

TradeSource

July 2018
Issue 17

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Expand Into Global Markets

In this issue you will find articles that will help you to expand your business into new markets globally, and obtain financial assistance, valuable resources, contacts, and other useful information. The agencies contributing articles to this newsletter will provide you a framework that can impact the decisions you make regarding your business strategies. Those agencies include the U.S. Customs and Border Protection, Minority Business Development Agency, EXIM Bank of the United States, the U.S. Commercial Services, and the U.S. Census Bureau. These agencies are available to support you in operating more efficiently and expanding your business opportunities internationally. Please feel free to reach out and contact a specialist featured in this issue for assistance or to address questions you may have regarding your business operations. We hope that you enjoy the articles, and we believe they will help you accelerate your market competitiveness.

To File or Not to File: Software Exports

By Jessica Mangubat, Survey Statistician, Census Bureau's International Trade Management Division

Have you ever sold software to a foreign buyer and wondered if you needed to file in the Automated Export System (AES)?

The answer . . . it depends.

You first need to ask yourself: Will the software be transmitted to the foreign entity through an electronic or intangible transfer? Or will the software be physically exported from the United States on a physical medium, such as a laptop, CD-ROM, or USB drive?

Electronic Transmissions and Intangible Transfers

If the software will be transmitted to the foreign entity through an electronic transmission or intangible transfer, then it's excluded from the filing requirements of the Foreign Trade Regulations (FTR). This exclusion applies to software with and without a license. The Census Bureau only captures information on goods that are physically exported from the United States. The specific exclusion is found in [Section 30.2\(d\)\(3\)](#) of the FTR. If your sale of software falls under this exclusion, you will use the exclusion legend or e-manifest annotation, NOEEI 30.2(d)(3) or 2D3, respectively.

Additionally, it is important to note that licensed software transmitted electronically or through other intangible means, may be subject to licensing requirements. Contact the licensing agency directly to determine if there are other requirements.

Physical Export

If the software will be physically exported from the United States on a physical medium, such as a laptop, CD-ROM, or USB drive, then filing in the AES may be required. You need to ask yourself:

- Is the software considered mass-market or customized?
 - Mass market software is software that is available to all consumers and could be used without needing anything special to make it work or without substantial technical support from the developer or supplier.
 - Customized software is software that is created for a specific customer or software that is not readily available to the general public that requires substantial technical support by the developer or supplier.
- Does the software require a license from an export control agency, such as the State Department or the Bureau of Industry and Security?

Depending on your answer to these questions, the table on the following page will help guide you.



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Mass Market Software

Licensed/nonlicensed and value	AES filing required?	What to annotate/report in the AES
Nonlicensed; \$2,500 or less per Schedule B	No. See Section 30.37(a) of the FTR.	Annotate commercial loading documents or e-manifests with NOEEI 30.37(a) or 37A, respectively.
Nonlicensed; more than \$2,500 per Schedule B	Yes. Value is greater than \$2,500 per Schedule B.	Value of Goods: Selling price of the software. Schedule B or HTS Number: Schedule B or HTS number associated with the physical medium.
Licensed; regardless of value	Yes. See Section 30.2(a)(1)(iv) of the FTR.	Value of Goods: Selling price of the software. Schedule B or HTS Number: Schedule B or HTS number associated with the physical medium. License Value: The value identified on the license associated with the software being exported.

Customized Software

Licensed/nonlicensed and value	AES filing required?	What to annotate/report in the AES
Nonlicensed; \$2,500 or less per Schedule B	No. See Section 30.37(a) of the FTR.	Annotate commercial loading documents or e-manifests with NOEEI 30.37(a) or 37A, respectively.
Nonlicensed; more than \$2,500 per Schedule B	Yes. Value is greater than \$2,500 per Schedule B.	Value of Goods: Value of the physical medium. Schedule B or HTS Number: Schedule B or HTS number associated with the physical medium.
Licensed; regardless of value	Yes. See Section 30.2(a)(1)(iv) of the FTR.	Value of Goods: Value of the physical medium. Schedule B or HTS Number: Schedule B or HTS number associated with the physical medium. License Value: The value identified on the license associated with the software being exported.

We hope this article provided some clarification about when filing software in the AES is necessary. As always, if you have further questions, need additional clarification, or assistance with filing, feel free to contact the Trade Regulations Branch at 1-800-549-0595, option 3 or e-mail <itmd.askregs@census.gov>.



If by chance you missed the World Trade Month, "Go Global Webinar" four part series conducted in May, you missed a wealth of valuable information. Here's an opportunity to hear the Webinar content. Simply visit www.census.gov/foreign-trade/outreach/index.html to obtain the transcript, presentation, and recordings.

Obtain
contacts
and
resources

Receive
valuable tools

Federal agencies
presenting:

Small Business Administration,
Ex-Im Bank, and the U.S.
Department of Commerce
(International Trade
Administration, U.S. Commercial
Service, U.S. Census Bureau, and
the Bureau of Industry
and Security).

-GET STARTED-

Description: Prepare your company to export, learn how to tap the expertise of international trade experts, and connect with foreign buyers.

-GET PAID-

Description: Learn how to get the working capital and financing you need, manage risk, and protect your financial interests in international markets.

-PREPARE TO SHIP-

Description: Understand key U.S. regulations you need to abide by, tips for smooth shipping, and getting ahead of foreign market standards or requirements.

-MANAGE CHALLENGES-

Description: Learn how to protect your intellectual property, get quick help from our U.S. embassies, and get the government behind resolving unfair trade barriers.

Visit export.gov for market intelligence, practical advice, business tools, and government services that help U.S. companies expand in global markets.

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Archived Trade Webinars

ACE EXPORT REPORTS

This Webinar provides an overview and best practices in utilizing the export reports feature in the Automated Commercial Environment (ACE).

ADVANCED ACE EXPORT REPORTS

An advanced tutorial on the export reports feature in ACE.

ACE AESDIRECT DEMONSTRATION**

Demonstration of filing Electronic Export Information (EEI) to the Automated Export System (AES) using the ACE AESDirect portal. Also highlights the portal's shipment filter functionality for retrieving previously filed ACE AESDirect shipments.

ROADMAP TO A SUCCESSFUL VOLUNTARY SELF-DISCLOSURE

Provides information about the U.S. Census Bureau's voluntary self-disclosure process.

AES RESPONSE MESSAGES WITH A FOCUS ON FATAL ERRORS

Provides overview of the various AES generated response messages a filer may receive when filing EEI to the AES.

EXPORT CLASSIFICATION**

Demonstration of live classification provides tips for using the Schedule B search engine and explains the international and U.S. rules of classification.

**AND MORE TO INCLUDE WEBINARS FROM DIRECTORATE DEFENSE TRADE CONTROL,
BUREAU OF INDUSTRY AND SECURITY, SMALL BUSINESS ADMINISTRATION, AND
EXPORT IMPORT BANK**

**** Indicates Webinar available in English and Spanish.**

All archived Webinars may be accessed at <www.census.gov/foreign-trade/outreach/index.html>.

Update on World Trade Month Go Global Webinar—Get Paid!

By Sharyn Koenig, Managing Director, EXIM, and Elizabeth Thomas, Director Sales and Marketing, EXIM

On May 16, 2018, Export-Import Bank of the United States (EXIM) Managing Director Sharyn Koenig spoke during the interagency Webinar “Get Paid,” educating exporters on how to increase competitiveness in foreign markets while ensuring that the receivables generated by international sales get paid. The session generated a lot of interest and discussion about how EXIM supports international sales for companies of all sizes. Here are some of the frequently asked questions.

1. My foreign buyers want credit terms, but I require letters of credit or cash in advance. I don't want to lose these sales. Can EXIM help?

Letters of credit are secure payment terms, as the trade documents flow through commercial banks, which attach fees for the buyer and seller to process the documents and pay the exporter. Letters of credit may be “confirmed” by the exporter’s bank, taking the nonpayment risk away from the exporter. However, if the letter of credit is unconfirmed, the exporter has the risk of the buyer’s bank not paying, EXIM can insure that risk. Of course, another option would be to forego the letter of credit completely and offer open account credit terms, also insurable by EXIM.

2. I need money to help grow my export business. How can EXIM help me?

EXIM’s Working Capital Loan Guarantee offers a guarantee to your lender so they will be more willing to lend you money to purchase or manufacture goods and services destined for export. The collateral for the loan is the inventory itself, including WIP (work in process), as well as the foreign receivables generated from the sale of the products. You must be able to demonstrate that you can service the debt you are taking on, and therefore your company’s financial statements will be reviewed and the owner’s personal guarantees are required. EXIM’s guarantee is 90 percent, so the lender may require you to separately collateralize the remaining 10 percent. The interest rate is negotiated between you and the lender.

3. My company provides a service, so we don't have an actual “product.” Can EXIM help me?

Of course! The requirement is the services be performed by U.S.-based personnel, either here in the United States or temporarily located in the host country. Progress billings must be in intervals no longer than 30 days, with payment

terms allowed up to 180 days. Please note that we do not cover contract repudiation (cancellation of the contract).

4. I have a very small business, with only eight employees. We have just started to export a U.S.-made product and our sales volume is only \$75,000 a year right now. Am I too small for EXIM?

Absolutely not! EXIM has special policies for small businesses which have been in business for at least 1 full year and have a Data Universal Numbering System number and financial statements or tax returns; the coverage is 95 percent for both commercial and political risks, with no deductible. You pay the premiums only on what you ship, when you ship. This pay-as-you-go feature means that there are no lost premium dollars, and you are only paying premium on the gross invoice value of your actual shipments. And . . . there is no minimum premium! To qualify as a small business, you must meet the definition set forth by the Small Business Administration (SBA). In general, a manufacturer will qualify if the total number of employees in the company (including any parent, subsidiaries, and affiliates) is fewer than 500 or fewer than 100 if the company is a distributor or wholesaler. To qualify for our small business policies, you must meet the SBA definition and have export credit sales of less than \$7.5 million.

5. Does EXIM have any programs for veterans, women, and minority-owned businesses?

EXIM has a business development team devoted to veterans, women, and minority-owned businesses, which markets exclusively to those sectors. They provide hands-on training to small, veteran, woman, and minority-owned companies that wish to export. In addition, they collaborate with trade associations and other federal agencies that have a minority trade focus to help inform audiences about EXIM financing and create opportunities for export-ready businesses.

6. How long does it take to process an application with EXIM?

Approval times will vary according to the product, dollar amount, and complexity of the transaction. EXIM OnLine is a Web-based application system that streamlines the short-term export credit insurance application and most applications for these products are approved within 10 working days. Working capital loan guarantee transactions

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may be approved very quickly by using a lender which has delegated authority (see the list at <www.exim.gov>). These lenders can approve transactions within their own credit committee without having to present them to EXIM for processing, and applications are typically within 3 weeks.

7. I feel that my buyers are creditworthy, but I am concerned about the political climate in some of the countries. What can I do to mitigate these risks?

Political unrest, state actions like nationalization, or deteriorating relationships between governments can have a severe impact on exporters by disrupting the buyer's ability to pay or restricting import of a product that is already in transit. EXIM offers a political-only export credit insurance policy which protects receivables at 90 percent or 95 percent for specified political risks, depending on the policy type selected. Sovereign buyers (those which have the Central Bank or Ministry of Finance guarantee) are covered at 100 percent.

8. I sell U.S.-made capital equipment and my foreign buyers want several years to pay for it. I cannot afford to carry the receivable for this long. What can I do?

Many commercial banks that partner with EXIM are willing to finance the buyer for you. The EXIM regional office near you can tell you if your own lender is one of these banks or can help you locate a lender for your deal. Generally, the bank will do a credit check on the buyer to make sure they are creditworthy for the amount of the sale. When you present the shipping documents to the bank, they cash you out and create a promissory note between themselves and your buyer, under which the buyer pays the bank in semi-annual installments. Your buyer pays all of the bank's fees and directly negotiates the interest rate on the loan. The commercial bank is willing and able to do this because EXIM is protecting them against nonpayment by your buyer!

Stay tuned for more articles addressing the questions we frequently hear from exporters. In the meantime, if you are interested in learning more about connecting with foreign buyers, e-mail <Elizabeth.Thomas@exim.gov> and request a free consultation with your local EXIM representative.



Accelerate Your Exports: Don't Go at It Alone!

By Elizabeth Thomas, Director of Sales and Marketing, EXIM Bank

The Small Business Administration (SBA), Department of Commerce, and EXIM Bank work closely together to help small businesses obtain working capital for export-related activities, meet potential international buyers, and protect a company's foreign receivables from nonpayment. Here are three of the most important lessons I have learned from colleagues at each of these agencies.

Lesson 1: You can do it by yourself, but why would you?

SBA's Bill Houck, the Mid-Atlantic Regional Manager for the Office of International Trade urges small business executives to do three things:

I. Build your export expertise.

The SBA Web site <www.sba.gov> has a wealth of information to help you get started including:

- The Export Business Planner—a customizable tool for small businesses that are exploring exporting.
- An online export training course.
- Information on SBA export loan programs.

II. Gain management buy-in.

Trying to export without senior management support makes an opportunity a challenge. A successful small business exporter has a strategy, a plan, resources, and executive commitment. What arguments can you use to get your boss moving? Try these:

- Money—companies that export are 17 percent more profitable than those that don't.
- Protection—exporting is a hedge against a domestic market upheaval, remember 2008?
- Predictability—exporting can smooth out your business cycles, eliminating seasonality.
- Competitiveness—exporters become stronger in all markets, including at home.
- Exit Strategy—increase the value of your business should you choose to sell.
- It's for everybody—no business and no deal is too small.

III. Be export ready!

For early stage companies, the Small Business Development Centers, a partnership between the SBA, universities, and state economic development agencies, provide a variety of free consulting and low-cost training services including:

- Business plan development
- Procurement and contracting aid
- Market research

Finally, the SBA's SCORE, a nonprofit association of volunteer business counselors located throughout the United States, is another of the SBA's many resources for small businesses. With over 13,000 counselors across the country, seasoned executives are there to help maximize the success of your business.

Lesson 2: Exporting is a contact sport!

Sandra Collazo, Senior International Trade Specialist for the Department of Commerce, U.S. Commercial Service, counsels small business owners to meet face-to-face with international partners and buyers, preferably in the local market. Many small business exporters have benefited from Department of Commerce programs including:

- International Buyer Program Trade Shows—industry specific trade shows and events that bring thousands of international buyers to the United States for business-to-business matchmaking with U.S. firms.
- Gold Key Service—in-person meetings with pre-screened buyers, distributors, government contacts, and others.
- Single Company Promotion—a promotional event to reach a target audience of clients and key decision-makers in markets around the world.

Lesson 3: Want to sleep at night? Get export credit insurance.

Sharyn Koenig, Managing Director, EXIM Bank, educates small business exporters on the top three reasons to have export credit insurance:

- Risk Protection—protect receivables from nonpayment by international buyers due to political or commercial reasons.

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- Sales tool—offer competitive terms to foreign buyers (generally up to 180 days, some products may qualify for 360 day terms).
- Financing Aid—insured receivables may be added to your borrowing base by assignment of policy proceeds to a lender.

In many locations the SBA, Department of Commerce, and EXIM Bank are housed together in one convenient location known as a U.S. Export Assistance Center. They are there to help you accelerate your exports—you don't have to go at it alone! Contact me at <Elizabeth.Thomas@exim.gov> to make an appointment for one-stop shopping today.

[Click here](#) for more details on leveraging your export credit insurance policy and negotiating competitive credit terms with your foreign buyers.



Want To Grow Your Minority Business Enterprise? Look Abroad

By Joann J. Hill, Chief of the Office of Business Development, Minority Business Development Agency

When it comes to exporting, many minority businesses are reaping the rewards of selling internationally, while other firms have yet to explore sales. In the below question and answer, members of the Minority Business Development Agency (MBDA) Access to Market Business Development Team, George Mui and Gabriela Morales discuss exporting and how these businesses can take advantage of U.S. government export resources to successfully navigate their first or new export markets.

1. Why should minority-owned firms consider exporting or expanding into new foreign markets?

Ninety-five percent of the world's potential consumers live outside of the United States, so minority-owned firms that want to grow in size, employees, and revenue should absolutely consider exporting to at least one country. Many minority business enterprises (MBEs) are part of a diaspora community and have a distinct advantage in conducting business in their home countries. Those MBEs can leverage their understanding of the language and business culture to export and expand into their native countries and the surrounding markets.

2. What do you see as the potential to increase minority-owned business exports?

Only a small share of U.S. businesses export, which includes minority-owned firms. But studies have shown that minority businesses are twice as likely to export as non-minority-owned firms. In addition, among all U.S. export firms, 59 percent sell to only one foreign market. According to the U.S. Census Bureau, minorities compose 37 percent of the U.S. population and are projected to grow to 57 percent of the population by 2060. This means a growing potential for more MBE startups and exporters.

In 2016, MBDA created four export centers to provide technical assistance and business development services to generate increased financing, contract opportunities, and greater access to new and global markets for MBEs. The MBDA Export Centers, located in Chicago, Miami, Sacramento, and San Antonio, are also designed to help identify, screen, promote, and refer MBEs to export resources.¹

3. What would you say to MBEs who may view exporting as too burdensome, so why bother?

That's a common belief that prevents many companies, particularly MBEs, from exporting. Exporting doesn't have to be burdensome. With improved logistics options, global connectivity, e-commerce, and the availability of federal government export assistance, exporting is more viable than ever. There are a plethora of resources available to help, including U.S. Export Assistance Centers.

If you have a track record of selling in the United States—one of the world's most open and competitive markets—that's a good indicator that you can become a successful exporter. We encourage MBEs to partner with other MBEs to conduct business globally. For example, a partnership between two Chinese American firms can leverage language, business, and cultural understanding to export to China.

4. Do minority-owned firms have certain attributes that would make them successful exporters?

According to the Census Bureau, minority-owned firms are six times more likely to conduct business in a language other than English and three times more likely to generate 100 percent of their revenues from exporting compared to non-minority-owned firms, regardless of size. Overall, MBEs are uniquely positioned to expand their business operations through exports.²

5. Are you seeing any trends in terms of regions or markets for minority-owned exporters? How about types of products or services?

MBEs are taking advantage of the increased bilateral trade opportunities between the United States and China, in addition to other countries in Africa and South America for U.S. agricultural products and "Made in America" manufactured products. We've also seen a trend toward online business and e-commerce platforms, which have a diversified line of products and services that can be delivered to international markets. These platforms create expanded opportunities for minority-owned firms to export, particularly in the business consulting and educational arenas.

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6. From your experience, what are some challenges minority firms face in getting started in exporting?

The challenges we see most frequently are typical of many new businesses: Where do we start? How do we get paid? How will we finance exporting? Who should we reach out to for help? There are a number of federal and state agencies that offer access to technical assistance. When deciding whether your company is ready to export, there are a number of things to consider: internal resources and capabilities, top management commitment to exporting, and a clear export strategy. To overcome these and other challenges, it is important for companies to conduct their due diligence and utilize the resources offered by the federal government entities, such as the MBDA Export Centers.

7. In the past, the ability of MBEs to access working capital financing programs has been a major challenge. Have you seen this trend changing in recent years?

MBDA is working closely with EXIM Bank to provide its clients the access to trade financing they need for global transactions. The MBDA network of business centers and export centers are also exploring alternative financing solutions, including venture capital, equity investment, and foreign direct investment.

8. The U.S. government offers a wide range of export resources. Could you describe MBDA's partnership with the International Trade Administration (ITA)?

Our national network of 40 MBDA Business Centers coordinate and collaborate with ITA to leverage the resources that we each offer to the clients we serve. When coordinating trade missions, MBDA partners with ITA to provide certification of trade missions. We also collaborate with ITA's U.S. Commercial service and its worldwide network of commercial service officers domestically and internationally. The U.S. Commercial Service supports export counseling, business matchmaking, market intelligence, trade show support, and more.

MBDA Business Centers and Export Centers coordinate with the national network of more than 100 U.S. Export Assistance Centers, where the ITA U.S. Commercial Service, Export-Import Bank, and SBA International financing staff often collaborate to provide a one stop-shop for MBEs to start or grow their global footprint through exporting.

¹ U.S. Census Bureau, released December 2012.

² U.S. Census Bureau, 2007 Survey of Business Owners, released June 2011.



Are you Export Savvy? Get the Edge on Exporting With New Export.Gov Resources

By Curt Cultice, Senior Communications Specialist, and Jennifer Stone Marshall, Senior International Trade Specialist, U.S. Commercial Service



Setting your compass in international trade can be rewarding, but challenging. Are you wondering “What is my firm’s potential for international sales?” or “How do I find greater success abroad?” We have two new online tools that can help you chart a course: export.gov’s exporter (self) assessments and export business tip e-mails.

Exporter Assessments Point the Way Forward

The U.S. Commercial Service’s [exporter assessments](#) can help improve your export planning while pointing to helpful resources. With expert input from our global network of trade professionals, the quick and easy-to-use assessments are customized to different levels of experience: new-to-export companies, exporters expanding into new markets, or experienced exporters in more challenging markets.

There are many questions to consider. Here is a brief overview of questions that are answered in the assessments:

- Does your firm have sufficient production capacity that can be committed to the export market?
- Does your company have capabilities to modify ingredients and product packaging to meet foreign import regulations, cultural preferences, and survive competition?
- Will financing be required for any expansion?
- Has your business considered pursuing U.S. free trade agreement countries as part of a broader export strategy?

- Is your company familiar with U.S. Department of Commerce resources to help resolve trade issues and problems?

Moreover, each assessment provides important links to additional information, including the informative [Exporting Basics videos series](#).

New “Export Today” E-mails Give You Tips for Success

To continue developing your exporting competency, subscribe to our new e-mail tip service, [Export Today](#). You will receive biweekly e-mails from the U.S. Commercial Service and get pointers on exporting issues relevant to your company’s experience level. Whether it’s shipping issues, trade finance assistance, researching the market, or a separate issue, Export Today will provide you with insights and connect you with the best content on export.gov. [Sign up today](#).

Get Started Today on Export.Gov

With our decades of experience in helping U.S. companies sell abroad, we bring you the most useful information and tools on [export.gov](#). Companies that take the time to think through an export plan tend to have greater international success. The effort can make the difference between generating a few international sales and achieving real business growth. Get export savvy and on the path to new export sales by taking your own [exporter assessment](#) and signing up for [Export Today e-mail tips](#).

Census Bureau Searches for Conflict Diamonds Through Trade Data

By Carolyn Francis, Supervisory Survey Statistician, Census Bureau's International Trade Management Division



Diamonds Are Forever But Where Did They Come From?

Business and Economy

Have you ever wondered where your diamonds come from? Or what those sparkling gems looked like before they were polished? Did you know that many diamonds have been found in state parks in the United States? Or did you know that measures have been taken to prevent rough diamonds from being used to fund rebel movements across the globe?

If you want answers to any of these questions, look no further. The U.S. Census Bureau is the gatekeeper of diamond data for the United States—1 of 81 countries that have joined forces to eliminate trade in conflict diamonds, commonly referred to as “blood diamonds” or diamonds used by rebel movements to finance conflict aimed at undermining governments. Since its launch in 2003, the Kimberley Process (KP) has controlled trade in rough diamonds between participating countries through a certification scheme or system. The process forces transparency and prohibits trade with countries not part of the initiative. The United States has chaired the Working Group on Statistics for the KP Certification Scheme since 2009.

The Census Bureau's International Trade Management Division is responsible for collecting, compiling, and publishing import and export trade statistics and KP

certificate-based statistics. We are also designated as the exporting authority under the Clean Diamond Trade Act for the U.S. implementation of the KP. As chair of the Working Group on Statistics, our mandate is to address statistical matters pertaining to rough diamonds and to ensure effective implementation of the KP.

In 2016, the largest producer of rough diamonds by volume and value was the Russian Federation. They produced 58,546,540 carats, for a value of \$5,262,356,310. Botswana was second, producing 20,501,000 carats valued at \$2,845,948,820. The country of Lesotho, though not among the highest producers in volume or value, had the highest unit price of produced rough diamonds at \$1,065.88 per carat. Please see the charts on the next page for the 2016 production by volume, value, and top countries.

Some scintillating facts about diamonds found in the United States, particularly at the aptly-named Crater of Diamonds State Park in Murfreesboro, Arkansas:

- In 1924, a park worker found a rough diamond weighing 40.23 carats, the largest diamond ever discovered in the United States to date.

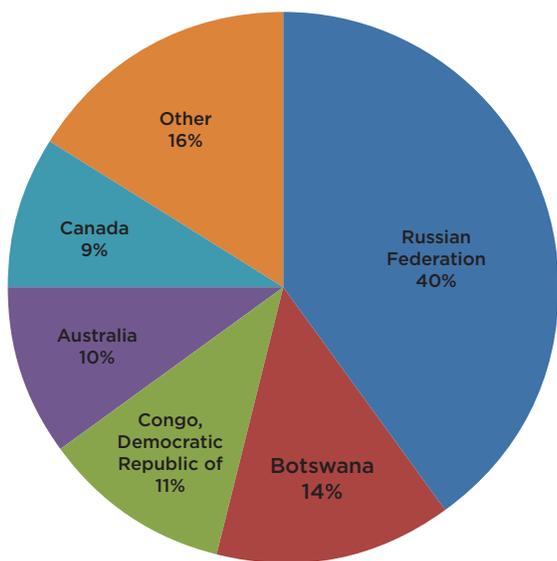
Continued on page 14

- In June 2015, a woman from Colorado found an 8.52 carat clear diamond and expects to get \$1 million.
- In March 2017, a young teen registered a 7.44 carat diamond, which was the seventh largest diamond found at the Arkansas State Park since 1972.

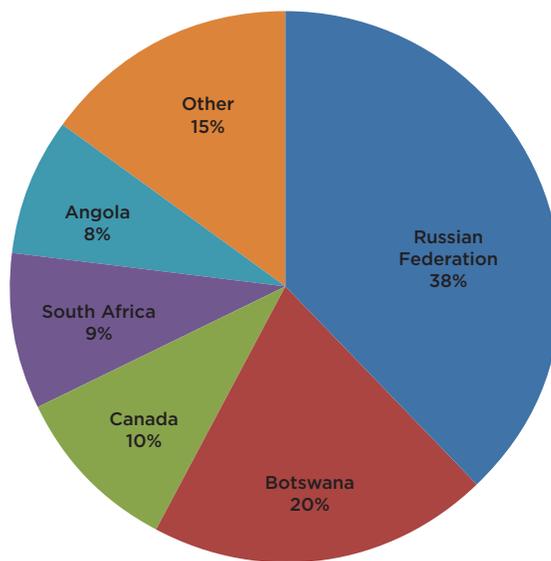
If you are looking for more information, please contact Carolyn Francis at 301-763-7016 or e-mail at <Carolyn.T.Francis@census.gov>.

2016 PRODUCTION

Production By Volume (Cts)
Total = 144,605,089.05



Production By Value (US\$)
Total = \$13,952,274,011.95



Automation of the Foreign Military Sales Case Information

By Robert Rawls, U.S. Customs and Border Protection, Outbound Enforcement and Policy Branch Chief

The Memorandum of Understanding (MOU) was developed, approved, and signed; the exchange of data was tested; and the necessary data elements were identified for the exchange of Foreign Military Sales (FMS) case data. U.S. Customs and Border Protection (CPB) now receives FMS case updates for all active FMS cases. This includes the amendments and modifications to the original case information.

The system changes were implemented in May 2018, allowing freight forwarders to no longer be required to take certain FMS related documents to CBP. This reduces the paper-handling costs for both CBP and the freight forwarders involved with FMS shipments. The trade was notified via field office pipelines towards the end of May of the system and procedural changes affecting them.

For the trade personnel that process FMS cases and shipments, this means that they will no longer be required to submit a new DSP-94 form to CBP every 2 years in order to be able to ship FMS cargo. The form no longer has to be lodged with CBP. Also the Letters of Offer and Acceptance (LOAs), the Amendments, and Modifications no longer have to be lodged with CBP. Thus reducing

courier and copying costs for the FMS freight forwarders. Additionally, the freight forwarders involved with moving FMS freight don't have to indicate where the FMS cases are lodged. CBP has a centralized database containing all of the FMS case information.

The submission of Electronic Export Information will remain unchanged in how or when it is required. The entry process, including Directorate of Defense Trade Controls Partnership Government Agency message set will still be required and is unchanged.

Recordkeeping will still be the responsibility of the freight forwarder. CBP officers processing FMS shipments in the event of questions about the shipment may request copies of the FMS cases. It is recommended that electronic copies of the FMS cases (LOAs, Amendments, and Modifications) be used to respond to the requests by CBP Officers.

If you have any questions or issues related to the automation of the FMS case data, please contact Robert Rawls at 202-344-2847.



Contact Information

International Trade Helpline	
ITMD blogs: www.census.gov/newsroom/blogs/global-reach.html 800-549-0595 (see menu options below)/*Secure fax: 301-763-8835 (all branches)	
Assistance With the Automated Export System, Option 1 Monday–Friday 7:30 a.m.–6:00 p.m. (Eastern Time) Fax: 301-763-6638 E-mail: askaes@census.gov	Assistance With Commodity Classification, Option 2 Monday–Friday 8:30 a.m.–5:00 p.m. (Eastern Time) Fax: 301-763-4962 E-mail: eid.scheduleb@census.gov
Assistance With Regulatory Guidelines, Option 3 Monday–Friday 7:00 a.m.–5:00 p.m. (Eastern Time) Fax: 301-763-4610 E-mail: itmd.askreg@census.gov	Assistance With Information on Trade Data, Option 4 Monday–Friday 8:30 a.m.–5:00 p.m. (Eastern Time) Fax: 301-763-4962 E-mail: eid.international.trade.data@census.gov
Assistance With Trade Outreach, Census Vetting, and Export Reports Authorization, Option 5 Monday–Friday 8:00 a.m.–6:00 p.m. (Eastern Time) Fax: 301-763-8835 E-mail: itmd.exportreports@census.gov	
<p>*The secure fax number is for confidential company information (i.e., data requests). Please include a cover sheet with the name and/or branch phone number to whom the fax should be delivered. The e-mail addresses below are not secure. Confidential company information should not be sent to these addresses.</p>	

AES Partnership Agencies	Web Sites
U.S. Customs and Border Protection (CBP), Trade Enforcement and Facilitation For general questions: OFO-import-exportcontrol@cbp.dhs.gov For vehicle questions: cbpvehicleexports@cbp.dhs.gov Robert Rawls, Outbound Enforcement and Policy Branch Chief 202-344-2847 E-mail: robert.rawls@dhs.gov	Export-Import Bank of the United States www.exim.gov U.S. Department of Agriculture Foreign Agriculture Service www.fas.usda.gov U.S. Department of Commerce Bureau of Industry and Security www.bis.doc.gov International Trade Administration www.export.gov www.trade.gov U.S. Census Bureau International Trade Management Division www.census.gov/foreign-trade U.S. Department of Homeland Security U.S. Customs and Border Protection www.cbp.gov U.S. Small Business Administration Office of International Trade www.sba.gov/international Small Business Development Centers www.sba.gov/sbdc U.S. State Department Directorate of Defense Trade Controls www.pmdtdc.state.gov U.S. Treasury Department Office of Foreign Assets Control www.treas.gov/offices/enforcement/ofac
Bureau of Industry and Security (BIS) Help Desk, Washington, DC 202-482-4811 Western Regional Office, Los Angeles/ Newport Beach, CA 949-660-0144 Western Regional Office, San Jose, CA 408-351-3378	
Directorate of Defense Trade Controls, U.S. State Department, Washington, DC Response Team 202-663-1282 D-Trade Questions 202-663-2838	