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

FTR Letter No. 3

MEMORANDUM FOR U.S. Customs Service Headquarters, Directors of Field Operations, Port Directors, Foreign Trade Zone Operators, U.S. Department of Commerce District Offices, U.S. Principal Parties in Interest, Freight Forwarders, Exporting Carriers, Consolidators, U.S. Customs Brokers, and All Others Concerned

From: William G. Bostic, Jr. *W. G. B. Jr.*
Chief, Foreign Trade Division (FTD)

Subject: Shipments to International Waters

This letter clarifies the requirements in the Foreign Trade Regulations for filing the electronic export information through the Automated Export System (AES) for shipments to International Waters. Shipments to International Waters are statistical and must be reported in the AES when the commodity is valued at over \$2,500 per Schedule B number or if a shipment is licensed by the U.S. Bureau of Industry and Security (BIS), regardless of value.

The U.S. Census Bureau has modified the AES by adding a new Export Information Code (EIC) "IW" for exports of items to International Waters as a final destination. This modification will allow the BIS to capture data on dual-use licensed exports and the Census Bureau to capture statistical information on shipments to International Waters. The AES filers who report "IW" are required to report either license code C30 (General License) or C31 (Special Comprehensive License), a valid BIS license number and the Export Control Classification Number corresponding to the license must be reported when applicable.

The country of destination and ultimate consignee reported in the AES must conform to the BIS license. The AES filers may use any mode of transportation, however, ocean shipments must include one of the five "high seas" foreign ports listed in the Schedule K, Classification of Foreign Ports by The Geographic Trade Area and Country. A common example of the use of the EIC "IW" may be the export of a controlled item to a platform in International Waters used for oil and gas exploration.

Every effort must be made by the U.S. Principal Party in Interest or its authorized agent to comply with this requirement. If you have questions concerning this requirement, please contact the Regulations, Outreach, and Education Branch, Foreign Trade Division (FTD) on 800-549-0595, option 3, or by e-mail using FTDRegs@census.gov.