

### **EXPORTER ACTIVITY DATA**

Accessing and analyzing the U.S. government records of all company export transactions is a very useful way of identifying compliance issues. While companies may generally be aware of their export activities, it is very difficult for most companies to be completely knowledgeable of the detailed information regarding their freight forwarders and Automated Export System (AES) service providers, EINs used, Customs ports of export, merchandise origin, export value, HTSUS/Schedule B and ECCN classifications, export licenses and conditions, export destination countries, etc. Having accurate summary and detailed export information is critical in properly managing the export process. Our firm has developed a proprietary program for analyzing the government records to assist our clients in this effort.

The analysis and reports generated by our system assist companies in understanding the volume and costs of their exports. Clients use this information to identify issues, correct problems, assess risks, allocate resources, and update/improve their current processes. Identifying export compliance issues is critical to exercising sufficient diligence and preventing, or at least mitigating, penalties. We have significantly upgraded our software programs and have highly-trained legal assistants to efficiently manage the production of the reports.

Exporter activity data is secured from the U.S. Census Bureau in Washington, D.C. The request must be placed on Company letterhead and authorized by an appropriate Company representative. The statistical information received is based upon the AES data ("Electronic Export Information" or "EEI") that is received by Census. The data does not include information on export shipments that did not require an AES submission. Generally, this includes shipments to Canada and HTSUS line items that are less than \$2,500 in value unless a license or license exception is used. The most recent calendar year is available from Census at no cost. Additional months are available at a cost of \$125 per month.

Once we receive the Census data, our fees to process the government's raw data varies depending on the number of EINs analyzed, the number of export line items, and any data issues. Typically our fees range from \$1,500 to \$2,500 for one EIN for one year, with additional fees for each subsequent EIN, multiple years of data, or a very significant volume of transaction activity.

Listed below is a summary of the reports that are typically produced in providing our analysis:

### Exporter Activity Data

1. Overall Summary – Identifies total numbers of true foreign exports and exports between the United States and Puerto Rico or the Virgin Islands, including routed transactions.
2. USPPI EIN Usage – Identifies EINs being used as U.S. Principal Parties in Interest (USPPI) on a company's behalf, as well as the volume and value of such exports for each USPPI.
3. Country of Destination – Identifies destinations of exports and assists in monitoring compliance with export regulations. Detailed reports are provided to assist in licensing compliance.
4. HTSUS Usage Summary – Identifies volume and export value of products by tariff classification. Detailed reports link exports identified by HTSUS classification to country of destination, along with license codes to assist in export compliance.
5. Port of Export – Identifies forwarding agents providing service by specific port.
6. Exporting State – Identifies exports by state, EIN, country of destination, and export date.
7. AES Filer ID Log – Identifies the party that transmits the AES transmission for the exporter. It is exactly like the very valuable Import Customs Auditor Report that confirms the parties undertaking services on your behalf.
8. Forwarding Agent Log – Provides a summary by ITN number of all transactions managed by each forwarder.
9. Miscellaneous Reports – Summarize by volume and export value Foreign-Trade Zone identification, domestic versus foreign exports, related versus non-related party exports, mode of transportation usage, and ECCN and license usage.

While an analysis of one (1) year of data provides great insight, obtaining five (5) years of data is preferable because it identifies trends and complies with statute-of-limitation standards. Our final reports are presented in a three-ring binder and many of our clients' average approximately 375-600 pages of data, depending on the volume of transactions, with 50 pages of color graphs and charts. CDs are also provided. If requested, we can customize our reports to focus on a particular business unit or site to identify specific issues. We can also specialize in additional data selection for management needs.