

Item 5

Verne, B. Michael

From: [REDACTED]
Sent: Thursday, July 28, 2011 10:55 AM
To: Verne, B. Michael
Subject: New Item 5 Questions

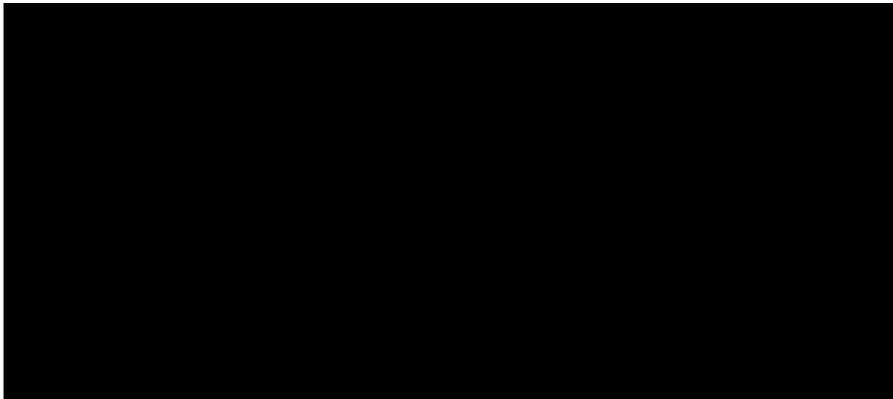
Good morning Mike,

Hope all is well.

We have a few questions about new Item 5 revenue reporting. Reading the Federal Register and the new instructions with regard to products manufactured outside the U.S. but sold in or into the U.S., there is no mention of "U.S." revenues. Are you looking for all sales of such products since if some are exported to the U.S., all could be exported to the U.S.?

On a related note, if a product is manufactured outside the U.S. and transferred to an independent wholesaler outside the U.S., are revenues caught in new Item 5 as the wholesaler may then sell the products into the U.S.? And, even if the wholesaler outside the U.S. is part of the manufacturer, would intercompany revenues be included in new Item 5 since the products may be sold into the U.S.?

Thanks for your help,
[REDACTED]



- 1) We are only looking for sales of the products into the US, not total sales of those products
- 2) No – if a foreign manufacturer sells products to a third party foreign distributor, those revenues are not reported, even if the third party sells some or all of the products into the US.

BW
7/28/11