

MAR 23 2009



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

Mr. George R. Tuttle, III
Law Offices of George R. Tuttle
A Professional Corporation
One Embarcadero Center, Suite 730
San Francisco, CA 94111-4044

Dear Mr. Tuttle:

This letter is in response to your letter dated March 2, 2009, on behalf of [REDACTED] requesting clarification of the Foreign Trade Regulations (FTR), Section 30.6(a)(17). Specifically, you are requesting clarification of the value to be reported in a routed export transaction.

The FTR, Section 30.6 (a)(17), states that in general, the value to be reported in the Electronic Export Information (EEI) is the selling price or cost of goods if not sold. This value is to be reported in both standard and routed export transactions. In your letter you explained that [REDACTED] sells directly to their related affiliated company, and then that related party re-sells the goods to a third party located overseas. If [REDACTED] related affiliated company is located in a foreign country the value to be reported would be the selling price between [REDACTED] and the related party. However, if [REDACTED] related affiliated company is located in the United States, the value to be reported would be the selling price between the related party and the foreign buyer.

In addition, I would like to further clarify two additional items referenced in your letter, the Foreign Principle Party in Interest (FPPI) definition, and confidentiality of the EEI. You are correct that the FTR defines the FPPI as the party shown on the transportation document to whom final delivery or end-use of the goods will be made. However, the Foreign Trade Division (FTD) has revised the definition to reflect that the FPPI *may* receive the final delivery, or *may* be the end-user. In your letter you also stated that due to confidentiality reasons, [REDACTED] did not wish to disclose to the ultimate consignee its actual selling price to its related affiliated company or distributor. The information in the Automated Export System (AES) is confidential, and is not disclosed to anyone except the U.S. Principle Party in Interest (USPPI) or the U.S. authorized agent who filed the export information. Therefore, it is not necessary for your loading documents such as the commercial invoice to conform to what is reported in the AES, because the AES record is not released to foreign parties.

We appreciate the opportunity to assist you with your goals of maintaining and promoting compliance with the FTR. If you have any further concerns regarding this or other regulatory matters, please contact Ms. Melannie N. Walker, Regulations, Outreach, and Education Branch (ROEB), Foreign Trade Division, on (800) 549-0595, (option 3).

Sincerely,

Joe A. Cortez
Chief, Regulations, Outreach,
and Education Branch
Foreign Trade Division