



THE PORT
OF LOS ANGELES 

AMERICA'S PORT®

FOREIGN-TRADE ZONE 202

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San Pedro, CA
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Agenda:

- History and Purpose
- Functions
- Sites/Zones and Agreements
- Benefits and Activities
- Revenues and Expenses

Foreign-Trade Zone (FTZ) – History and Purpose



- Federally approved through legislation in 1934
- An area inside the United States that is designated as being outside U.S. Customs and Border Protection (Customs) territory
- Facilitate international trade
- Create economic development and jobs

FTZ – Functions

- FTZ Board
 - Establishes rules and regulations to operate zones
- U.S. Customs and Border Protection (CBP)
 - Responsible for activation, enforcement, physical security, and access requirements of FTZ sites
- Grantee – Port of Los Angeles
 - Executes and monitors agreements with operators and property owners
 - Promotes FTZ Program
 - Manages zones as a public utility

FTZ – Sites/Zones and Agreements

FTZ No. 202 Service Area



- Sites/Zones:

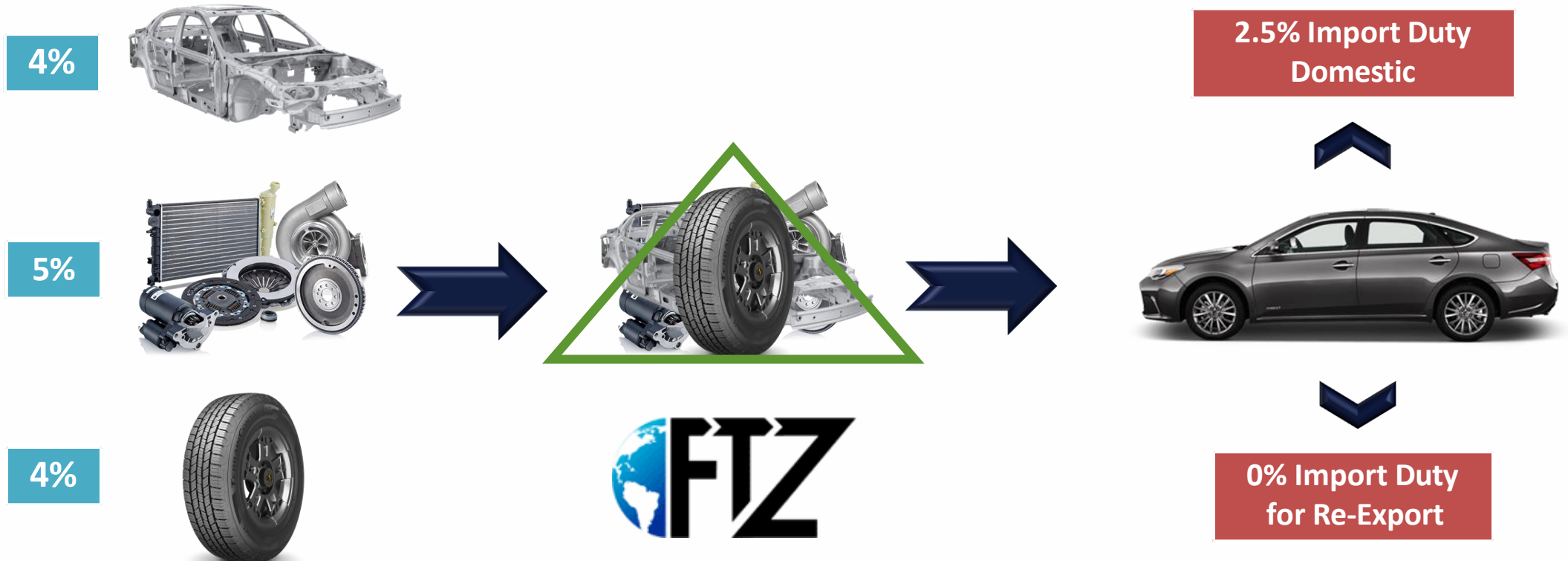
- Magnet Site: Intended to serve or attract multiple operators or users
 - Industrial park, a port and airport region
- Usage-Driven Site: Tied to a single operator with one or more users
 - Individual company's facility
- Subzones: Special-purpose zones, approved for a specific use

- Agreements (Five Years with Three, Five-Year Extensions):

- Developer: Landowners to develop and promote the FTZ Program
- Operating: Site operators to run the day-to-day operations at FTZ warehouse/facility under CBP rules and regulations

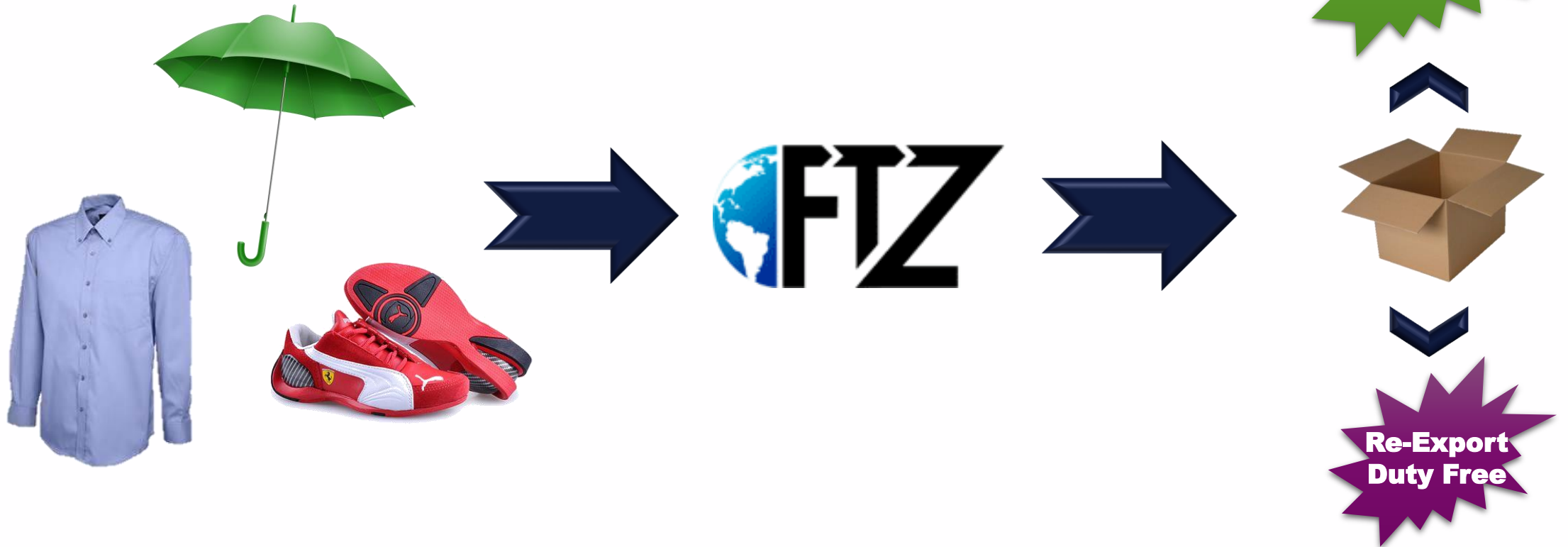
FTZ – Duty Reduction (Inverted Tariff Relief)

Example:



The duty rate is calculated on the value of the assembled product

FTZ – Duty Deferral



Duties are paid when goods are withdrawn from the zone



Port of Los Angeles - FTZ No. 202 – Highlights

(2023 Annual Report)

- **Established:** July 14, 1994
- **Total Acres:** 6,837.63 acres*
- **Magnet Sites:** 6 (6 Active Operators)
- **Usage-Driven Sites:** 32 (24 Activated Sites)
- **Subzone Sites:** 3
- **Active Sites:** 32
- **Active Operators:** 35
- **Total Employment:** 2,828
- **Customs Duties collected:** \$215 million
- **Value of Merchandise Moved:** \$10.7 billion

* (LA, Orange, San Bernardino, and part of Riverside Counties)

FTZ No. 202 – Revenues and Expenses

- Fees per Port of Los Angeles FTZ Tariff No. 2
 - Application Fees
 - \$2,500: Minor Boundary Modification Usage-Drive Sites and Expansion Application to establish a new Magnet Site
 - \$5,000: Manufacturing/Production Authority and Scope Determination Request
 - \$15,000: Subzone Application
- Activation Fee: \$5,000
- Annual Fees
 - \$7,750: Operators within Magnet and Usage-Driven Sites
 - \$10,000: Subzones and Single Usage-Driven Site Operators
- FY 2023 Revenue: \$265,818 collected in FTZ Fees
- FY 2023 Expenses: \$4,538 (FTZ consulting services)



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THANK YOU



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