



March 5, 1999

FTSR Letter No. 167

To: U.S. Customs Service Headquarters, Customs Management Centers, Port Directors, Department of Commerce District Offices, Freight Forwarders, Exporters, Exporting Carriers, Consolidators, and All Others Concerned

From: Bureau of the Census

Subject: Revision of Foreign Trade Statistics Regulations (FTSR) 15 CFR 30.7(p) to Require Exporters to Identify Exports of Foreign Military Sales (FMS) Shipments with a Specific Indicator Code

A final rule published in the *Federal Register* on August 3, 1998 (63 FR 41186) amends Section 30.7(p) of the FTSR, 15 CFR Part 30, by adding paragraph (p)(5) "Foreign Military Sales (FMS) Indicator." This provision became effective September 1, 1998 for paper filers and November 1, 1998 for electronic filers. The new provision requires exporters to identify those exports that represent FMS deliveries as follows: a) Insert an "M" indicator code in Item (16) on Form 7525-V and in Item (23) on the Form 7525-V-ALT (Intermodal) of the paper Shipper's Export Declaration (SED); b) Insert an "FS" Export Information Code on the Commodity Line Item Description (CL1) record on the Automated Export System (AES) record layout and; c) Insert a "3" indicator code in field 2 (Type) of the Automated Export Reporting Program (AERP)¹ record layout.

This requirement applies whenever an exporter is shipping merchandise or reporting the repair of military equipment under provisions of the Foreign Military Sales (FMS) program. In all FMS transactions, the indicator codes listed above should be used when filing the paper SED or filing export information electronically using the AES or the AERP. The Census Bureau is taking this action to assist the Bureau of Economic Analysis, Department of Commerce, in improving the accuracy and reliability of data collected on the value of exports made under provisions of the FMS program. Exports under the FMS program are a component of the U.S. balance of payments accounts and of the U.S. Gross Domestic Product (GDP). Every effort should be made by exporters, forwarding agents, and carriers to comply with these requirements.

If you have any questions concerning these requirements please contact the Regulations, Outreach & Education Branch, Foreign Trade Division on 301-457-2238.

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¹ The AERP program will expire December 31, 1999.