restricted and denied party lists.</td>
</tr>
<tr>
<td>3</td>
<td><strong>Expert technical support</strong> One of the major components of successful technology is training, support and communication with the user base. These are fundamental aspects of the software experience, which can contribute to or detract from end use proficiency or solution success.</td>
</tr>
<tr>
<td>4</td>
<td><strong>Systems Integration</strong> Since many forwarders’ shipments are often held until an Internal Transaction Number (ITN) is received, powerful systems connectivity is important to speed the export supply chain. In order to ensure a higher level of productivity, EEI filing options with accurate and reliable data flow is vital.</td>
</tr>
<tr>
<td>5</td>
<td><strong>Checks &amp; Balances</strong> Ensuring that validations are performed prior to submitting an EEI can help add to data accuracy and reduce the potential of a fine. Checks, balances and data validation also apply to system-to-system connectivity in which the format of data is of particular importance.</td>
</tr>
</tbody>
</table>
Discovering a New Way to Work

The Power of Data to Drive a Competitive Advantage

In regard to EEIs and information management, there are two fundamental concepts that are critical for export filers:

1. Re-purposing information is essential to maximize the value of information and to better compete
2. A solution is required to streamline communication with multiple parties and for better overall connectivity

In general, if digital information is provided, then electronic responses, in the form of status messages, are returned. Leading USPPIs and their authorized agents are using messaging to differentiate service offerings in a highly competitive marketplace.

With this information, businesses can provide real-time status events to their customers. Companies with better data communication transparency are more likely to win new business and retain existing customers.

Messages can also be streamed directly into a customer’s Enterprise Resource Planning (ERP) solution, a forwarder’s system or provided on-demand.

All of this can be performed without an in-depth knowledge of messaging formats and protocols. This applies to USPPIs who use a commercial web-based portal as well as those who leverage system-to-system connectivity to and from ERP solutions.

LEVERAGING THE RIGHT TECHNOLOGY

Logistics-oriented businesses need to perform at the highest level with maximum productivity, accuracy and the ability to do more. The technology utilized should provide added benefits and offer the flexibility to grow within the same system or framework.
### The Refactored AESDirect: Some Common Questions

**Questions Answered & Misconceptions Addressed**

As businesses enter into the era of AESDirect functionality in the ACE, several concerns and thoughts have come to light including:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td><strong>Isn’t using a commercial system complex &amp; costly?</strong>&lt;br&gt; No. Commercial solutions are often structured with a tiered based structure to adapt to the various needs of export filers. The end result of these systems is to add value to the end user, while government solutions are often one-way data collectors with limited messaging or options.</td>
</tr>
<tr>
<td>2</td>
<td><strong>Didn’t AES already transition to ACE?</strong>&lt;br&gt; There was a seamless engineering change that occurred previously where export commodity functionality was moved to the CBP ACE platform, however this did not impact the trade or current processes.</td>
</tr>
<tr>
<td>3</td>
<td><strong>Is the new AESDirect part of the ACE Export Manifest initiative?</strong>&lt;br&gt; Although there is some crossover of data elements between the two programs, the Refactored AESDirect is not an export manifest filing. For example, an ITN can be obtained via AESDirect and then submitted via the Export Manifest program if part of the pilot.</td>
</tr>
<tr>
<td>4</td>
<td><strong>Does the ACE Portal screen for sanctions?</strong>&lt;br&gt; The Refactored AESDirect does not screen for denied or restricted parties or entities. DPS is not a service that is offered by CBP, nor is the functionality part of the current or future development schedule.</td>
</tr>
<tr>
<td>5</td>
<td><strong>Can a parts database (with Schedule-Bs) be uploaded to the ACE Portal?</strong>&lt;br&gt; Capabilities to upload a parts database with associated Schedule-Bs, for example, is not a feature of the Refactored AESDirect. This functionality and other features are only found in commercial systems.</td>
</tr>
</tbody>
</table>
The Potential for Business

**Better Methods to Add Value & Leverage Data**

USPPIs differ in size, needs, approaches and industry niche. The AESDirect solution selected should be smart, match the needs of business and offer flexible choices including:

- An industry-tested web-based portal with fast, expert implementation and world-class technical support
- Capabilities for electronic connectivity, including system-to-system messaging
- Value-added services such as comprehensive shipment management, accounting, customs clearance, detailed global Harmonized System (HS) classification, Denied Party Screening (DPS) and more
- Options to reuse electronic data to meet increasing global cargo filing security initiatives and to ensure that the flow of cargo is not interrupted by inaccurate data
- Additional services and bulk options to call upon as needed during high volume shipment periods
- The ability to leverage a solution for recordkeeping to meet U.S. document storage requirements

**A CENTRALIZED SYSTEM**

Performing redundant recordkeeping, messaging or denied party screening in multiple systems is not efficient. Leading export filers are choosing systems with verification options, added communication, template-driven data entry, access to historical data and more.
### AESDirect: Self-Assessment Worksheet

**Questions to Help USPPIs & Authorized Agents Review Operations**

No two export filers are the same with differing requirements that vary by company size, industry niche, customer type and even time of year. The below series of questions have been developed as a guideline to refine the best methodology to submit EEI.

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>How much time is allocated to re-keying export-related information into other systems?</td>
<td>✓</td>
</tr>
<tr>
<td>How confident are you in new AESDirect government technology that has not been tested by the marketplace?</td>
<td>✓</td>
</tr>
<tr>
<td>What are the capabilities of your existing logistics technology?</td>
<td>✓</td>
</tr>
<tr>
<td>Are there times when you are unable to enter EEI details in a timely manner due to business demands?</td>
<td>✓</td>
</tr>
<tr>
<td>How much time does your business spend producing and emailing EEI details?</td>
<td>✓</td>
</tr>
<tr>
<td>How are you gathering information from your customers, overseas agents and business partners?</td>
<td>✓</td>
</tr>
<tr>
<td>What methodology are you using to ensure that business is not transacted with denied, restricted or sanctioned parties and companies?</td>
<td>✓</td>
</tr>
</tbody>
</table>
Descartes AESDirect Solutions

Meeting the Needs of Large and Small Exporters & Authorized Forwarders

Descartes is a leading logistics technology provider that offers solutions to help boost productivity, maintain recordkeeping requirements and improve processes within a centralized system. Our capabilities include:

A Web-based interface
A powerful web-based option that allows users to key-in information in an intuitive, and easy-to-navigate web interface. A template-driven interface speeds repeated filings with checks and validations prior to submission to increase accuracy.

System-to-system connectivity
An advanced, tightly-integrated, system-to-system EDI connection. This option includes functionality to link with Enterprise Resource Planning (ERP) systems to create a single, consistent source for AES data.

Expert EEI Entry & Preparation
Descartes USExport™ AES Preparer Service for lower-volume exporters with high priority shipments. This option includes expert advice and streamlined preparation by fax or email. With over 15 years serving the export industry and with dedicated support, our customers are achieving a higher level of operational success with expert EEI entry and preparation options as needed.
About Descartes

About Descartes Systems Group - Descartes (TSX:DSG) (Nasdaq:DSGX) is the global leader in providing on-demand, software-as-a-service solutions focused on improving the productivity, performance and security of logistics-intensive businesses.

Customers use our modular, software-as-a-service solutions to route, schedule, track and measure delivery resources; plan, allocate and execute shipments; rate, audit and pay transportation invoices; access global trade data; file customs and security documents for imports and exports; and complete numerous other logistics processes by participating in the world's largest, collaborative multimodal logistics community.

Our extensive customs and logistics domain expertise is embodied in a comprehensive technology platform designed to help brokers and forwarders more efficiently run complex international operations. On-demand solutions enable large and small organizations to take advantage of robust capabilities for bookings, security filings and customs entries, shipment and financial management.

Descartes’ market-proven solutions automate the collection of shared data and multi-party shipment processes. Our advanced solutions can help brokers and forwarders extend the command of operations with their logistics partners to help meet their delivery performance objectives.

The Descartes Systems Group Inc.
120 Randall Drive, Waterloo, Ontario, N2V 1C6, Canada
Toll Free 800.419.8495 | Int’l 519.746.8110
www.descartes.com | info@descartes.com

Uniting the People & Technology That Move the World.

© 2016 The Descartes Systems Group Inc. All rights reserved.