



February 23, 1994

FTSR LETTER NO. 163

TO: U.S. Customs Service Headquarters, Department of
Commerce District Offices, Freight Forwarders,
Exporters, Exporting Carriers, and Others Concerned

From: Bureau of the Census

Subject: Proper Reporting of Exports of Merchandise Previously
Imported for Repairs or Alterations, and Replacement
Parts

This replaces FTSR Letter No. 141. Shipper's Export Declarations (SEDs) covering merchandise being exported after having been imported for repairs or alterations (processes that do not result in the creation of a new product) in the United States should contain a statement in the description column clearly indicating such exportation as "merchandise being returned or otherwise exported after repair or alteration in the United States."

The value reported on the SED for such merchandise should reflect only the cost of the repairs or alterations (including parts and labor). If no charge is made for the repairs or alterations, such as repairs under warranty, report a value representing the cost of such repairs or alterations to the manufacturer. The merchandise should be reported as "domestic" under Schedule B number 9801.10.0000 with the proper shipping weight reported.

If the value of the repairs or alterations is \$2,500 or less and the merchandise is being shipped under any general license destined to Country Groups T or V (see the Export Administration Regulations, 15 CFR, Parts 770), Puerto Rico, or the Virgin Islands of the United States, no SED is required. If the above conditions are met, the following statement must appear on the bill of lading, air waybill, or other loading document for use by the exporting carrier: "No SED required-value of repairs or alterations \$2,500 or less".

The exportation of replacement parts, including warranty replacement, for installation abroad should be reported under the Schedule B number for such parts and valued at the selling price or cost, if not sold.

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