Port of Los Angeles
FTZ Workshop 2022

Presented
By
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Agenda for the Day

• Current Global Trade Trends
• FTZ Program Developments
• Annual Reporting
• FTZ Designation Process
Current Global Trade Trends

• Changes with new Administration
  • China
    • No immediate change to 301
  • EU
    • Changes to the 232
    • New Tariff

• Forced Labor
  • What is your risk?
Current Global Trade Trends

• The Logistics of Today
  • Impacts to delays
    • Pandemic
    • Equipment Shortages

• Services
Current Global Trade Trends

• Single Source
  • Chips
  • Key Parts
  • Subcomponents

• E-Commerce (321)
  • Impact for FTZ Operations
  • Impact for CBP
  • Current Trends and Discussions
FTZ Program Developments

• Continued Issue of Punitive Tariffs
  • Changes to the Programs

• Demand for FTZ Space

• Increase in Zone Activity
  • Number of Zone Sites
  • Expanded Product mix
  • Zone Managed Services
FTZ Program Developments

• Operational Developments
  • Production/Manufacturing
    • Smaller Production operations
    • Export Only Production
  • Continued increase in Exports from a Zone
    • What is an export?
    • Where can we ship?
    • What can we not pay?
FTZ Program Developments

• Where can I find out about all these changes?
  • NAFTZ
    • Events
    • Education
    • Webinars
    • Advocacy
The Annual Report

- Do you have your Log In?
  - New Zone Operators need to notify the Grantee if they do not have theirs
- Do you understand the process?
  - The online system has experienced some glitches
  - Do you have all the information you need?
- Anything you think you need from the Grantee?
Part I – Summary of Activity – Zone Project

• Narrative Summary of Zone Activity
• Growth in Shipments, Activities and Operations
• Improvements in Zone Services and Facilities
• Promotion and Marketing Efforts
• Summary of GP Zone Activity
Part II – Use of Zone by Business Firms

• Number of Businesses Served (Activated)
• Manufacturing and Processing in the GP Zone
  • Ensure that the business was authorized by the FTZ Board
  • Note any restriction and compliance measures
The Annual Report

Part III – Movement of Merchandise

• Number of Items Handled and number of Countries of Origin – this year versus last year

• Merchandise in the Zone at the beginning and end of the Fiscal Year, domestic and foreign
  • Ending last year should equal the beginning of this year
  • Domestic merchandise includes domestic-origin and foreign duty-paid
Part III – Movement of Merchandise (cont’d)

• Movement – merchandise received, and merchandise forwarded:
  • Includes indirect exports as “Forwarded – To Foreign Countries”
  • Beginning Inventory + Total Received – Total Forwarded = Ending Inventory
• Explain discrepancies, e.g. scrap, destruction of merchandise, physical inventory correction
Part IV – Subzone Activity

• Separate guidelines for Oil Refinery Reports

• Report for each Subzone given to the Grantee for inclusion in the Grantee’s Annual Report

• Employment and Movement of Merchandise – much the same as the GP Zone numbers

• The data in the Annual Report format must be provided as non-proprietary, both to FTZ Board and the Grantee, if a public agency
The Annual Report

Additional Information Requested by Grantee

• Operators
  • A copy of the current year’s Certification letter to CBP
  • Updated contact information
  • Any updates to the Procedures Manual
  • Activated square footage
  • A NEW ACTIVATED AREA MAP
Additional Information Requested by Grantee

- Developers
  - A recent site plan
  - Update on new construction
  - Update on occupancy
  - Marketing efforts for the year
  - Marketing plans for next year
FTZ Designation Process

• Application for FTZ Designation
  • Type of Applications
    • Site
    • Production/Manufacturing
  • The Request
    • Sponsorship
    • Explanation of Application Requested
FTZ Designation Process

• Application for FTZ Designation
  • The Review
    • Qualifications of the Site/Process
    • Location of the Site
    • Sensitivity of Commodities
  • The Submission
    • FTZ Board Guidelines
    • Concurrence
FTZ Designation Process

- Activation of the Zone Site
  - Grantee Sponsorship
    - Site information
    - Operations proposed
    - Commitment of Operator
  - Grantee Approval
    - Meets Guidelines
    - Operator Agreement
Questions and Answers

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