Teresa Telesco

From: Naomi Labonte <nlabonte@provenlogisticssolutions.com>
Sent: Tuesday, July 31, 2012 9:39 AM
To: Teresa Telesco
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Subject: BIS Request for Public Comments on Shipping Tolerances for Export Licenses

The Bureau of Industry and Security has issued a request for public comments to help it ascertain if changes should be made to its shipping tolerance regulations in order to make automatic calculation in AES feasible. BIS is particularly interested in whether a flat percentage should be applied to the dollar value of all controlled items to calculate shipping tolerance or whether another method of calculation should be employed.

Comment: The automatic calculation in AES for shipping tolerance is an excellent concept. However, in determining the percentage to be used to calculate the deduction for the inland freight, packing costs, insurance and all fees up to delivery at port of export for license there needs to be input across all sectors of the industry. The cost for transportation and handling fees for EPC (Engineering, Procurement & Construction) as well as Oil & Gas companies may be significantly higher than the cost for other types of goods. Input across all industry sectors will be required to arrive at a median percentage. Another alternative is to program AES to allow the USPPI/Exporter to input the actual value for these costs in a separate field that would draw down the reportable value on the EEI in order that there is a true measurement of the material value against the licensed value.

Regards,

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