

MAY 26 2016



UNITED STATES DEPARTMENT OF COMMERCE
Economics and Statistics Administration
U.S. Census Bureau
Washington, DC 20233-0001

Mr. George R. Tuttle, III
Tuttle Law Offices
1100 Larkspur Landing Circle, Suite 385
Larkspur, CA 94939

Dear Mr. Tuttle:

This is in response to your letter of April 29, 2016, requesting guidance regarding the Foreign Trade Regulations (FTR) reporting requirements for two scenarios. In the first scenario, your Canadian client, [REDACTED], purchases items from a U.S. manufacturer and then stores the goods at a U.S. location operated by a third party logistics/distribution center. The goods remain in the third party logistics/distribution center for several weeks or months before being sold by [REDACTED] CA and exported to a foreign buyer. Based on the details provided in your letter and our further correspondence, the third party logistics/distribution center would be the U.S. Principal Party in Interest (USPPI) and the value to be reported would be the fair market value of the goods at the time of export.

In the second scenario, items are imported from Canada and enter the consumption channels of the United States. They are then stored in a U.S. location operated by a third party logistics/distribution center until they are sold by [REDACTED] CA and exported to a foreign buyer. In this second scenario, the third party logistics/distribution center would be the USPPI. The value to be reported would be the value reported upon importation into the United States.

Both scenarios would be considered a routed export transaction if [REDACTED] CA authorizes a U.S. agent to facilitate the export items from the United States and file the Electronic Export Information (EEI) on its behalf. As such, the USPPI must either obtain written authorization from [REDACTED] CA to file the EEI or provide [REDACTED] CA's U.S. authorized agent with the information detailed in section 30.3(e)(1) of the FTR.

We appreciate the opportunity to assist you with your efforts to maintain compliance with the Foreign Trade Regulations. If you have any further concerns regarding this or other regulatory matters, please contact me or Ms. Kiesha Downs, Chief, Trade Regulations Branch, International Trade Management Division, on (800) 549-0595, Option 3.

Sincerely,

Dale C. Kelly
Chief, International Trade Management Division

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GEORGE R. TUTTLE

JUN - 7 2016

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